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UPDATE TO THE WFP MANAGEMENT PLAN FOR 2004–2005

* In accordance with the Executive Board's decisions on governance, approved at the Annual and Third Regular Sessions, 2000, items for information should not be discussed unless a Board member specifically requests it, well in advance of the meeting, and the Chair accepts the request on the grounds that it is a proper use of the Board's time.

NOTE TO THE EXECUTIVE BOARD

This document is submitted for information to the Executive Board.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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

EXECUTIVE SUMMARY

This document is the fourth note on the update of the Management Plan; the first was submitted to the Board in May 2004, the second in October 2004, the third in January 2005.

The estimated level of operations in terms of volume has increased by 20 percent from **8.97 million mt** to **10.7 million mt.** In terms of expenditure, the programme of work is estimated to increase by 44 percent from the original Management Plan level of US$**4.7 billion** to US$**6.7 billion,** US$0.6 billion or 10 percent higher than the January report.

The Secretariat plans to hold programme support and administrative expenditure to the Management Plan level of US$**305 million** despite the 44 percent increase in programme of work expenditure, which should be completely funded from ISC income based on the current funding projection.

Funding is now projected at 86 percent of the estimated US$6.7 billion needed for programme activity.

PROGRAMME BUDGET AND FUNDING (US$)		
	Revised projections	Original projections – Management Plan
Programme budget	6 725 million	4 667 million
Programme donations	5 778 million	4 667 million
Percentage of funding	86	100
PSA* expenditure	305 million	305 million
Food delivered (mt)	10 700	8 967

* Programme support and administrative.

DRAFT DECISION*

The Board takes note of the information contained in “Update to the WFP Management Plan for 2004–2005” (WFP/EB.A/2005/6-E/1).

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

INTRODUCTION

1. The first note, WFP/EB.A/2004/6-E/1 (May 2004), covered (i) the creation of the Budget Monitoring Group, (ii) the Secretariat's decision to keep programme support and administrative (PSA) expenditure at 90 percent of the approved level and (iii) gave an update on the status of other resources approved by the Board – the direct support cost (DSC) advance facility, the Immediate Response Account (IRA), the foreign exchange provision, security upgrades, strengthening financial management, the capital asset fund and results-based management (RBM).

2. The second note, WFP/EB.3/2004/5-C/1 (October 2004), focused on the increase in the programme of work and the expected indirect support cost (ISC) availability to fund the PSA budget.

3. The third note, WFP/EB.1/2005/5-G (January 2005), provided an update on PSA funding estimates and actual expenditure to the end of November 2004 and covered expected results.

4. This note provides an update on PSA and the status of activities approved under other resources as at closure of the first year of the biennium.

PROGRAMME OF WORK

5. The total programme of work is now projected at US$**6.7 billion,** a 44 percent increase on the Management Plan projections of US$4.7 billion. In terms of volume, the level has increased by 20 percent from the planed 8.97 million mt to 10.7 million mt. The increase in 2004 was mainly from the addition of the Iraq bilateral, totalling US$**788 million,** and new emergency operation (EMOP) requirements that were not included in the original plan (see Table 1). The revised programme of work for 2005 totals US$**3.683 billion** because of additional requirements in Ethiopia, Sudan/Chad and Uganda and the tsunami regional operation and other new needs estimated at US$**1.6 billion.**

TABLE 1: PROGRAMME OF WORK 2004–2005*			
	2004	**2005**	**Total**
	(US$ million)		
	Actual	**Projection**	
Revised programme	3 042	3 683	**6 725**
Management Plan	2 638	2 029	**4 667**
Net increase	**404**	**1 654**	**2 058**
Explanation of change			
Iraq bilateral	788		**788**
Sudan/Chad	213	625	**838**
South Africa	147		**147**
Ethiopia	134	244	**378**
Uganda	120	78	**198**
Great Lakes	69		**69**
Kenya	60	0	**60**
Bangladesh	42	46	**88**
Eritrea		71	**71**
West Africa		35	**35**
Tsunami		140	**140**
Zimbabwe	(170)		**(170)**
Angola	(88)		**(88)**
Burundi	(41)		**(41)**
Tanzania	(35)		**(35)**
Malawi	(30)		**(30)**
DPRK**	(25)		**(25)**
Other changes	(780)	415	**(365)**
Net increase	**404**	**1 654**	**2 058**

*Projections and Management Plan figures exclude non-programme expenditures for trust funds and one-time expenditures.

