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STRATEGIC AND FINANCIAL PLAN (2000–2003)

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NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

The Strategic and Financial Plan 2000–2003 has been prepared under the primary responsibility of the Strategy and Policy (SP) Division, in close collaboration with the Office of Budget (OEDB). Senior managers at headquarters and in the field have been consulted and their comments incorporated in finalizing the document. A Steering Committee and Working Group have been responsible for supervising the process of planning under the overall guidance of the WFP Executive Staff.

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 member(s) listed below, preferably well in advance of the Board session. This procedure is designed to facilitate the Board's consideration of the document in the plenary session.

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Contents

	Page
INTRODUCTION	5
	Paragraphs
I. THE PROGRAMME	1—31
(A) INTERNAL SITUATIONAL ANALYSIS	2—15
WFP's vision	3
WFP's Mission Statement	4
Description of WFP's programme	5—12
Other activities	13—14
Review of the current Strategic Plan: 1998–2001	15
(B) EXTERNAL SITUATIONAL ANALYSIS	16—31
II. THE STRATEGIC PLAN	32—128
Assumptions underlying the Strategic and Financial Plan 2000-2003	33—51
The strategic approach	46
WFP's objectives 2000–2003	47
The strategy	48—51
2000–2003: Strategic priorities for a people-centred approach to programming food aid	52—98
2000–2003: Strategic priorities for organizational capacity and resources	99—127
III. THE FINANCIAL PLAN	128—152
Financing systems	130—136
Key assumptions of the financial plan	137—147
Projected resources and their utilization	140—147
Development	148
Emergency Operations (EMOPs)	149
Protracted Relief and Recovery Operations (PRROs)	150
Special Operations	151
Other activities	152
RECOMMENDATIONS	153
	Page
ANNEXES	
I. Sources of funding by programme category	46
II. Sources and utilization of funds	47
III. WFP's Mission Statement	49





Introduction

The Strategic and Financial Plan for 2000–2003 is presented to the Executive Board of the World Food Programme (WFP) in accordance with WFP General Regulation XIV.4. The document reflects the directives given by the governing body and the advice of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the FAO Finance Committee, viz:

- a) a four-year Strategic and Financial Plan should be prepared every two years on a rolling basis;
- b) the principle of a flexible Programme Support and Administrative (PSA) Budget should be adopted, based on the level of activities;
- c) factors critical to success and indicators to allow assessment of progress should be included in future plans;
- d) these plans should include greater coverage of risks, problems and constraints;
- e) all aspects of the Strategic and Financial Plan should meet the criterion of cost-effectiveness; and
- f) the Strategic and Financial Plan should make clear the linkages of priorities to strategy, budgets, activities and staffing in the organization.

WFP's current Strategic and Financial Plan, covering 1998–2001 (WFP/EB.A/97/4-A), was considered by the Executive Board at its Annual Session of 1997 and implementation began in January 1998. During its first year of implementation, considerable progress has been made in the ten priority areas of the Plan—the policies and guidelines are largely in place and are being operationalized. After reviewing WFP's context and progress in implementing the four-year plan, WFP proposes to continue pursuing the same priorities over the period 2000–2003. The outcomes of the Food Aid and Development Review will be incorporated in Operational Priority 5 and a greater results orientation introduced for each priority area.





I. The Programme

1. This section comprises two situational analyses: (A) an analysis of WFP and (B) an analysis of WFP's external environment. These two analyses provide the information base for the strategy and planning for the period 2000–2003 that are presented in Section II.

(A) INTERNAL SITUATIONAL ANALYSIS

2. The internal situational analysis commences with WFP's Vision, its Mission Statement and a description of the Programme's current operational activities. It then summarizes the current Strategic and Financial Plan of the organization and the progress that has been made in implementing the priorities during the first year.

WFP's vision

3. The vision of WFP is of a world in which every man, woman and child has access at all times to the food needed for an active and healthy life. Without food, there is no sustainable peace, no democracy and no development.

WFP's Mission Statement

4. The Mission Statement, approved by the Governing Body in 1994, is summarized below. The full text is contained in Annex III of this document.

“WFP is the food aid arm of the United Nations system. Food aid is one of the many instruments that can help to promote food security, which is defined as access of all people at all times to the food needed for an active and healthy life. The policies governing the use of World Food Programme food aid must be oriented towards the objective of eradicating hunger and poverty. The ultimate objective of food aid should be the elimination of the need for food aid.

Targeted interventions are needed to help to improve the lives of the poorest people—people who, either permanently or during crisis periods, are unable to produce enough food or do not have the resources to otherwise obtain the food that they and their households require for active and healthy lives.

Consistent with its mandate, which also reflects the principle of universality, WFP will continue to:

- *use food aid to support economic and social development;*
- *meet refugee and other emergency food needs, and the associated logistics support; and*
- *promote world food security in accordance with the recommendations of the United Nations and FAO.*

The core policies and strategies that govern WFP activities are to provide food aid:

- a) *to save lives in refugee and other emergency situations;*
- b) *to improve the nutrition and quality of life of the most vulnerable people at critical times in their lives; and*
- c) *to help build assets and promote the self-reliance of poor people and communities, particularly through labour-intensive works programmes.”*



WFP will review its Mission Statement and Vision to take account of changes since their approval and to ensure their appropriateness for WFP's role into the new millennium. Any revisions will be submitted to the Executive Board for its consideration.

Description of WFP's programme

5. Since 1996, WFP has been progressively introducing a country programme approach. This approach is designed to ensure complementarity among WFP's activities within a country and to integrate WFP's development activities with national government priorities, policies and programmes in concert with the programmes of other United Nations agencies. The development of Country Programmes and the Country Strategy Outlines upon which they are based are prepared in conjunction with Country Strategy Notes, United Nations Common Country Assessments, and United Nations Development Assistance Frameworks (UNDAFs) where these exist. Country Programmes have been developed and approved for 19 countries. By the end of 2001, 35 Country Programmes will have been presented to the Executive Board, three of which will be second generation programmes.
6. Since 1996, WFP has phased out its development activities in 24 countries. These countries, while still requiring development assistance, have graduated from the need for WFP food assistance for the most needy people. WFP will add countries to its development programme and continue to graduate other countries as their circumstances change, either creating or removing the need for food aid assistance.
7. WFP's activities are grouped in four programme categories:
 - a) Development, rehabilitation, disaster preparedness;
 - b) Emergency relief;
 - c) Protracted relief and recovery; and
 - d) Special operations.

a) Development

8. Activities in this category support social and economic development, rehabilitation, disaster preparedness and technical assistance to help developing countries establish or improve their own food assistance programmes. Activities assist national governments to realize their development objectives through assisting the hungry poor to create assets and develop skills that benefit themselves and their communities. Activities are programmed to give priority to least developed countries (LDCs) and low-income food-deficit countries (LIFDCs). The intention is to have always at least 90 percent of WFP development resources devoted to LIFDCs and at least 50 percent to LDCs. Vulnerable people are targeted for assistance in countries with the greatest need for increased resilience to disasters, rehabilitation following disasters, or for the development of hungry, poor people.
9. This category of activities is currently being reviewed under the Food Aid and Development process initiated by the Executive Board. Consultations, within the review, indicate that development activities will in future emphasize the role of food aid in bringing hungry poor people to development opportunities—to make the bridge between consumption and investment. In partnership with other development agencies, activities will have increased focus on gaining and preserving assets, meeting the needs of women and children and using participatory approaches to build local development capacity.



TABLE 1: DEVELOPMENT ACTIVITIES IN 1998 BY REGION,
EXPENDITURE IN US DOLLARS AND NUMBER OF BENEFICIARIES

Region	1998 expenditure (in million US\$)*	Number of beneficiaries (in millions)
Sub-Saharan Africa	81.0	4.3
Asia	102.0	10.2
Latin American and Caribbean	49.3	3.3
North Africa & Middle East	22.0	0.6

* Provisional figures based on the 1998 interim accounts.¹

b) Emergencies

10. The emergencies programme category (EMOPs) covers activities that are responses to acute emergency needs requiring food aid assistance because normal access to food is no longer possible. The emergencies arise from man-made and natural causes such as wars, civil wars, civil disturbances, economic crises, droughts, floods, earthquakes and hurricanes. EMOPs are normally of a maximum duration of two years.

TABLE 2: EMERGENCY ACTIVITIES IN 1998 BY WFP REGION,
EXPENDITURE IN US DOLLARS AND NUMBER OF BENEFICIARIES

Region	Number of activities	1998 expenditure (in million US\$)*	Number of beneficiaries (in millions)
Sub-Saharan Africa	37	371.1	13.5
Asia	11	251.7	31.4
Latin American and Caribbean	13	11.3	1.7
Middle East and North Africa	1	6.8	0.33
Europe and CIS	8	56.1	3.2

* Provisional figures based on the 1998 interim accounts.

c) Protracted Relief and Recovery

11. Natural and human-induced crises displace large numbers of people as refugees and internally displaced persons. Accompanying this population displacement and exposure to violence is the erosion of social structures and human capital; damage to housing, schools, health facilities and infrastructure; and reduction of productive capacity. Assistance is needed in these circumstances to help people stabilize and secure their livelihoods, prevent further deterioration in social and economic structures, establish foundations for recovery and reconciliation and to help avert future emergencies. This assistance is provided by WFP through the protracted relief and recovery activities. A strategy to guide relief through the recovery phase to development is designed as early as possible, even during the preceding emergency activity, and is reviewed as the situation moves into the period of protracted relief; thus WFP assistance extends from crisis to recovery.

¹ Not including non-food items.



TABLE 3: PROTRACTED RELIEF AND RECOVERY ACTIVITIES IN 1998 BY REGION, EXPENDITURE IN US DOLLARS AND NUMBER OF BENEFICIARIES

Region	Number of activities 1998	1998 expenditure (in million US\$)*	Number of beneficiaries (in millions)
Sub-Saharan Africa	12	167.5	2.9
Asia	11	42.0	3.1
Middle East and North Africa	2	8.5	0.1

* Provisional figures based on the 1998 interim accounts.

Note: In 1998, the Executive Board modified the Protracted Relief Operations programme category to include recovery activities. It renamed the programme category: Protracted Relief and Recovery Operations.

d) Special Operations

12. In extraordinary circumstances, it is sometimes necessary to rehabilitate and enhance transport infrastructure to permit speedy and efficient delivery of food assistance to meet emergency and protracted relief needs. The need for these special operations is difficult to predict prior to the emergency situation which gives rise to it.

TABLE 4: SPECIAL OPERATIONS IN 1998

Africa Region	1998 resource requirements (in million US\$)
Great Lakes	7.4
Horn of Africa	11.3
Angola	9.8
Liberia Regional	9.6

Other activities

13. In addition to the four main programme categories, WFP provides a range of services to donors at their request, in support of their bilateral food aid activities. The services are normally procurement of food, food transport, monitoring of the activity or a combination of these.
14. WFP participates in the Junior Professional Officers (JPO) programme to provide in-service training to young professionals.

REVIEW OF THE CURRENT STRATEGIC PLAN: 1998–2001

15. WFP's Strategic and Financial Plan (SFP) for the period 1998–2001 set 10 priorities, 6 operational and 4 related to support. Below is a review of progress in the priority areas.