** Democratic People's Republic of Korea.

TOTAL EXPENDITURE AND INCOME UPDATE

6. Total expenditure needs for 2004–2005 are now projected at US$**6.9 billion,** US$2.1 billion more than the Management Plan. The increase in the level of expenditure is higher at 44 percent than the increase in volume of 20 percent because of higher costs/prices related to EMOPs; the increase in value is 48 percent compared with

18 percent in terms of volume, reflecting high costs of the EMOP in Sudan/Chad. Other increases in value are related to increases in special operations (SOs) which have no tonnage. Table 2 shows revised expenditure projections for 2004/05 and actual expenditure for 2002/03.

TABLE 2: REVISED ESTIMENTS FOR 04/05 and ACTUAL EXPENDITURE 02/03 (US$ million)

	Actual 2004	Revised 2005	Total 04/05	Actual 02/03
DOC	1 782	3 171	4 953	3 205
DSC	330	349	679	507.5
PSA	141.9	163	305	232.2
Iraq	788	0	788	1 135.0
Programme of Work	3 042	3 683	6 725	5 079
Other support	31.3	124	155.3	
Total	**3 073**	**3 807**	**6 880**	**5 079**
mt shipped/plan	3.5	5.6	9.1	8.4
Iraq mt	1.6		1.6	1.4
Total mt	**5.1**	**5.6**	**10.7**	**9.8**

7. At the end of 2004, total actual expenditures amounted to US$**3.073 billion.** Food purchases stood at US$**1.09 billion** and commodities in kind at US$**468.0 million,** making a combined food cost of US$**1.56 billion,** or 51 percent of total expenditures. The remaining US$**1.5 billion,** or 49 percent, is related to transport other direct operational costs (ODOC) and support costs. DSC expenditure amounted to US$**329.9 million,** or 11 percent of total expenditures; PSA expenditures were US$173.1 million, or 5.6[1] percent. Income for 2004 totalled US$**3.34 billion,** including US$**940.6 million** from the Iraq bilateral programme. Total income for 2004 was 8.5 percent more than actual total expenditures.

8. Total projected donations for the 2004–2005 biennium are projected at US$**5.8 billion,** including US$**940.6 million** from Iraq bilateral. Of the total income, US$3.3 billion is actual received in 2004; US$2.4 billion is projection for 2005 (see Table 3).

TABLE 3: INCOME PROJECTIONS (US$ billion)

	2004 Actual	2005 Projections	Total
Programme budget/expenditure	3.04	3.68	**6.72**
Income projections	3.34	2.44	**5.78**
Percentage funding	110	66	**86**

[1] Includes US$31.3 million foreign exchange provision budgeted separately in the PSA Equalization Account.

9. This level of donations is 86 percent of the total revised programme of work for the biennium.

10. Table 4 provides comparison data between information notes and the original Management Plan.

TABLE 4: TOTAL EXPENDITURE PROJECTIONS
(US$ million)

	2004 - 2005 M P (October-03)	1st Update (May 04)	2nd Update (October 04)	3rd Update (January 05)	4th Update (June 2005)	Variance (4th - MP)	% (4th - MP)	Variance (4th - 3rd)	% (4th - 3rd)
Direct operational costs	3 901	3 997	4 464	4 412	4 953	1 052	27	541	12
Support costs - DSC	461	461	448	448	679	218	47	231	52
Support costs - PSA (ISC)	305	305	305	305	305	0	0	0	-
Subtotal	4 667	4 763	5 165	5 165	5 937	1 270	27	772	15
Iraq	-	870	948	948	788	788	100	(160)	(17)
Programme of work	4 667	5 633	6 113	6 113	6725	2 058	44	612	10
Other support	127	132	140	140	155	28	22	15	11
Total expenditure	4 794	5 765	6 253	6 253	6 880	2 086	44	627	10
Food delivered, without Iraq (mt)	8 967	8 967	9 463	9 463	9 100	133	2	(363)	(4)
Iraq (mt)	-	1 704	1 704	1 704	1 600	1 600	100	(104)	-6
Total with Iraq (mt)	**8 967**	**10 671**	**11 167**	**11 167**	**10 700**	**1 733**	**20**	**467**	**4**