1998–2001 Strategic Priorities for a People-centred Approach to Programming Food Aid

Priority 1: Strengthen WFP's knowledge base

- **Engage actively with others to open up partnership opportunities.**
- **Develop thorough understanding of country-specific circumstances.**
- **Support country office Vulnerability Analysis and Mapping (VAM) capacity.**

Progress:

- WFP's active involvement with the implementation of United Nations reform measures such as the United Nations Development Group (UNDG), Common Country Assessments (CCA), and United Nations Development Assistance Frameworks (UNDAF) has expanded the knowledge of WFP staff and helped to build stronger partnerships between United Nations agencies and other development and relief organizations at the field level. Working in a country team, sharing information and developing a clearer understanding of the problems and issues in each country has enabled the creation of a better informed and more coordinated approach to development.
- Work has begun on preparing an agreement between WFP and the Food and Agriculture Organization of the United Nations (FAO) to improve collaboration in the provision of assistance for relief and recovery. An MOU on collaboration in food security was signed in March 1999.
- Workshops have been conducted for WFP Country Directors and representatives of the Office of the United Nations High Commissioner for Refugees (UNHCR) from countries where there are joint refugee operations. The workshops enabled experiences in implementing the 1997 Memorandum of Understanding (MOU) to be shared and reviewed.
- An MOU between WFP and the United Nations Children's Fund (UNICEF) clarifying respective responsibilities was signed in 1998.
- WFP is working with more than 1,100 non-governmental organizations (NGOs) worldwide, of which 250 are international and the balance national and local NGOs. Seventy-five percent of all development projects and eighty percent of relief operations include partnership arrangements with NGOs, with NGOs often acting as WFP's main implementing partner. Almost all WFP country offices have partnerships with NGOs, and WFP has MOUs on collaborative working arrangements with 13 NGOs.
- The WFP VAM Unit now provides food security analysis in 40 countries. VAM helps to provide WFP with a strengthened knowledge base. For example, VAM Afghanistan has been able to show where food aid is most appropriate, thus enhancing the ability of WFP to work with partners in common programming, as well as to refine the criteria used to target food aid and to assess more accurately the tonnage of food required both under stable conditions and in emergencies to ensure food security.

Priority 2: Sharpen WFP's focus on countries with the greatest need for food aid

Focusing on LDCs:

- **Provide direct support to counterpart implementation capacity.**
- **Adopt realistic project designs with simple objectives.**



- **Diversify partners; involve NGOs, and local communities in project selection and design.**
- **Strengthen staffing and support to country offices in LDCs.**

Progress:

- The Executive Board reviewed measures to enhance WFP's programming in the poorest countries, which included a strategy to improve country capacity analysis and planning, management, goal setting, programme development, delivery instruments and merging relief into development. The Board approved the proposed strategy for implementation.
- Guidelines for country offices to implement the enhancement strategy were prepared and are now being implemented. The Programme Review Committee ensures that the strategy is used as the framework of each programme proposal it considers.
- WFP reached its 1997 target of at least 90 percent of development resources being programmed in low-income, food-deficit countries (LIFDCs) and at least 50 percent in least developed countries (LDCs).
- WFP regards operational expenditures as the basis on which the focus upon LDCs should more properly be judged. The proportions of expenditure in LDCs for the last four years are shown below. WFP reached the figure of 50 percent of development expenditure in LDCs in 1998 and is programming resources to at least maintain this level in future years.

TABLE 5: WFP OPERATIONAL EXPENDITURE FOR DEVELOPMENT IN LDCs
(IN US DOLLARS)

	1995	1996	1997	1998
Total	340 843 893	279 091 000	332 691 000	254 318 000
LDCs	144 688 444	117 991 800	161 679 000	127 332 000
LDCs (%)	42.5	42.3	48.6	50.1

WFP assistance to non-LDCs:

- **Help governments to assume greater responsibility.**
- **Negotiate cost sharing.**
- **Include explicit exit strategy in programme for phase-out of assistance.**

Progress:

- The Executive Board approved proposals for improving WFP's support to countries graduating from WFP food aid assistance to national programmes. These proposals included increased information exchanges and training opportunities, assessments, advisory services, and continuing communication between WFP and the governments throughout and following the transition.
- As a part of the information sharing improvements, an annotated inventory of food-related institutions was compiled by WFP and distributed to staff and relevant government agencies.



- WFP provided technical assistance to Paraguay to prepare options for the country to undertake its own national school feeding project. The options paper included advice from UNESCO and the American School Food Service Association.
- Phase-out strategies and cost sharing arrangements are regularly checked by the Programme Review Committee in its consideration of Country Programmes and development projects. The Committee is looking for the proportion of activity costs to be borne by the recipient country to be in line with the capacity of the country.

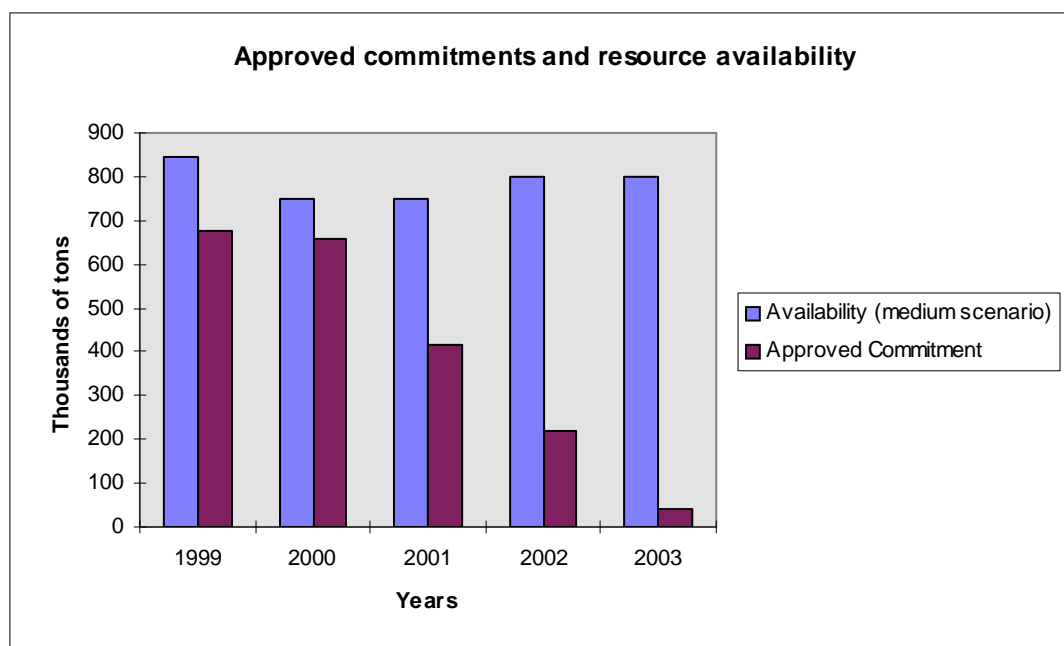
Resourcing country programmes:

- **Consider financeability and marketability of country programmes.**
- **Sharpen resource allocation method from multilateral window.**
- **Manage past commitments and future pipeline.**

Progress:

- The allocation method for resourcing activities has been reviewed and adjustments made to ensure the most effective use of resources.
- In preparing new country programmes and projects for approval, WFP has taken into account the need to present activities in a manner that facilitates their support by donors. At the field level, WFP has increased its liaison with donor representatives and its awareness of donors' policies and activities so as to better tailor WFP activities to benefit from, complement and contribute to the work of other entities in ways that foster financial support from donors. This approach was reviewed at the 1999 WFP Global Meeting, at which experiences were shared and new approaches suggested. The new resource and long-term financing policies approved by the Executive Board in early 1999 mean that WFP must adopt a more business-like approach in the preparation of Country Programmes because, henceforth, the Board will be invited to consider simultaneously the country programme of activities and the direct support costs (mainly country office costs) of delivering that programme. The continued viability of country offices will hinge upon their ability to gain support for their activities to meet the expanded range of cost items funded as direct support costs rather than through the PSA budget.
- The level of outstanding commitments for development activities is now balanced, with the resources projected to be available, the planned level of resources required to implement the approved activities and operational factors that may reduce the rate of implementation. Graph 1 shows the commitments and resource availability for new activities over the years 1999–2003. WFP plans to present new country programmes and project proposals to the Executive Board (the provisional timetable for country programmes is show in Table 6) so that commitments closely match the available resources. WFP now has scope to consider further commitments for development activities through its successful reduction of its previously high outstanding balance of commitments.



Graph 1: COMMITMENTS AND RESOURCE AVAILABILITY FOR NEW PROJECTS

Note: Approved commitments comprise Country Programmes and projects. The difference between the projected level of resources and the commitments in each year is the tonnage available and which will be allocated as new country programmes and development projects are approved.

Priority 3: Increase the targeting of resources on women and children

- **Improve Mother-Child Health care (MCH) programmes.**
- **Address gender gaps; support grassroots non-formal education for women.**
- **Incorporate gender-sensitive analysis into intervention designs.**
- **Empower women to manage food aid.**
- **Increase the number of women staff and monitors.**

Progress:

- Building upon its successful 1997 seminar, “Ending the Inheritance of Hunger”, WFP developed a comprehensive set of policy proposals for improved MCH activities.
- Guidelines for the implementation of the MCH policy have been developed and are in use by country offices.
- A gender glossary has been written in four languages to assist in practical gender analysis. This has been provided to all gender focal point staff throughout the Programme.
- Gender sensitive analysis techniques are being applied to emergency and protracted relief and recovery operation (PRRO) activity design and assessed by the Programme Review Committee (PRC) in considering activity proposals.
- The gender technical staff capacity has been strengthened to two senior advisers in headquarters and recruitment has been initiated for a regional adviser to be located in Nairobi.
- In 1998, WFP undertook a mid-term review of its gender policy implementation and identified areas in need of greater attention. The review stressed the need for gender considerations to be elevated to a higher level through a more strategic approach, by



which activities would be designed with gender equity in mind from the outset, thereby mainstreaming gender requirements.

- The WFP Gender Action Fund was re-established with a budget of 1.5 million dollars.
- Gender action plans have been developed in most of the countries where WFP operates.
- Progress in increasing the number of women staff employed by the Programme had been considerable but has recently slowed. Rigorous implementation of the recruitment policy to achieve gender equity in staffing is now required of all managers and has been incorporated in their Management and Appraisal of Performance agreements.

Priority 4: Promote national institution-building, and local capacity-building through broad-based participation

- **Increase support to national institutions in disaster preparedness, emergency management, logistics, VAM, and coordination of international food relief efforts.**
- **Pay due attention to traditional coping mechanisms and available assets, evolving market situations and potential commercial effect of food aid.**
- **Support emerging community-level relief/development committees and women's organizations.**
- **Maximize local and regional purchases and support recovery of local markets.**

Progress:

- WFP is providing technical support to government disaster preparedness and emergency management units in Lesotho, Madagascar and Mozambique, and introducing such support wherever and whenever its VAM capacity reaches an appropriate level.
- In southern Africa, WFP has concentrated on building staff capacity to use vulnerability analysis and periodic early warning information to develop region-wide contingency planning. In addition, regional networks have been developed with key partners to maintain and update information on the seasonal situation, expected weather patterns, policy initiatives and potential roles for food aid.
- Attention is now given to the enhancement of livelihoods, coping mechanisms, and market functioning in the design of all activities. The Programme Review Committee ensures that these considerations are given appropriate weight when considering activity proposals.
- Recently approved PRRO activities are using community-level relief and development committees and women's organizations as a key means of providing a flexible approach to move from relief to recovery activities as circumstances allow. In the process, the local capacity to plan, implement and monitor activities will be strengthened. Notable examples of this type of PRRO are those being undertaken in Afghanistan and Cambodia.
- WFP has continued to exceed 50 percent of its commodities being purchased from developing countries. In 1998, 60 percent of food was so purchased.



Priority 5: Adopt operational policies, practices and programmes to deliver effective emergency, rehabilitation and development assistance

Emergency:

- **Institutionalize contingency planning.**
- **Reinforce rapid response.**
- **Strengthen WFP's role in final distribution.**

Progress:

- WFP has developed a framework and guidelines for contingency planning. It is developing a contingency planning support tool and database—Joint Universal Long-range Information Analysis System (JULIA). The framework and guidelines for JULIA are nearing completion.
- WFP is continuing to support contingency planning exercises in many countries, for example, Afghanistan, Angola, countries of southern Africa and Cuba.
- The Augmented Logistics Intervention Team for Emergencies (ALITE) continued to be active in WFP's preparedness and stand-by arrangements.
- The WFP/United Nations Volunteers (UNV) Rapid Deployment Facility, funded by voluntary contributions to UNV to provide volunteers to WFP relief operations, has played a crucial role in supporting WFP's rapid response capacity in Bosnia and Herzegovina, Democratic People's Republic of Korea, El Salvador, Guatemala, Guinea, Honduras, Côte d'Ivoire, Liberia, Nicaragua, Tajikistan and Yemen.
- WFP's decentralization, by creating cluster and regional offices in the field, has strengthened its ability to respond rapidly to emergencies. This was illustrated in Central America when hurricane Mitch struck. The Regional Bureau in Nicaragua was able to allocate resources and coordinate a response that had food in place within two days of the disaster.
- WFP took a lead role with the Office for the Coordination of Humanitarian Affairs (OCHA) in setting standard guidelines and procedures to establish a Military and Civil Defence Unit (MCDU) Air Cell. It is intended that the Air Cell will be used by all United Nations agencies whenever they wish to request additional aircraft and aircraft-related assistance from military air forces to help with relief work.
- Many of the people affected by crises are not made refugees but are displaced within their own country's borders. These internally displaced persons (IDPs) have different needs from refugees and non-displaced victims of disasters, but these needs and the best means of meeting them are not well understood. WFP is conducting a review of its experience with IDPs that may result in a set of policy proposals for better operational practices.
- WFP has reviewed with UNHCR and their NGO partners the arrangements for food distribution under the UNHCR/WFP Memorandum of Understanding (MOU). This review resulted in a tripartite agreement which outlines the relationship that WFP and UNHCR have with the government or NGO implementing agency. Under this agreement, WFP and UNHCR jointly select the implementing partners. The mode of distribution is agreed upon jointly and reporting is done using the WFP format. WFP and UNHCR have a role in the monitoring of the final distribution and ensuring the food reaches the beneficiaries.

Post-crisis rehabilitation:



- **Reinforce pre-investment role of food aid.**
- **Mount timely and effective rehabilitation programmes which build upon activities started under emergency assistance.**
- **Explore ways to improve provision of resources for the transition from relief to development.**

Progress:

- A policy, "Crisis to Recovery", was developed and approved by the Executive Board to guide WFP's assistance to people in long-term relief situations that move between emergency, relief and development environments.
- The policy and the subsequent guidelines support innovative means to address complex problems and require a relief-to-recovery strategy to be created as soon as practical.
- The transition from relief to recovery often involves working collaboratively with NGOs and community-based organizations. The policy and guidelines recognize this important role of NGOs and is an aspect of the partnerships described under priority 1 on page 11.
- The Protracted Relief and Recovery Operation (PRRO) programme category has been introduced to replace the PRO category to facilitate funding and enhance WFP's capacity to respond to dynamic relief situations (see note under Table 3). PRROs for Afghanistan, Cambodia and Nepal were the first to be approved in 1998.
- A recent analysis of southern Africa indicates that WFP's development activities are for the most part located in marginal areas subject to recurrent drought, and the target populations are those most vulnerable to food shortfalls. WFP has specialized knowledge of local conditions and its activities are integrating mitigation measures into development and recovery programmes to reduce the likelihood of severe emergencies developing.

Improving dramatically the quality and performance of WFP development activities:

- **Participate actively in the United Nations country team to prepare Country Strategy Note (CSN).**
- **Continue to use Country Strategy Outline (CSO) and Country Programme (CP) for programming development.**
- **Establish realistic, measurable and people-centred success indicators.**
- **Intensify the use of assessment/monitoring techniques and tools.**
- **Enhance budgetary support, training and guidelines for monitoring.**
- **Consider the concept of regional projects/programmes.**

Progress:

- In January 1998, WFP began a major policy review of Food Aid and Development (FAAD) to clarify the particular advantages of food aid and to arrive at a clear focus for WFP development assistance. This is a highly consultative process involving outside experts with strong practical experience, representatives of Member States of the Programme, International Fund for Agricultural Development (IFAD), FAO, and other members of the United Nations system, international financial institutions and NGOs. A comprehensive set of background papers was provided for the first of a series of three consultations. A draft policy paper was discussed at a second consultation, and a revised policy paper with draft implementation plan was discussed at the third consultation on



7 April 1999. The Executive Board will consider the resultant proposals for an Enabling Development policy and an implementation plan in May 1999.

- The Enabling Development policy is expected to revitalize the development programme category by maintaining or increasing donor support through re-directing the whole approach to food aid for development to an agreed and more effective mode of assistance. The Enabling Development policy directions stress food aid should assist household trade-offs of the hungry poor to:
 - 1) meet the special nutrition and nutrition related health needs of young children and women;
 - 2) favour the education and training of girls and women;
 - 3) enable them to gain and keep assets;
 - 4) help mitigate the effects of recurring natural disasters; and
 - 5) enable those who depend on degraded natural resources to shift to more sustainable livelihoods.
- WFP actively participates in the United Nations Development Group (UNDG) thereby strengthening the policy coherence of interventions and contributing to a more unified United Nations presence at country level.
- The United Nations Development Assistance Framework (UNDAF) was piloted in 18 countries starting in 1997, and 11 of these were completed in 1998. WFP has been an active partner in the UNDAF process in the 12 countries where it has development activities and new UNDAFs are also being developed. The UNDAF and Common Country Assessment (CCA) process has had several benefits including: raising mutual understanding by government and agencies, providing greater information sharing and consultation and increasing willingness to cooperate in areas of common interest.
- WFP hosted and participated in an UNDAF training session in March 1998 which was attended by staff from 16 other agencies.
- WFP participated in the preparation of the provisional UNDAF guidelines and the joint assessment of the pilot phase.
- WFP is engaging constructively within the UNDG on the World Bank's proposal for Comprehensive Development Frameworks, which has implications for the coordination of development assistance and for the way WFP works.
- WFP is in the process of developing a new Programme Design Manual to provide all staff with better normative guidance on policies and practices. WFP continues to develop its Country Strategy Outlines and Country Programmes.



- The provisional timetable for the presentation of Country Strategy Outlines and Country Programmes to the Executive Board is shown below.

TABLE 6: PROVISIONAL TIMETABLE FOR PRESENTATION OF CSOs AND CPs TO THE EXECUTIVE BOARD

	EB/3 1999	EB/1 2000	EB/2 2000	EB/3 2000	EB/1 2001	EB/3 2001
CSOs	Cameroon Pakistan	Bangladesh Cambodia China Liberia	Colombia		India Nepal Sri Lanka	
CPs	Benin Guinea Lesotho	Chad Pakistan Tanzania	Cameroon	Bangladesh Cambodia	Liberia	India Nepal Sri Lanka

- The Office of Evaluation is focusing its attention on evaluating the impact on the lives of beneficiaries of WFP's Country Programmes as well as that of individual emergency, protracted relief and recovery, and development activities.
- The Executive Board and WFP have taken a number of initiatives to address environmental concerns in both relief and development interventions, including collaboration with UNHCR to identify sustainable environmental management practices in areas hosting large numbers of refugees.
- The Board approved policy proposals to ensure that environmental issues are systematically considered in the design and implementation of all interventions and programmes. WFP has developed guidelines for the implementation of the policy, which will be distributed in 1999.

Priority 6: Move the issues of hunger and poverty to the centre of the international agenda

- **Actively pursue the World Food Summit's Plan of Action.**
- **Strengthen country-level advocacy.**
- **Intensify efforts to make WFP known as the front-line agency tackling hunger and poverty.**
- **Develop informative tools for advocacy.**

Progress:

- WFP is contributing to the seven commitments of the World Food Summit Plan of Action by:
 - enabling marginalized hungry people to take advantage of development opportunities offered by WFP's development partners;
 - encouraging participation by the hungry poor to provide longer-term solutions to their constraints;
 - timing interventions for the period of need;
 - working in step with local markets;



- strengthening links between relief and development;
- promoting partnerships and attracting international agencies to invest in marginalized areas.
- Thus far, as part of a programme at senior management workshops, 116 senior staff have been trained in advocacy techniques and approaches; this training has been utilized in promoting the needs of the hungry poor in consultations with partner governments, and increased awareness among donors' field representatives and partner agencies.
- Advocacy training has been broadened to equip field staff with the skills to assist senior government officials to understand the links between poverty, hunger and areas such as health and education.
- A number of high-level consultations and seminars are being organized to promote the awareness of government ministers in partner countries of the conditions and constraints of their hungry poor and of possible avenues of assistance (for example, in Cambodia, Haiti and the Indian sub-continent).
- Basic news media outlets, such as television, newspapers, radio, wire services and the Internet, have been used to draw international attention to major humanitarian crises and inform the public of WFP's role. These crises have included those in Bangladesh, Central America, China, Democratic People's Republic of Korea, and southern Sudan.
- WFP commissioned a series of advertisements to raise awareness of WFP's role and activities thereby promoting support and understanding for the plight of hungry poor people. These advertisements were reproduced free in ten donor countries and in major publications with wide international circulations.
- A series of commercials were created and broadcast free on national and international television networks.
- WFP is working with the Society for International Development (SID) in the preparation of case studies of poverty and food aid for discussion at high-level seminars, and for subsequent publication. The high-profile participants arranged through SID contacts will bring to the attention of an influential audience the needs of the hungry poor and WFP's role.

1998–2001 Strategic Priorities for Organizational Capacity and Resources

Priority 1: The organizational change initiative

- **Consolidate decentralization process.**
- **Strengthen communication.**
- **Streamline procedures.**
- **Reinforce strategic planning.**

Progress:

- Building upon the significant gains achieved in 1997, as reported in the Status Report WFP/EB.1/99/3-B, in 1998 the Programme made solid progress:
- **Operations.** The Programme Review Committee is meeting regularly and has attained its turn-around target for approval of EMOPs.
- A streamlined system for programme approval has been implemented.



- Two additional regional offices were created and two of the four Regional Bureaux relocated to the field to bring decision-making closer to the beneficiaries.
- **Human Resources.** The Human Resources Division was re-organized and its staff trained to support increased delegation of authority. Officers were placed in six regional offices, thereby upgrading the management of national staff.
- **Training.** Executive Leadership Workshops on organizational change were held for all senior staff. These included 360-degree assessments of 135 staff to assist them to know better their own strengths and weaknesses as managers. A comprehensive training programme on security for all staff also was initiated. All WFP staff worldwide will be trained through this programme.
- **Procurement.** A thorough review of WFP procurement processes was begun. Development of a Non-food Items Procurement Manual was continued, with completion expected in 1999.
- **Transport and Logistics.** A Transport and Logistics manual was issued. The Commodity Monitoring, Processing and Analysis System was completed and tested and implementation has begun.
- **Financial Management.** A new Country Office Accounting Guide was completed and issued. Additional workshops on financial management were held and three additional regional clusters were prepared to process field financial information.
- **Communications.** Of the 81 country offices, 75 were electronically connected to headquarters and each other. A global telecommunications/information technology support plan was developed. Guidelines on electronic publishing and dissemination of information were prepared. WFP's internal web site began operations.
- **Advocacy/Resource Mobilization.** Guidelines were prepared for the local acceptance of contributions to the Programme.
- The 1998 review of the Organizational Change Initiative found, *inter alia*, that staff felt significant ownership of the change management process.

Priority 2: Building a new staff profile

- **Re-engineer Unified Service to be more mobile to lead major emergency operations and to possess a solid grounding in emergency management skills.**
- **Facilitate strategic human resource planning.**
- **Delegate recruitment of project contract and short-term staff to the field.**
- **Recruit, train and retain qualified national officers and staff.**
- **Provide enhanced training programme to fill the identified skills gap as well as to provide the emerging competencies required of all staff working in a changing environment.**

Progress:

- A comprehensive review of WFP's staffing policies for the International Professional Staff category began in 1998, with the objectives of better tailoring WFP's staffing to operational needs, providing a more equitable contractual environment for staff and simplifying personnel administration. WFP aims to implement the review's findings in 2000.