PSA Funding Levels and Expenditure

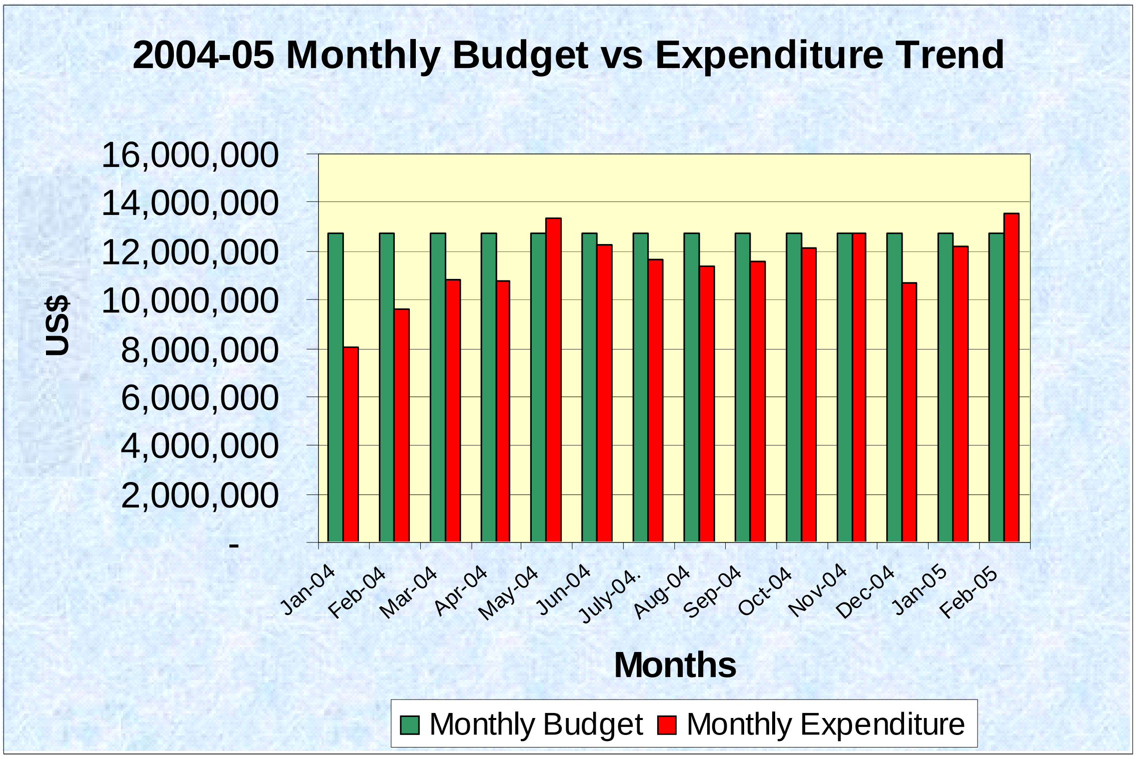
11. The projected donation level of US$5.8 billion will generate ISC income of US$332 million. Taking account of the PSA equalization account balance as at 1 January 2004, adjusted for approved Management Plan allocations, a positive balance in the PSA Equalization Account of US$48 million is anticipated as at December 2005 (see table 5). The increased ISC income, which has been helped with a weaker dollar compared with the Euro for Euro-based donors, has in fact offset the higher PSA expenditure exchange rate variance account; the Management Plan assumed an exchange rate of US$1.11 = €1 compared with the current estimate of US$1.23 = €1.