- WFP had nearly 5,000 employees at the end of 1998, almost 3,000 of whom had contracts of less than 12 months' duration. Short-term duration contracts provide some ability to reshape the staff profile as needs change.
- A second round of early retirement offers was made to professional staff and extended to general service and national staff. This will enable management to facilitate the separation of staff whose skills or preferred style of working no longer meet the Programme's needs.
- Staff recruitment has been delegated to the field, supported by the assignment of HR officers to regional and selected offices and on-line access to recruitment rosters for most offices.
- WFP is actively undertaking steps to meet the United Nations' goal for gender equity in staffing by the year 2001. It is pursuing a strong policy to recruit women and more than one third of new recruits in 1998 were women.
- A new Spouse Employment Policy was initiated in 1998 to help facilitate the recruitment and retention of International Professional staff, especially women.

Priority 3: Increased accountability

- **Support structural upgrading of financial management and accountability systems.**
- **Support systematic and timely information flow to donors.**
- **Support decentralization of key functions to regional and country offices.**
- **Establish data warehouse which allows access to crucial information for management decision-making.**
- **Enhance the culture of monitoring and evaluation.**
- **Conduct impact studies of specific projects/operations as well as strategic evaluation of key initiatives discussed in the Strategic Plan.**

Progress:

- The Financial and Management Improvement Programme (FMIP) has made substantial progress in developing eight major information systems that will significantly improve WFP's performance and financial accountability.
- The majority of these systems are expected to be completed and ready for testing in late 1999. During 2000, all of the systems are expected to be made fully operational.
- Over 90 percent of all WFP offices (75 of WFP's country and liaison offices) are connected to an organization-wide network providing data services.
- WFP issued its "Blue Book"—*Projected 1998 Needs for WFP Projects and Operations*—and three updated versions of its "Yellow pages"—*1998 Estimated Food Aid Needs and Shortfalls for WFP-assisted Projects and Activities*—to keep donors informed of activities and their resource status. WFP also held three formal resource consultation meetings and six ad hoc resourcing meetings with membership of the Programme to inform members of the needs for specific activities.
- The data warehouse facility has been constructed and its use is being actively promoted to replace superseded systems as the repository of statistical and other information.
- The Office of Evaluation is also focusing its attention on evaluating the impact on the lives of beneficiaries of WFP's emergency, protracted relief and recovery and development activities.



- The Office of Internal Audit and the Office of Inspector General have assisted field and headquarters staff to identify areas of accountability that require new procedures.
- The implementation of audit recommendations is monitored and reported directly to senior management.

Priority 4: Better mobilization of resources

- **Retain key donors at or above their current levels of contribution.**
- **Broaden donor base.**
- **Improve responsiveness to donor concerns and the ability to provide accurate and timely reports to donors.**
- **Implement the new Resource Mobilization System (RMS).**
- **Keep country-level donor representatives well informed of WFP's activities through regular meetings, reports and field visits.**
- **Enroll new funding sources to the Programme: corporations, foundations and support groups.**

Progress:

- In 1998, several Member States contributed to WFP for the first time and exceptionally generous contributions were received from a number of regular contributors. In general, the trend is for traditional donors to continue to contribute the major proportion of WFP resources, while other donors require a period of getting to know the Programme and building up contribution levels over several years. A strategy for encouraging private-sector contributions was developed and is being implemented in two countries with some early successes.
- WFP remains heavily reliant upon the same small group of major donors for the bulk of its resources.

TABLE 7: 1998 CONTRIBUTIONS TO WFP BY DONOR CATEGORY

Donor Category	Total Contributions in US Dollars
Member States and EC	1 722 769 153
Private Sector	3 189 052
NGOs	847 493
United Nations Agencies	442 022

- Benefits expected to flow from implementation of the new Resource and Long-term Financing (R<F) policies include: the ability to provide greater assistance to local partner NGOs and local institutions in capacity building, a PSA budget that is not affected by changes in the proportion of contributions directed to different programme categories, more flexible and multilateral contributions, and the ability to advance direct support costs as needed instead of waiting for sufficient confirmed contributions.
- The standard activity reports for 1997 are currently being finalized. This is far behind the timetable that WFP had planned, but changing information systems and the movement of key staff slowed report production and collation. WFP has already taken steps, such as training of replacement staff, to ensure that future reports appear in a more timely fashion.



- The Resource Mobilization System (RMS) has now been completed and is in operation at headquarters. It is being extended to field offices. Among other things, RMS greatly simplifies the registering and tracking of contributions, thus facilitating the development of reports.
- Members of the Executive Board have been able to see WFP's activities first-hand through field visits arranged by the Programme, for example to Central America and Ethiopia. These visits have helped to keep members of the Board informed of the field conditions and to see the results of WFP-supported activities.
- The Executive Board will consider a set of proposals for a comprehensive resource mobilization strategy during 1999 or 2000. The proposals will be developed by an in-house review and elaborated through a consultative process with the membership of the Programme. It is expected to result in further improvements in resource security, predictability and flexibility, and will give particular attention to the steps needed to achieve a greater percentage of contributions through the multilateral window.
- In 1998, the Programme received resources well in excess of the estimated levels. This indicates strong donor confidence and effective resource mobilization strategies.

(B) EXTERNAL SITUATIONAL ANALYSIS

16. The situational analysis of WFP's external environment comprises an assessment of the present and emerging external environment of WFP. Key external variables that will shape the context of WFP's work in the period 2000–2003 are:
- The number and location of chronically hungry poor people who can be assisted by food aid;
 - The number and location of acutely hungry poor people in emergency and other relief situations;
 - The resources likely to be made available to the Programme, as well as their form, conditions of use and predictability;
 - The prices of food commodities and the costs for transportation;
 - Advances in thinking with regard to development cooperation and humanitarian policies and practice, and best practice in organizational structures and functioning.
17. Each of these elements is briefly discussed below.
18. Despite international efforts to reduce by half the 1996 estimated **number of people in the world who do not have enough food to meet their basic nutritional needs** by 2015, recent estimates indicate that the number has grown and is now about 830 million. It appears likely that there will be over 800 million undernourished people well into the next millenium. Of these, most of the **chronic hungry poor** will be concentrated in Asia and Africa and will continue to be unable to access development opportunities without concurrent or initial food assistance. Their chronic undernourishment disenfranchises them by its reduction of their physical, psychological and physiological capacities and their tenuous food security prevents them from investing in development without jeopardizing their livelihoods.
19. The preconditions for **acute food emergencies** exist in a number of countries and may give rise to a significant demand for emergency food aid, according to the assessments made by major donors. Emergencies, natural or man-made, are not always easy to predict, but the trend in emergencies requiring food aid does not suggest that the number of people experiencing



acute undernourishment, currently over 50 million, will decline markedly over the next two years. An increase in emergencies may also result from current financial instability in regions of Asia and South America.

20. The **resources available to the Programme** are subject to a number of influences including the world prices of food commodities and ocean transport, and the development cooperation policies and priorities of donors.
21. Cereal food aid shipments are forecast to be about 9 million tons in the year July 1998-June 1999, but much of this will be programme food aid provided through bilateral arrangements and not channelled through WFP. Of global targeted food aid, about 55 percent is typically channelled through WFP. **Food aid deliveries** in 1998 amounted to 8 million tons or 10 percent more than in 1997. It is foreseen that 1999 total food aid deliveries will be still higher. It will always be difficult to predict food aid contributions for a four-year planning period. However, recent trends suggest that food aid channelled through WFP can be expected to remain at about the same level as in 1998 (minus the additional contribution of the United States) between 2000 and 2003.
22. **Commodity prices** have fallen over the last biennium as a result of the exceptional harvests in major exporting countries, reduced demand in East Asia caused by the financial crises experienced by several countries of that region and good harvests in some exporting developing countries. Whether prices continue to decline will depend, among other things, on production, the speed with which price support measures are reduced and the rate of recovery of countries experiencing financial crises. Predictions of prices and harvests are speculative, but WFP expects the international prices of its major commodities to begin to increase during the next budget biennium. As the prices of cereals tend to fluctuate, planning predictions should be based upon historical five-year averages to insure against market fluctuations.
23. Within the **international shipping** market, prices have also fallen over the last biennium, and are not expected by the industry to rise much above the present level within the next two years.
24. The price of commodities and the ocean freight rates are also significant for WFP because they affect the WFP Programme Support and Administrative (PSA) budget. Commodity costs and ocean freight rates constitute the major part of the direct operational cost (DOC) of activities. The PSA is obtained through a recovery rate on the estimated DOC and direct support cost for the coming biennium. Therefore, differences between estimated DOC, based on current prices, and actual DOC at future prices can cause the PSA to be underfunded.
25. The **World Food Summit** in 1996 agreed on a declaration and commitments to reduce the number of undernourished people in the world by half by the year 2015. It was clearly recognized that achievement of this goal would require the concerted effort of a wide range of actors. WFP has contributed significantly to many of the commitments and will need to continue its efforts if the timetable is to be realized. WFP is also contributing to achievement of the goals of the Fourth World Conference on Women, the World Conference on Education for All, and the World Summit for Social Development, and will continue to be guided by the targets and commitments of these global conferences.
26. WFP's major donors are pursuing similar **development cooperation goals** and it appears that they will provide a stable situation in regard to the policy environment of WFP over the period 2000-2003. This may not, however, be reflected in the level of development cooperation budgets. Official Development Assistance dropped from 0.25 percent of national income in 1996 to a record low level of 0.22 percent in 1997.
27. In May 1996, through the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee's (DAC) report, *Shaping the 21st Century: The Contribution of Development Cooperation*, OECD countries selected the following targets: a



reduction by one half in the proportion of people living in extreme poverty by 2015; universal primary education in all countries by 2015; elimination of gender disparity in primary and secondary education by 2005; a reduction by two thirds in the mortality rates for infants and children under age five and a reduction by three quarters in maternal mortality, both by 2015; access through the primary health-care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015; and the implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015.

28. These targets accord with agreed outcomes of world summits and enjoy very wide support from developing and developed countries. They are entirely consistent, where they involve people who are not only living in poverty but are also in need of food, with the Vision and Mission Statement of WFP. WFP's Food Aid and Development policy proposals also strengthen the focus of WFP's development food aid in support of a number of these targets.
29. **The Food Aid Convention (FAC)**, an international treaty under the International Grains Agreement, is currently being re-negotiated by its members. The FAC has provided a floor for annual food aid contributions, and some predictability of resources likely to be channelled through WFP. A re-negotiated FAC is planned to come into force in July 1999. Because members, most of whom are major donors to WFP, have yet to announce their annual commitments under the new convention, it is difficult to predict the effect the new convention will have on future food aid levels. This difficulty is compounded by new features likely to be incorporated in the convention, including the option of committing in terms of money or tonnage, the counting of food aid related costs against the commitment and the broadening of commodities and items that count against the commitments.
30. WFP's Organizational Change Initiative includes developing a greater **results orientation**. Many national governments are now in the process of introducing some form of results-based management in their public sectors and WFP can learn from their experience in deciding how to use a results approach in achieving its vision.
31. The Secretary-General's **reform process** for the United Nations has significant implications for the way in which WFP will operate in the SFP period. The innovation of a United Nations Development Assistance Framework (UNDAF) for each country will be refined and more widely applied as the experience of the initial 18 UNDAFs is used to improve and extend the use of this coordination and planning tool. Changes to the role of the United Nations Resident Coordinator and the United Nations Consolidated Appeal Process (CAP), together with strengthened, complementary partnerships between the United Nations, Bretton Woods institutions and other agencies, will promote complementarities and more efficient development cooperation. Each agency will need to exploit its comparative advantages and draw more from its partners' complementary strengths to ensure a holistic approach to assistance, which will be led by the national government's priorities and commitment. This process may be further advanced by its incorporation in the World Bank's proposed Comprehensive Development Framework which is currently under discussion.

II. The Strategic Plan

32. This section states the planning assumptions WFP has made based upon its assessment of its present status and its external environment as described in Section I. It then sets the Programme's objectives for 2000–2003, the strategy it will adopt and the actions it plans to take to give effect to the strategy.