TABLE 5: PSA EQUALIZATION ACCOUNT (US$ million)

PSA Equalization Account	Current estimates	Management Plan estimates
31 December 2003 closing balance	230.6	230.6
ISC Income 2004/05	332	305
(A) PSA expenditure	(305)	(305)
Balance	257.6	230.6
Management Plan marking		
Exchange rate variance	(62)	(41)
Capacity-building funds	(29)	(29)
Security upgrade fund	(20)	(20)
Transfer to IRA	(20)	(20)
Transfer to DSCAF	(24)	(24)
Other adjustments	(55)	(55)
Projected balance at 31 December 2005	48	42

12. As of December 2004, total PSA expenditure amounted to US$**173.3 million,** including a foreign exchange provision of US31.3 million. Actual ISC generated in 2004 amounted to US$202.2 million, 17 percent more than PSA expenditure for the year. The following graph shows monthly PSA expenditure against budget for the first fourteen months of the biennium.

MONTHLY PSA EXPENDITURE VS BUDGET
(US$)



STATUS OF OTHER FUNDS

Direct Support Cost Advance Facility (DSCAF)

13. As a result of difficulties with DSCAF during the previous biennium, which were caused by its limited size, the Board decided to increase its level from US$33 million to US$60 million for the 2004–2005 biennium.

14. In 2004, WFP advanced US$75.4 million, of which US$22.8 million was advanced to development activities, US$51.4 million to EMOPs and protracted relief and recovery operations (PRROs) and US$1.2 million to SOs.

15. During the first three months of 2005, WFP allocated US$60 million to all project categories, of which US$8.4 million was for development activities, US$50.4 million for EMOPs and PRROs and US$1.2 million for SOs.

16. WFP was able to respond quickly when countries in Asia and Africa were affected by the tsunami in late 2004. Given the severity of the crisis, management decided to advance US$16.3 from DSCAF, allowing WFP to mobilize a large number of staff to implement operations in areas where WFP presence was minimal or non-existent.

17. During the second quarter of 2005, WFP intends to widen the scope of usage of DSCAF and commence advancing ODOC to all project categories.

18. In recent years, WFP's working environment has changed considerably, which has led to a significant increase in the nature, number and size of operations and an increase in ODOC requirements. WFP's ODOC expenditures increased almost twofold from 2002 to 2004, from US$70 million to US$139.5 million, as a result of the increasing number of SOs and our growing involvement with implementing partners and counterparts.

19. By using DSCAF, WFP has been able to respond quickly with DSC to address expected requirements, but it has not been able to address the operational needs for SOs or the funding requirements of implementing partners and counterparts. Providing ODOC advances will allow for smoother, fuller and faster implementation. Country offices will no longer need to wait for confirmed pledges before they can commence spending.

20. WFP was reclassifying expenditures when DSCAF was established, which brought about the creation of the ODOC cost component. Many of the cost components shifted to ODOC were similar to DSC non-staff costs. WFP therefore had no experience in the management of ODOC at the time DSCAF was established;

21. Since the establishment of DSCAF, it has become obvious that there is also a need for ODOC funding to be advanced to projects, because the nature and timing of the expenditures are similar to DSC non-staff costs.

22. Expanding the use of DSCAF to include ODOC does not require creation of a new fund or a change to the WFP Information Network and Global System (WINGS), because the advancing and recovery mechanisms will be the same as those currently being used for DSC. The current level of US$60 million for DSCAF is sufficient to meet DSC and ODOC requirements.

Immediate Response Account (IRA)

23. At the end of March 2005, IRA availability stood at US$37.9 million.

24. Recognizing the effectiveness of IRA in addressing emergency needs, the Board broadened its scope in 2004 by (i) doubling the annual IRA target level to US$70 million, (ii) endorsing the use of IRA to prevent critical shortfalls in life-threatening situations, mainly through local and regional purchases, (iii) pre-positioning food to avert critical shortfalls beyond the initial three months of an EMOP while appeals and formal donation forecasts are being prepared and (iv) endorsing the proposal that when there is a need for pre-investment in preparedness activities but no alternative and viable funding source is available, IRA may be used for such purposes up to a limit of US$2 million per year.

25. In 2005 to date, US$42.7 million has been allocated from IRA to 13 operations – six EMOPs, four SOs and three immediate-response emergencies, which were approved under country directors' delegated authority. Nearly US$24.3 million was reimbursed into IRA through donor contributions directed to projects that benefited from an IRA allocation.

26. Contributions to IRA itself amounted to US$13.9 million in the first quarter of 2005. Sustained donor support is critical in reaching the annual target level of US$70 million. It is estimated that additional contributions amounting to US$25–30 million will be required to reach the target level.

Foreign Exchange Provision

27. The original provision for exchange rate impact on payroll cost was budgeted in the Management Plan at US$41 million based on an exchange rate of €1 = US$1.11. For 2004, the average exchange rate was €1 = US$1.23. This further strengthening of the Euro has generated an overall exchange rate impact on staff costs of US$31 million for 2004 compared with the budgeted US$20.5 million, with a projection for the biennium of US$62 million. If the Euro remains in the US$1.30 range for the balance of 2005, the US$62 million adjustment could be US$6.3 million higher.

Security Upgrades

28. In October 2003 the Board authorized the Executive Director to allot US$20 million to cover one-time costs for security upgrades in WFP offices worldwide. As of December 2004, US$16.8 million or 84 percent of the allotted amount had been committed in six main areas.

29. Security assessments have been completed in 44 of the highest-risk country offices, four liaison offices and Headquarters. Assessments for the remaining 35 country offices are scheduled for the first half of 2005. Work on relocation of the main gate at Headquarters and installation of a global access-control system is in the final stages. Funding has been provided for all WFP offices for installation of shatter-resistant film; installation is complete in 92 countries and at Headquarters; installation is pending in two offices that are in the process of relocating. A checklist of compliance with minimum operating security standards (MOSS) has been completed by 97 percent of WFP country offices.

30. The level of MOSS compliance in all outstanding country offices is under review, with the aim of achieving 100 percent compliance by the first half of 2005. To date, funds have been provided for 53 country offices that have identified their needs for additional security equipment. Training initiatives for maritime and air security and close protection have been implemented; 298 WFP staff have been trained – field security officers (FSOs), logistics officers, programme officers, security guards and country office staff. A regional security adviser has been added to each regional bureau; 15 new FSO posts and four security consultant posts have been created in high-risk countries. Standard equipment has been funded for all security staff – VHF radios, vehicles, global positioning systems (GPS), satellite telephones and laptops. Additional resources have been added to Headquarters for security analysis and reporting.

31. At EB.1/2004, the Board authorized use of the General Fund on a one-off basis to fund WFP's share of United Nations staff security management system costs for 2004–2005 up to the total approved by the General Assembly, plus WFP's costs for the malicious acts insurance policy and contributions to United Nations reform. As a result of General Assembly decision A/RES/59/276, the total amount for these costs for WFP will be US$16 million for the current biennium. Since the proposal to fund these security costs out of the United Nations regular budget has not been accepted by the General Assembly, WFP's share of security costs for the current biennium has increased. The Secretariat will submit to the Board at its Annual Session in 2005 a report on the financial implications of the final decision of the General Assembly along with all other WFP security costs, to be addressed in a unified way in the Management Plan for 2006–2007. The Executive Director will continue to support the Secretary-General in implementing a strengthened and unified security-management system for United Nations staff around the world and advocating for the central funding of related security costs in the future.

Results-Based Management[2]

32. The aim of the special fund for implementing RBM is to introduce the building blocks of a corporate results-based culture throughout WFP and to report on performance to WFP's stakeholders. Since the update of last March, the status of implementation is as follows:

- The first phase of a corporate training programme to establish a sustainable staff capacity for implementing RBM was rolled out. Intensive training was provided for

[2] Reporting against Management Priorities will be covered in the 2004 Annual Performance Report.

900 WFP staff at all levels. Subsequent support has been provided on demand through coaching sessions. A needs assessment is planned for 2005 to determine which RBM training-related needs remain and how they might best be met in the next biennium.