ASSUMPTIONS UNDERLYING THE STRATEGIC AND FINANCIAL PLAN 2000-2003

33. WFP's Mission Statement continues to reflect the commitment of the Member States of the United Nations and FAO to assist the hungry poor survive, recover and develop in greater food security through the use of food aid, in partnership with other resources within and outside of the United Nations system.
34. The number of hungry poor throughout the world will continue to exceed 800 million into the next century. The majority will continue to be in rural areas but increasingly, substantial numbers will be located in urban and peri-urban areas in Asia and Africa.
35. WFP should assist as many hungry poor people as possible, wherever they are located, but should give priority to those most in need in the least developed countries and who can be appropriately assisted by food aid.
36. Food continues to be: (i) a valid instrument for development cooperation and is most effective in its specialized niche as an enabler of development for marginalized hungry poor people; and (b) crucial in most large-scale emergency and refugee crises.
37. Global food aid levels will remain difficult to predict over the plan's period, but WFP will receive contributions that provide about five million tons of food in each biennium, 2000-2001 and 2002-2003, with possible additional, ad hoc contributions.
38. Continued supply of resources to WFP will depend heavily upon it showing that it is systematically bringing its development activities in line with an agreed, modern approach to development food aid and that it is responding effectively and efficiently to development, emergency and recovery food aid needs through increased collaboration with the United Nations system and with other actors.
39. Resources for development activities will increase from recent levels, as the Food Aid and Development policy directions of the Executive Board are implemented. Contributions will provide about 1.5 million tons of food in 2000-2001 and 1.6 million tons in 2002-2003.
40. The level of resources contributed to meet emergency, protracted relief and recovery needs will provide about 3.6 million tons of food in 2000-2001 and 2002-2003 but may vary significantly in line with needs.
41. For planning purposes, commodity prices should be calculated using five-year historical averages, since prices are currently in a trough but may increase over the planning period, adversely affecting activity budgets and recovery of the PSA.
42. Ocean freight rates will remain at the current historically low rates at least until the end of 2001, and will only slightly increase by the end of 2003.
43. Positive and active involvement of WFP in advancing United Nations reform measures and ensuring that these are key elements of WFP's culture, policies and practice will contribute to improving WFP's effectiveness and coordination within the United Nations system.
44. By the end of the plan's period, Member States will require WFP to be a more results-oriented organization with more effective systems for performance information and accountability.
45. Change, uncertainty and large numbers of hungry poor people will remain the only constant factors throughout the plan's period; WFP must be organized, supplied, resourced, staffed and trained to be a highly flexible, mobile, responsive and a thinking-learning organization.



The strategic approach

46. Given the situational analyses and assumptions above, WFP will adopt the following strategic approach for the period 2000–2003 in order to position itself best to implement its Mission Statement and pursue its Vision.

WFP's objectives for 2000–2003

47. WFP's planning objectives for 2000–2003 will be to have effectively and efficiently:
 - a) Enabled at least 20 million hungry poor people per year to achieve greater food security and to have gained physical or human-capital assets through their consumption of WFP food linked to a development opportunity;
 - b) Minimized the loss of life and enhanced the recovery capacity of the targeted populations in all approved relief and recovery activities through the consumption of food provided by WFP;
 - c) Implemented its four major initiatives: the Financial and Management Improvement Programme (FMIP), Enabling Development, the Organizational Change Initiative (OCI), and the Resource and Long-term Financing (R<F) policy implementation;
 - d) Established WFP as a decentralized organization that is respected for its innovation, achievement of results, continuous improvement, responsiveness to change and knowledge of food aid and the hungry poor.

The strategy

48. The Strategic and Financial Plan 1998–2001 provided a sound basis for making important improvements to the Programme in the key areas denoted by its ten priorities. The Plan's assessment of the WFP environment was substantially correct and the ten priorities it set remain the key to continuous improvement over the next four years.
49. The first year of implementation of the Plan has seen substantial progress in all the priority areas. The policies and guidelines are in place and the operationalization of the guidelines has, in most instances, been started. The 1998–2001 planned actions constituted a four-year programme; it will require a further three of four years to implement them fully with the additional tasks of the Food Aid and Development policy proposals (Enabling Development).
50. Therefore, WFP's strategy for the period 2000–2003 will be for it to continue its emphasis on the same priority areas, but introducing a results orientation to support the process. The implementation of the Enabling Development Action Guidelines and R<F policy changes will be major components of operational priority five (operational practices, policies and programmes). As key enablers of progress for all priority areas, Enabling Development, FMIP, R<F, and OCI will be the foci of WFP's strategy.
51. These four major initiatives are interconnected and interdependent. They are complex and involve changes to basic procedures which must be made while the Programme continues to respond to emergencies, changing circumstances and the demands of its everyday work. They require considerable human resources to implement and will concern all areas of the organization.



2000–2003 STRATEGIC PRIORITIES FOR A PEOPLE-CENTRED APPROACH TO PROGRAMMING FOOD AID

Priority 1: Strengthen WFP's knowledge base

52. **Planned result:** WFP staff will be well informed on all relevant relief, recovery and development food aid issues centred on: who are the hungry poor, where are they located, what are the causes of their hunger and poverty and what are the opportunities to assist them.
53. **Actions:** WFP country offices will engage more actively with national authorities, other United Nations agencies, multilateral financing institutions, regional development banks and NGOs to deepen **WFP's understanding**, for each country of: local food production, constraints, commercial imports, market conditions, actors and mechanisms; and the livelihoods, coping strategies, social structures and institutions, and national policies and programmes.
54. WFP will involve local research institutions and authorities in **analytical and assessment work** including socio-economic and gender analysis.
55. The Vulnerability Analysis and Mapping (VAM) facility of WFP will continue to assist country offices in undertaking vulnerability analysis.
56. The Office of Evaluation will develop a system for disseminating throughout the organization **lessons learned** from evaluated activities to guide activity identification, design, implementation, monitoring and partnership building.
57. WFP will make available electronically to its field offices **information** needed for emergency and development programme preparation, advocacy and establishment of strategic alliances with partners. This information will include key statistical and thematic information from the World Bank and United Nations Development Programme (UNDP) reports and other major sources, as well as briefs on WFP policies and issues.

Priority 2: Sharpen WFP's focus on countries with the greatest need for food aid

58. **Planned result:** Country Programmes, activities and projects will be designed, implemented, monitored and evaluated as directed by the Executive Board in its decisions on Enabling Development. WFP's development food aid will continue to be directed in the following proportions by expenditure: at least 90 percent to low-income, food-deficit countries (LIFDCs) and at least 50 percent to least developed countries (LDCs).
59. **Actions:** WFP will place high priority on programming more development **food aid in LDCs through high-quality interventions**. It will also increase its efforts to develop the absorptive capacity of low-capacity LDCs through providing stronger support to implementation capacity-building. Where appropriate, WFP will provide additional support to national authorities that lack the ability to manage and monitor food-assisted programmes. WFP will collaborate with other sectoral agencies in providing institutional support so as to maximize the benefits of the programmes it supports, and will ensure sustainability in upgrading counterpart capacities. WFP's own advisory role will have to be strengthened and more training opportunities will be provided to counterpart staff.
60. WFP will **strengthen its staffing** in LDCs. It will ensure that the necessary staffing structure, skills profile and support facilities are provided. WFP will select staff with stronger experience in programme planning, project design and national capacity-building and with the ability to make full use of the opportunities provided by the R<F changes to assist LDCs.



61. When providing development assistance to **countries other than LDCs**, WFP will strengthen its advisory role to assist governments progressively to assume greater responsibility for managing food assistance programmes and phasing in food assistance from national resources. WFP will incorporate the necessary arrangements to transfer skills in the identification, design, planning, monitoring and evaluation of food assistance and emergency preparedness programmes into future Country Strategy Outlines and Country Programmes.
62. WFP will institutionalize **cost-sharing** with recipient governments. These arrangements would require careful gauging of the host country's cost-sharing capacity and an appropriate approach to meet the specific circumstances in each country.
63. In countries where WFP phases out its food assistance, it will include an explicit **exit strategy** in its programme/project design to ensure a smooth transfer of responsibilities. In many of these countries, substantial domestic funding of national food assistance programmes will continue. WFP will help by promoting the sharing among countries of practical experiences and food assistance expertise. Measures could include seminars and training workshops. WFP could provide advisory services in various aspects of the programming cycle of national food assistance programmes or arrange for such expertise where appropriate and upon request.

Priority 3: Increase the targeting of resources to women and children

64. **Planned result:** WFP will meet its commitments made at the Fourth World Conference on Women in Beijing in relation to emergency, relief and development activities.
65. **Actions:** WFP will continue to work to bring about **joint actions** with governments and partner agencies to implement programmes addressing gender inequalities and to improve the design and operational performance of interventions targeted toward women and children.
66. WFP will further improve its **food aid interventions** to meet the critical needs of women and children, particularly in LDCs. Food aid will be provided at crucial stages to promote the nutritional welfare of mothers and infants, enable school attendance and promote health care.
67. In countries where indicators show serious disadvantages for women compared to men in their share of economic and social development, WFP will continue to use at least 60 percent of available resources to those countries to benefit women and girls.
68. WFP will invest at least 50 percent of the food aid earmarked for the **education sector** in a given country for the benefit of women and girls. WFP will also increase its support to initiatives in non-formal education for women undertaken by other agencies and NGOs.
69. WFP will incorporate **gender-sensitive** analysis into the design of all its interventions and generate gender-disaggregated data for planning, monitoring and evaluation purposes.
70. WFP will continue to actively pursue the **empowerment of women**, so that they may play a substantive role in the management of food aid, including project identification, targeting, monitoring and food distribution. In at least 80 percent of relief activities handled and subcontracted by WFP, relief food distribution will be targeted to the household level, ensuring that women control the family entitlement.
71. WFP will increase the number of its **women staff** (the goal for the proportion of professional women staff is 50 percent) and women food monitors to ensure that the needs of women are heeded, as well as reflected in the planning process and in the implementation of WFP activities.



Priority 4: Promote national institution-building, and local capacity-building through broad-based participation

72. **Planned result:** WFP will be providing advice, good offices, logistical support and information to countries for establishing and managing their own relief, recovery and development food assistance programmes.
73. **Actions:** WFP will increase its support to various **national structures** to effectively plan, implement, monitor and evaluate development and relief activities using food assistance. This task will be emphasized in LDCs, where WFP plans to work more intensively with those countries with limited absorptive capacity to increase and improve development activities.
74. WFP will also assist in areas such as disaster preparedness, emergency management, logistics intervention strategies, vulnerability analysis and mapping and coordination of international food relief efforts. Such support may be simultaneously extended to partner national NGOs and other institutions with a view to developing **an integrated national capacity** to manage food aid programmes on a sustainable basis.
75. WFP will assist in conducting on-the-job training and national and regional seminars, while providing non-food items and technical support in certain areas such as logistics. Where considered more effective, and the circumstances are appropriate, WFP may consider placing project contract-advisors directly in counterpart offices to conduct on-the-job training.
76. The design and execution of WFP operations will increasingly aim at local capacity-building through **broad-based participation** of communities. This will include facilitating the real participation of women on committees.
77. WFP will continue to consider carefully the traditional coping mechanisms and available assets of communities; support emerging community-level relief/development committees and women's organizations; promote income sources for both men and women; and pay due attention to evolving market situations and the potential commercial effect of food aid.
78. In emergency situations, WFP will first do what is necessary to save lives. It will also employ careful judgment, planning and advocacy in the timing of phasing out of relief food distribution and phasing in of food aid modalities which are more conducive to self-reliance. WFP will consider a wide range of intervention and partnership possibilities with other United Nations agencies, NGOs and community groups working at the grass-roots level. It will continue to develop, at an early stage of emergency situations, a strategy for subsequent recovery activities.
79. Particularly through its regional offices, WFP will intensify its efforts to design and manage its food-assisted operations in a way that supports the recovery of local markets. In the area of **food purchases**, WFP will be in a position to switch between local, regional and international sources in a manner that balances considerations of cost, timeliness of delivery and impact on markets.

Priority 5: Adopt operational policies, practices and programmes to deliver effective emergency, rehabilitation and development assistance

80. **Planned result:** WFP with an enhanced performance in development activities, emergencies, and protracted relief and recovery activities.
81. **Actions:** WFP will systematically implement the agreed policy proposals and Action Guidelines for the **Enabling Development** policy as directed by the Executive Board. The Action Guidelines are expected to commit WFP to the following major tasks:
- develop a detailed **implementation plan** following the decisions of the Executive Board in May 1999;



- introduce measures most needed to **strengthen WFP systems** immediately following approval of the Action Guidelines;
 - by the end of 2001, have adjusted approximately 75 percent of WFP's development portfolio, in value terms, in line with the new policy directions. This will be through reviewing with the Executive Board CSOs, country programmes, projects and activities, mid-term reviews and evaluations. By the end of 2004 all of the portfolio will have been brought in line with the new policy;
 - allocate adequate human and financial **resources**; and
 - set **milestones** and show progress toward them.
82. Implementation of the **Action Guidelines** will be a major task for WFP. Its benefits, however, will be equally substantial for the hungry poor. The Enabling Development policy will result in better targeting of assistance to those most in need, the improved building of physical and human-capital assets by and for beneficiaries, a variety of innovative and more effective uses of development food aid, improved monitoring and evaluation, wider and more effective partnerships, a stronger focus on women and children, and greater local capacity development through participatory approaches. It will also have significant benefits for recipients of emergency and other relief assistance, as noted under the relevant priorities.
83. WFP will establish a **Task Force** to carry forward the implementation of the Enabling Development Action Guidelines.
84. In 1999, the Executive Board approved the recommendations of its Formal Working Group to make changes to the Programme's **Resource and Long-term Financing** policies. The changes, which are planned to come into effect 1 January 2000, should have significant benefits for the Programme. They dispense with the cost measurement study as a means of determining the indirect support cost (ISC) rate required to recover the Programme Support and Administrative (PSA) budget; instead they recategorize ISC as overheads not directly attributable to any programme category. The ISC rate will now be set by dividing the PSA by the estimated turnover in direct operational cost (DOC) and direct support cost (DSC) for the biennium. The changes also recategorize DSC and DOC in ways that make DSC more truly cover the costs of implementing each activity. This will allow activities to be designed and funded to better suit individual needs with, for example, greater support for LDC institution-building. Other changes rationalized receipt of field contributions and contributions to ISC and DSC, and promoted greater flexibility and multilateralism in contributions.
85. These changes also entail substantial alterations to budgeting and other procedures within WFP. A **Steering Committee** and **Task Force** were established to oversee and coordinate these substantial changes. Work has proceeded, but a number of major tasks need to be completed during 1999, and some will overflow into the planning period. These tasks include:
- Restructuring cost categories, preparing new budget preparation advice, and providing new-format budgets for all existing activities;
 - Implementing the restructuring by converting the whole Programme to the new budget system;
 - Introducing procedures for managing, receipting, programming, and making commitments and expenditures for contributions affected by the policy changes;
 - Developing rules and procedures for the use of the DSC Guarantee Mechanism and its relationship with the Immediate Response Account (IRA) and Operational Reserve;
 - Managing the DSC, which will now fund country office staff, equipment and other elements in excess of the standard PSA-funded structure;



- Provide information, training and advice for headquarters and field staff on the new arrangements before, during and after the changes.
85. WFP will reinforce its capacity to **respond to emergencies** at short notice and in a cost-effective manner with food, personnel and equipment.
 86. WFP will develop **performance indicators for results** assessment. It will increase its effort to assess and measure the effect of the food aid it provides on the lives of individuals, households and communities. This means going beyond the traditional measurement of input indicators (tonnage delivered and money spent) and ensuring that the food actually achieves the outcomes intended for the beneficiary groups. It extends to the development and use of quantitative and qualitative indicators and modes of assessment to help WFP understand the extent to which the intended outcomes of each intervention have been achieved for both men and women.
 87. In consultation with the membership of the Programme, WFP will investigate how best to strengthen WFP's **results orientation**. This will include agreeing upon appropriate, realistic Programme-level outcomes, indicators and a timetable for their introduction.
 88. WFP will undertake **baseline studies** to facilitate outcome assessments and make them an integral part of its development and relief activities. Guidelines and training will be developed and advisory support provided to country offices.

Priority 6: Move the issues of hunger and poverty to the centre of the international agenda

89. **Planned result:** WFP will influence governments and other partners in working towards the ultimate WFP vision of a world without hunger and poverty.
90. **Actions:** WFP will continue to work closely with **national authorities** to encourage programmes that will directly benefit the hungry poor. It will create a network of alliances with other agencies to enhance the effectiveness of programmes to combat hunger.
91. WFP will continue to engage in **public debate** about the issues of hunger and poverty, and will discuss measures that can be taken jointly to increase resources and coordinate efforts to assist the most needy people.
92. WFP will develop more informative **tools for advocacy**, including country office reports on hunger, food aid and food security, as well as workshops on specific issues.
93. WFP will continue its efforts to make itself known as the front-line agency tackling hunger and poverty, and will use advocacy to **mobilize the resources** it needs to enable it to carry out its mandate effectively.
94. WFP will continue its two-pronged approach to advocacy and resource mobilization. The first part involves a more active **media campaign** using newspapers, magazines, radio, television and the Internet to make the World Food Programme more widely known. The second consists of a public awareness campaign **in major donor countries**: it centres on efforts to increase public knowledge of hunger issues, while at the same time striving to have public opinion associate WFP with this issue.
95. WFP will ensure that donors always have the latest **information on global, national and operation-specific needs**, shortfalls and successes. Headquarters will continue to play its key role in contacting donors, coordinating overall advocacy and resource mobilization activities, and providing guidance and information to the regional, country and other offices. These offices will intensify the direct flow of communication between them, with headquarters and with donors so that timely and critical information is available to decision-makers in donor countries.



96. The **regional and country offices'** advocacy will be directed at ensuring that they have a broad and up-to-date understanding of each country's food security situation. Regional and country offices will act as advocates for the hungry poor. Using its strengthened knowledge base, they will advocate approaches to alleviating hunger and poverty, often not including food aid, and seeking to mobilize the resources and political will to implement them.
97. WFP will offer expanded **training** opportunities to enable staff to develop their communication skills. In addition, more intensive training in various aspects of media relations, public speaking, organization of public events and public awareness campaigns will be offered.

2000–2003 STRATEGIC PRIORITIES FOR ORGANIZATIONAL CAPACITY AND RESOURCES

Priority 1: The organizational change initiative

98. **Planned result:** WFP will operate effectively and efficiently as a decentralized organization, responding quickly to the needs of the hungry poor and the directives of the Executive Board.
99. **Actions: Management skills** will be further strengthened to enable field staff to better exercise their expanded responsibilities. Headquarters personnel will be better equipped to provide strong support to the field. These changes will result in a reduced role by staff at headquarters in operational decision-making and less direct involvement in field activities. WFP will strive to bring about an enhanced communication culture in the following ways:
- Providing clear, accessible and current information on policies, authorities, procedures, and processes to help staff approach their day-to-day work with greater confidence;
 - Promoting horizontal communication among units, divisions, field offices and individual colleagues;
 - Accelerating data communication between headquarters and the field and promoting techniques and hardware appropriate to the free flow of information;
 - Updating manuals, guidelines and directives and providing them in a timely fashion to the field;
 - Additional clusters may be created and others may be phased out as workloads change; and
 - More responsibility and personnel will be moved to the field.
100. WFP will streamline **decentralized procedures**, identify and review causes of inefficiency and institute corrective actions.
101. **Strategic planning** is being institutionalized in WFP. The Programme requires all managers to think strategically within a clear, directional framework set by the Executive Staff. Consistent with that framework, all work units will progressively assume responsibility for setting objectives, targets, clear plans and budgets for their activities. Management development training has been provided at senior management workshops and meetings to facilitate this process. The framework and summaries of the work unit plans will form the basis of each Strategic and Financial Plan to be presented to the Executive Board.



102. Each work unit will monitor and report on its own progress at agreed intervals. In field offices, at the sub-divisional, divisional and the Executive Staff levels, regular reviews of progress will be undertaken and any necessary follow-up action initiated.
103. Assistance will be provided to all staff to create a practical, standard and cost-effective approach to planning, budgeting and monitoring.

Priority 2: Building a new staff profile

104. **Planned result:** WFP will have a staff adequate in skills and experience to fulfill its Mission Statement but also able to be expanded and contracted in a balanced way as circumstances require.
105. **Actions:** WFP will advance its working group's recommendations on new contractual arrangements for International Professional Staff. This should provide a basis for more balanced expansion and contraction of staffing; enhanced ability to recruit and retain highly qualified staff; and a more equitable and transparent contractual environment for staff.
106. WFP will achieve the hiring targets set for the recruitment of international professional **women** and the recruitment of international professionals from **developing countries**.
107. WFP will make the identification of **training needs** the responsibility of everyone: managers, staff members and the organization.
108. WFP will implement its strategic three-year **training programme**. The strategic objective is the development of functional, management/supervisory, interpersonal, communication and automation skills. The training programme will strengthen staff skills applicable to their current jobs and also provide them with skills to manage change and be productive in future roles. Training of national officers and support staff will be given high priority.
109. A training programme for technical skills, particularly those required to implement Enabling Development, will be designed and implemented.

Priority 3: Increased accountability

110. **Planned result:** WFP will have appropriate accountability systems to account effectively for its achievement of agreed operational outcomes and other targets.
111. **Actions:** WFP will complete and have tested through its **Financial and Management Improvement Programme** new information systems for its key business areas by the middle of the year 2000.
112. The eight integrated system components defined in the completed Information Strategy Plan (ISP), and reflected in the current FMIP Implementation Plan, will become fully operational within the Strategic Plan period. Owing to the impact of introducing an entirely new corporate information system with added functionality, together with the numerous process changes which better support WFP's decentralized organizational model, it is expected that there will be an effect on the organization's staffing requirements. While the extent of this will only be known later in 1999, the intention is to pursue staff savings wherever practical.
113. WFP also intends to mainstream some of the recurrent activities which have emerged as a result of the FMIP. Examples of this include providing support to worldwide connectivity and to the extended computer functionality being afforded as well as for the Programme's Intranet. One approach which will be pursued to minimize cost is to outsource appropriate services wherever possible.
114. WFP's wide-area **communications network** will be extended through the FMIP, to allow country and regional offices worldwide to access information and data systems. The new



systems, coupled with wider-reaching communications, will significantly enhance the coverage and timeliness of information exchange, as well as data accuracy.

115. The **data warehouse** will become fully institutionalized, facilitating the planned transition from WFP legacy systems to the new client/server model of information management.
116. WFP will enhance its **accountability** to the Executive Board on its operations. Operational accountability at WFP would cover: a) the outcomes of food aid for the beneficiaries at each intervention level; b) the Programme's progress towards the objectives of the plan period; and c) the cost of its activities.
117. WFP will enhance the culture of **monitoring and evaluation**. For formal evaluations WFP will aim towards periodic performance and impact assessments of individual programmes, projects and relief operations as well as occasional strategic assessments of key implementation strategies and initiatives discussed in this Strategic Plan.
118. On the basis of the Executive Board's discussions in 1999 of evaluation and monitoring in the context of the Food Aid and Development (FAAD) review, WFP will further reassess its monitoring and evaluation aims, strategy and techniques. Increased attention will be given to more rigorous design of programmes and activities, with clear objectives, well-defined indicators, and well-established monitoring and evaluation plans. Moreover, the Office of Evaluation is developing a recommendation tracking system to allow for systematic review of the implementation of recommendations resulting from programme and activity evaluations.
119. The Offices of Internal Audit (OEDA) and the Office of the Inspector General will incorporate into their annual work plans strategies specific to the changing decision-making structure of WFP. Management reporting on field activities and the various aspects of delegated authority, including compliance with newly set up guidelines and regulations, will form a substantial part of **oversight** work.
120. OEDA, in coordination with the External Auditors, will institutionalize an audit cycle for regional and country offices.

Priority 4: Better mobilization of resources

121. **Planned result:** WFP will have a more secure and predictable resource base for development, recovery and relief activities.
122. **Actions:** WFP will provide excellent **customer service**, be responsive to donor concerns and provide accurate and timely reports on the utilization of donor contributions. WFP's capacity to perform these services will be strengthened through full implementation of **standard reporting**.
123. WFP will make every effort to ensure not only that its **resource base** is expanded, but also that resources provided are **multilateral**, and that directed multilateral contributions are increasingly flexible to facilitate efficiency in responding to changing circumstances and requirements.
124. Regional Managers and Country Directors will play an increasingly important role in developing relationships with and encouraging support from donor representatives in the field. WFP offices will keep donor representatives informed of WFP's activities through regular meetings, reports and field visits. In many cases, offices will benefit through direct access to the **Resource Mobilization System**, which is a repository of corporate resource information. WFP will also make more information directly available to donors through its web site.
125. To provide further stability to the funding base, new **non-traditional funding** sources will be sought. Corporations, which can provide direct financial contributions as well as in-kind support, will be approached. Affiliation with corporate advertising programmes will bring



greater name recognition to WFP while providing a stronger grass-roots constituency within donor countries.

126. Individual financial gifts from foundations and corporations will be sought through the expansion of organizations like “Friends of WFP”, already established in Japan and the United States of America.





III. The Financial Plan

127. The Financial Plan shows, the proposed allocation of resources to implement the strategy and actions set out in Section II above. It includes estimates of resources from all sources over the four-year period, and their planned utilization for activities and programme support. The purpose of the Financial Plan is to project the availability of resources by the programme categories (Development, Emergency, Protracted Relief and Recovery, and Special Operations) as well as by broad expenditure categories (food; ocean transport; landside transport, storage and handling [LTSH]; direct support costs [DSC]), and indirect support costs [ISC]). This is necessary to provide a financial planning base for implementing the strategic priorities laid out in the Strategic Plan.
128. The Financial Plan forms the foundation upon which the WFP biennial budget is based. The WFP Biennial Budget for 2000–2001, to be presented to the Executive Board at its Third Regular Session in October 1999, will propose the specific allocation of funds required to achieve the priorities stated in the Strategic and Financial Plan. It will also define in specific terms the programme of work of WFP for 2000–2001.

FINANCING SYSTEMS

129. WFP receives all of its resources on a voluntary basis. At its Fortieth Session in 1995, the WFP Governing Body approved new resource and long-term financing policies, which were implemented in January 1996.
130. The resource model flowing from these new policies consists of three elements: funding windows, programme categories and costs. Funding windows are classified as multilateral, directed multilateral and bilateral, according to the degree of directedness and other donor conditions. Resources entering through these funding windows support activities in one or more of the four WFP programme categories: Development, Emergency Operations (EMOP), Protracted Relief and Recovery Operations (PRRO), and Special Operations. All contributions are required to be on a full cost recovery basis. Full cost recovery means that each contribution includes the value of commodities, as well as ocean transport, LTSH, direct support costs, and indirect support costs.
131. Refinements to the resource and long-term financing policies were recommended by a Formal Working Group of the WFP Executive Board and approved by the Board at its First Regular Session in January 1999. The refinements that most affect budget preparation are the re-categorization of costs and the establishment of a single indirect support cost rate. Direct operational cost (DOC) was redefined to include all project inputs utilized directly in activities by beneficiaries, the government of the recipient country or other implementing partners. Indirect support cost (ISC) and direct support cost (DSC) were also redefined, with ISC (the PSA budget) funding all headquarters standard costs, the costs of the regional offices, and the minimum country office structure considered essential for a WFP presence. DSC will fund any *incremental* country office cost arising directly from the activities it is implementing. DSC is directly linked to the provision of support to an activity, and would not be incurred should that activity cease. DSC will be calculated for each activity on a case-by-case basis. To move to this arrangement will require the closing of existing activity budgets and their recasting using the new definitions. Until this is done, the level of DSC, which will vary from activity to activity, can only be estimated. Therefore, in order to provide in this plan an indication of DSC



levels, 10 percent of DOC has been assumed to be approximately the average amount required until the calculations for all activities can be completed.

132. From the year 2000 onwards, when the R<F policy changes come into effect subject to United Nations General Assembly and FAO Conference approval of a change to the WFP General Regulations, the Executive Board will consider DSC as a part of each Country Programme. Country Programmes will detail the DSC requirements of their planned activities, such as personnel additional to the standard country office structure, equipment and other non-food items, activity design and other costs, along with the usual description of the strategy, activities and DOC requirements. This will enable the Board to approve and monitor DSC levels.
133. Direct operational costs are principally the costs of the commodities, ocean transport, and LTSH for an activity. Indirect support costs are those costs incurred in support of the execution of activities that cannot be directly linked with a single activity or programme category. ISCs are met by applying, to each contribution, recovery rates set biennially by the WFP Executive Board as part of the budget-setting process. Contributions from recipient partner governments and the recovered indirect support costs constitute what is known as the Programme Support and Administrative (PSA) budget.
134. The single ISC rate for all programme categories replaces the former differential rates, since ISC will no longer be attributable to any single programme category. The single rate will be calculated by applying the PSA budget approved by the Executive Board to the estimated total value of DOC and DSC for the biennium. The single rate will decrease the volatility of ISC recovery, as the variations in the proportion of resources provided to the different programme categories will not affect the amount recovered.
135. In addition to contributions for the four programme categories made through the three funding windows, the Financial Plan includes estimates of income earned from the investment of cash balances, and other specific operations, such as the Junior Professional Officers (JPO) programme.

KEY ASSUMPTIONS OF THE FINANCIAL PLAN

136. The Financial Plan is built on the basis of the assumptions for 2000–2003 in Section II. Those relating to resource flows are repeated below for ease of reference in considering the Financial Plan.
137. The Financial Plan assumes:
- Global food aid levels will remain difficult to predict over the plan's period, but WFP anticipates contributions that will provide about 5 million tons of food in each biennium (2000–2001 and 2002–2003), with possible additional, ad hoc contributions.
 - Resources for development activities will increase from recent levels, as the Food Aid and Development policy directions of the Executive Board are implemented as planned. Contributions will provide about 1.5 million tons of food in 2000–2001 and 1.6 million tons in 2002–2003.
 - The level of resources contributed to meet emergency and protracted relief and recovery needs will provide about 3.6 million tons of food in 2000–2001 and 2002–2003 but may vary significantly in line with needs.
 - For planning purposes, commodity prices should be calculated using five-year historical averages, since prices are currently in a trough but may increase over the planning period, thereby adversely affecting activity budgets and recovery of the PSA.



- Ocean freight rates will remain at the current historically low rates at least until the end of 2001, and will only slightly increase by the end of 2003.

138. These assumptions have been used in constructing the projections and supporting tables discussed below.

Projected resources and their utilization

139. WFP has forecast the availability of resources in high, medium, and low scenarios. *It will use the medium-range scenario as the basis for strategic and financial planning reflected in this document.* WFP will continue to express its level of operations in terms of tonnage to be delivered.
140. In 1998, the volume of resources available for **development food aid activities** amounted to 845,000 tons, of which 773,000 tons of food was delivered. Large contributions were received at the end of 1998 and are being delivered in 1999. WFP projects that resources available for delivery will be 750,000 tons in 2000 and 2001, and increase to 800,000 tons in the years 2002 and 2003.
141. In 1998, the volume of food aid resources available for delivery for **humanitarian relief activities**, including both emergency and protracted relief and recovery operations, increased substantially to 2.73 million tons. This was in large part due to a generous, one-time, additional contribution by a donor to meet the exceptional needs being experienced. The volume of resources available for delivery in 2000 is projected at 1.8 million tons and is estimated to remain at the same level throughout the planning period.
142. The Executive Board decided in 1998 that emergency activities would, except in abnormal circumstances, not exceed two years in duration. A relief situation continuing beyond two years would be regarded as requiring protracted relief rather than emergency assistance and therefore subject to a PRRO proposal and consideration by the Board.
143. WFP has therefore reviewed current EMOPs and assessed whether they are likely to continue as PRROs after two years and, if so, for how long and at what resource level. It has assessed conservatively the likely resource needs for new emergencies in each year of the Plan and the resource needs to complete current emergency activities. The result of these assessments is a reduced proportion of emergency resources and an increased proportion for PRRO resources when compared with 1998.

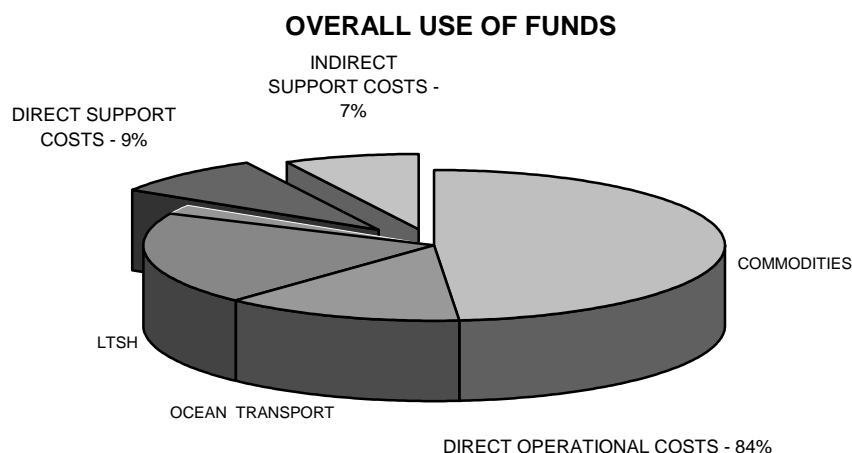
PROJECTED RESOURCES *(In thousand tons)*

Year	Development			Emergencies			PRRO			Total		
	H	M	L	H	M	L	H	M	L	H	M	L
2000	870	750	640	580	500	430	1 500	1 300	1 110	2 950	2 550	2 180
2001	870	750	640	460	400	340	1 610	1 400	1 190	2 940	2 550	2 170
2002	920	800	680	460	400	340	1 610	1 400	1 190	2 990	2 600	2 210
2003	920	800	680	460	400	340	1 610	1 400	1 190	2 990	2 600	2 210
Total	3 580	3 100	2 640	1 960	1 700	1 450	6 330	5 500	4 680	11 870	10 300	8 770

144. The **overall** tonnage for WFP activities during the four-year planning period is expected to be approximately **10.3 million tons** of commodities. The value of the activities is estimated to be about **5.28 billion dollars**. This is comprised of 4.42 billion dollars in direct operational costs (84 percent of the total) and 855 million dollars in direct and indirect support costs (16



percent of the total). A breakdown of sources and utilization of funds is given in Annexes I and II. The following chart shows the use of the funds.



Note: The percentages shown are of the projected total turnover for the years 2000-2003. The WFP Executive Board will establish the actual ISC rate through its approval of each biennial budget and the DSC level will be determined by the aggregation of activity DSC budgets in the WFP budget setting process.

145. The Programme Support and Administrative (PSA) budget is estimated to range between 168 million dollars under the low scenario (4.35 million tons of commodities per biennium) and 224 million dollars under the high scenario (5.89 million tons of commodities per biennium). Country offices and cluster offices and headquarters staff are currently preparing their budget proposals under the new definitions of cost categories. Once these have been reviewed, WFP will be in a position to determine the recommended level of the PSA budget for 2000–2001. For the purposes of this plan, the PSA estimates are based on an indirect support cost recovery rate of 8 percent of direct costs thus making ISC 7 percent of the total turnover. At this indicative recovery rate, the biennial PSA level for the most likely scenario will be about **195 million dollars**. The final rate will be established by the WFP Executive Board when it considers the WFP Budget for each biennium.

146. Below is an outline of the sources and use of funds for each of the programme categories.

Development

147. Most of the contributions for development activities are expected to be made through the multilateral window. The most likely level of development contributions for the year 2000 is estimated to be **750,000 tons**. Development tonnage is projected to remain at that level in 2001 and increase slightly to 800,000 tons in 2002 and 2003 as the Enabling Development Action Guidelines are implemented and donor support grows. The value of the contributions to be made for development activities is estimated to be **1.29 billion dollars** on a full cost recovery basis for the period 2000–2003. This is comprised of 1.09 billion dollars in direct operational costs (84 percent of the total) and 204 million dollars in direct and indirect support costs (16 percent of the total). A small portion of the PSA cost will be reimbursed by the recipient governments as their contributions toward the local costs of WFP's administration of activities.



Emergency Operations (EMOPs)

148. Most of the contributions for EMOPs are expected to be made through the directed multilateral window. WFP expects to handle approximately **500,000 tons** of emergency-related commodities in 2000 and 400,000 tons per year during the rest of the planning period. The value of the contributions to be made for EMOPs is estimated to be **964 million dollars** on a full cost recovery basis for the period 2000–2003. This is comprised of 811 million dollars in direct operational costs (84 percent of the total) and 153 million dollars in direct and indirect support costs (16 percent of the total).

Protracted Relief and Recovery Operations (PRROs)

149. A large portion of the contributions for PRROs is expected to be contributed through the multilateral window. The projection for the planning horizon indicates a level of approximately **1.3 million tons** in 2000 and 1.4 million tons per year as the most likely level of activity for the rest of the planning period. The value of contributions is estimated to be **2.89 billion dollars** on a full cost recovery basis for the period 2000–2003. This is comprised of 2.43 billion dollars in direct operational costs (84 percent of the total) and 456 million dollars in direct and indirect support costs (16 percent of the total).

Special Operations

150. Most of the contributions for Special Operations are expected to be directed multilateral contributions. The value of such contributions is expected to be at the present level of **19 million dollars** a year.

Other activities

151. WFP provides a range of services to donors in support of their bilateral operations. The services are normally for procurement of food, its transport, monitoring or a combination of these. Donors pay indirect support costs recovery based on the single rate established by the Board. WFP participates in the Junior Professional Officer (JPO) programme to provide in-service training to young professionals, which is fully financed by donor governments. These activities are estimated to total **13 million dollars** per year.





Recommendations

152. The Executive Director recommends that the Executive Board:
- a) comment on and endorse the general orientation of the Strategic and Financial Plan 2000–2003; and
 - b) approve the preparation of a consolidated 2000–2001 budget of approximately 2.6 billion dollars for activities, including programme support and administrative costs as necessary but totalling not more than 195 million dollars, for the Executive Board’s consideration at its Third Regular Session in October 1999.



ANNEX I



ANNEX II





ANNEX III

WFP'S MISSION STATEMENT

1. WFP is the food aid arm of the United Nations system. Food aid is one of the many instruments that can help to promote food security, which is defined as access of all people at all times to the food needed for an active and healthy life.¹ The policies governing the use of World Food Programme food aid must be oriented towards the objective of eradicating hunger and poverty. The ultimate objective of food aid should be the elimination of the need for food aid.
2. Targeted interventions are needed to help to improve the lives of the poorest people—people who, either permanently or during crisis periods, are unable to produce enough food or do not have the resources to otherwise obtain the food that they and their households require for active and healthy lives.
3. Consistent with its mandate, which also reflects the principle of universality, WFP will continue to:
 - use food aid to support economic and social development;
 - meet refugee and other emergency food needs, and the associated logistics support; and
 - promote world food security in accordance with the recommendations of the United Nations and FAO.
4. The core policies and strategies that govern WFP activities are to provide food aid:
 - a) to save lives in refugee and other emergency situations;
 - b) to improve the nutrition and quality of life of the most vulnerable people at critical times in their lives; and
 - c) to help build assets and promote the self-reliance of poor people and communities, particularly through labour-intensive works programmes.
5. In the first case, food aid is essential for social and humanitarian protection. It will be used in a way that is as developmental as possible, consistent with saving lives. To the extent possible, the provision of relief food aid will be coordinated with the relief assistance provided by other humanitarian organizations. In the second case, food aid is a pre-investment in human resources. In the third, it uses poor people's most abundant resource, their own labour, to create employment and income and to build the infrastructure necessary for sustained development.
6. WFP is well placed to play a major role in the continuum from emergency relief to development. WFP will give priority to supporting disaster prevention, preparedness and mitigation and post-disaster rehabilitation activities as part of development programmes. Conversely, emergency assistance will be used to the extent possible to serve both relief and development purposes. In both cases the overall aim is to build self-reliance.
7. In carrying out its mandate, WFP will concentrate on what it is best suited to do with the resources available as cost-effectively as possible. WFP will focus on those aspects of development where food-based interventions are most useful. It will make all necessary efforts to avoid negative effects on local food production, consumption patterns and dependency on

¹ FAO/WHO (1992) International Conference on Nutrition.



food aid. WFP will continue to play a major and significant role in providing transport and logistics expertise and assistance to ensure rapid and efficient delivery of humanitarian aid.

8. WFP's multilateral character is one of its greatest strengths. WFP will exploit its capability to operate virtually everywhere in the developing world, without regard to the political orientations of governments, and to provide a neutral conduit for assistance in situations where many donor countries could not directly provide assistance. WFP will provide services: advice, good offices, logistic support and information; and support to countries in establishing and managing their own food assistance programmes.
9. WFP, on request, will provide bilateral services to donors, United Nations agencies and NGOs on the basis of full cost recovery. These will be administered and accounted for separately. Such services will complement WFP's regular operations to the extent possible.
10. WFP will concentrate its efforts and resources on the neediest people¹ and countries in accordance with the CFA's decision to provide at least 90 percent of WFP's development assistance to low-income, food-deficit countries and at least 50 percent of its development assistance to the least developed countries by 1997.
11. WFP will ensure that its assistance programmes are designed and implemented on the basis of broad-based participation. Women in particular are key to change; providing food to women puts it in the hands of those who use it for the benefit of the entire household, especially the children. WFP assistance will aim to strengthen their coping ability and resilience.
12. To be truly effective, food aid should be fully integrated into the development plans and priorities of recipient countries and coordinated with other forms of assistance. WFP's starting point is the national policies, plans and programmes of developing countries, including their food security plans. WFP will pull together its activities in an integrated way at the country level so that it can respond to urgent needs as they occur while retaining core development objectives. The country strategy note, where this exists, should provide the framework for an integrated response by the United Nations system. In some special cases WFP will adopt a multi-country or regional approach, particularly for the provision of humanitarian assistance.
13. No single agency has either the resources or the capacity to deal with all the problems of hunger and underdevelopment. Hence the importance WFP attaches to collaboration with other agencies, particularly with its parent bodies, the United Nations and FAO. WFP will continue to work closely with the United Nations Department of Humanitarian Affairs, UNHCR, other relevant agencies and non-governmental organizations (NGOs) in the response to emergencies and humanitarian crises. WFP will also collaborate closely with the Rome-based United Nations food and agriculture agencies, FAO and IFAD, especially in using food aid for achieving household food security. WFP will continue to forge effective partnerships of action with UNDP, the World Bank and the International Monetary Fund, regional bodies and institutions, bilateral donors and NGOs in support of economic and social development.
14. WFP will play its part as an active member of the United Nations system to bring the issue of hunger to the centre of the international agenda. In its dialogue with recipient governments and the aid community, WFP will advocate policies, strategies and operations that directly benefit the poor and hungry.

¹ Normally, poor and hungry people are defined as those who earn less than the equivalent of one dollar a day, or who allocate the majority of their household budget to food.

SOURCES OF FUNDS
(in million US dollars)

Programme category	Actual ¹			Estimates ²	Planned Level				High Level				Low Level			
	1996	1997	1998	1999	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003
SOURCES OF FUNDS																
Development	323	390	311	294	309	311	334	335	359	361	384	386	264	265	284	285
Emergencies	592	541	638	966	282	228	227	227	307	262	261	261	243	194	193	193
PRROs	335	247	195	396	678	740	733	735	782	851	843	845	579	629	623	625
Special operations	21	27	32	17	19	19	19	19	19	19	19	19	19	19	19	19
Bilateral and others	25	10	17	16	13	13	13	13	13	13	13	13	13	13	13	13
General Fund (Annex II)	40	50	51	36	38	39	41	42	38	39	41	42	38	39	41	42
Total resources	1 336	1 265	1 244	1 725	1 339	1 350	1 367	1 367	1 538	1 545	1 561	1 567	1 155	1 159	1 173	1 173

¹ 1998 figures are based on actuals from Provisional Financial Statements.

² 1999 figures include the effects of carry-over from 1998.

Note: Totals do not add up due to rounding.

SOURCES AND UTILIZATION OF FUNDS
(in million US dollars)

	Actual			Estimates ²	Planned level				High level				Low level				
	1996	1997	1998	1999	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003	
SOURCES OF FUNDS																	
Commodity contributions	428	392	393	439	398	398	407	407	460	459	468	468	340	339	346	346	
CLC contributions	308	311	259	292	239	237	241	241	276	273	278	278	204	201	205	205	
Subtotal	736	703	651	718	637	635	648	648	737	732	745	745	544	540	551	551	
Other contributions	558		510	546	971	665	677	678	682	764	775	775	779	573	580	581	584
General fund																	
General Contributions	6	7	5	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Interest and Miscellaneous Income	34	43	41	31	33	34	36	37	33	34	36	37	33	34	36	37	
GCCC	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Indirect Support Costs (see usage)	81	97	85	121	96	97	98	98	111	111	112	113	83	83	84	84	
Subtotal	42	52	47	36	38	39	41	42	38	39	41	42	38	39	41	42	
Total sources		1 336	1 265	1 244	1 725	1 339	1 350	1 367	1 372	1 538	1	1	1 567	1 155	1 159	1 173	1 177
UTILIZATION OF FUNDS																	
Food in kind	428	392	393	439	398	398	407	407	460	459	468	468	340	339	346	346	
Food purchases	251	303	254	283	239	237	241	241	276	273	278	278	204	201	205	205	
Subtotal	679	695	647	722	637	635	648	648	737	732	745	745	544	540	551	551	

SOURCES AND UTILIZATION OF FUNDS
(in million US dollars)

	Actual			Estimates ²	Planned level				High level				Low level				
	1996	1997	1998	1999	2000	2001	2002	2003	2000	2001	2002	2003	2000	2001	2002	2003	
Other Operational Costs																	
Ocean Transport	101	120	147	346	167	174	178	181	193	200	205	208	143	148	152	154	
Air, overland and ITSH	179	105	262	263	265	268	263	263	306	309	302	303	227	228	223	224	
Other	67	57	59	22	22	22	22	22	22	22	22	22	22	22	22	22	
Direct support costs	49	92	123	124	115	116	117	118	132	132	134	134	100	100	101	101	
Indirect Support Costs (see Sources)	81	97	85	121	96	97	98	98	111	111	112	113	83	83	84	84	
Subtotal	396	374	591	755	569	580	580	584	653	663	662	667	491	498	497	501	
PSA Costs	107	119	96	120	97	98	99	99	112	112	113	114	84	84	85	85	
Other expenditure³		3	5	14	10	6											
Total usage	1 185	1 193	1 348	1 607	1 308	1 312	1 327	1 331	1 501	1	1	1 526	1 118	1 121	1 133	1 136	
Volume (000 metric tons)		2 113	2 803	2 825	2 854	2 550	2 550	2 600	2 600	2 950	2	2	2 990	2 180	2 170	2 210	2 210

¹ 1998 figures are based on actuals from Provisional Financial Statements.

² 1999 figures include the effects of carry-over from 1998.

³ Other expenditure under Special Accounts.

Note: Totals do not add up due to rounding.