- The compendium of strategic and management indicators was updated in December 2004. Targets were set for most indicators, and the methodologies for collecting and interpreting a few of the management priority indicators were strengthened.
- The first full annual cycle of performance-based work planning was completed; 86 percent of Headquarters units, all regional bureaux and 78 percent of country offices produced work plans for 2004 and conducted year-end performance reviews.
- The development of a common monitoring and evaluation approach (CMEA) for WFP began in October 2004. The objectives are to establish a foundation of performance information for project management and to enhance transparency and accountability of operations. A review of existing monitoring and evaluation (M&E) practices and the design of a common approach are under way. Indicator menus and monitoring tools were tested and implemented in Liberia and Sudan in 2004, and in Sri Lanka following the tsunami. A corporate platform for capturing, analysing and reporting on monitoring data will be identified in 2005. CMEA will be rolled out in 2006–2007.
- Guidelines on the implementation of baseline surveys were issued; a series of baselines against one or more of WFP’s Strategic Priorities (SPs) were undertaken in 2004.[3]
- The quality of results reporting in the annual standard project reports (SPRs) to donors was the focus of a significant effort in 2004. Hands-on training on results reporting for focal points from every country office contributed to an increase in the level of reporting on outcomes in the 2004 SPRs by 60 percent over the 2003 reports. Systems were put in place to facilitate timely submission of the reports to donors. SPRs are now published electronically on an improved donor reports page; financial SPRs for closed projects are being submitted to donors quarterly rather than annually. In 2003, 96 percent of SPRs were submitted to donors by the corporate deadline of 31 March; this year 100 percent were published by the deadline.
- The Annual Performance Report (APR) was identified as the main accountability tool for the Board under the new WFP governance framework. The 2004–2007 Strategic Plan mandated 2004 as the first year for reporting achievements against the five SPs and nine Management Priorities (MPs).[4] The 2004 APR, building on the 2003 transitional document, is an increasingly evidence-based report that will inform strategic decision-making, planning and policy dialogue. The APR analyses and reports on outputs and outcomes for four of the five SPs, supported by results from baseline and follow-up surveys.[5] An overview of recent trends and lessons learned from WFP operations is presented, with an analysis of progress made toward achieving the nine MPs.

[3] For more information about the baseline and follow-up surveys conducted in 2004, please refer to the *Annual Performance Report 2004*, Part II: Measuring Performance by Strategic and Management Priorities.

[4] Please refer to WFP/EB.A/2000/4-D for more information.

[5] Output and outcome indicators for SP 5 are to be defined in the *Strategic Plan 2006–2009*.

STRENTHENING FINANCIAL MANAGEMENT

33. During 2004, WFP refined and developed the initiative to strengthen financial management and made considerable progress in its implementation.

Regular PSA Funding

34. The financial management function has been strengthened through the regular PSA budget through:

- **Strengthened corporate financial analysis and field support.** The Financial Analysis and Review Branch (ADFA) was established with effect from 1 January 2004. Field support has also been significantly strengthened through:
  - clarification of the role of the regional finance officer in the support and oversight of country offices;
  - development of a minimum reporting package for management and control of all country office accounts;
  - establishment of an agreed key business user framework for the resolution of WINGS financial issues; and
  - establishment of a finance staff coordinator function to manage the deployment of finance staff throughout WFP.
- **Enhanced financial competence and effectiveness through training:**
  - country director training, with a focus on financial management, was held in March and September 2004;
  - a pilot financial reporting training course for senior managers was developed and delivered; and
  - WINGS refresher training for field finance staff was developed and delivered to finance officers of three regions; the remaining three regions will be covered in 2005.
- **Ensuring more timely input of financial information:**
  - New procedures have been developed and implemented to allow the transactions of some smaller offices to be entered daily in the regional office, which reduces the delay in data entry and improves the quality of the data in the system.
  - New guidelines and procedures for processing United Nations Development Programme (UNDP) transactions are in place that allow all UNDP transactions to be captured one month earlier than previously.
  - A new version of the country office accounting software has been developed and rolled out.
- **Development and provision of management reports:**
  - three new additional WINGS reports that focus on the financial information needs of project managers were designed and implemented;
  - a quick-access guide to the most useful financial management reports was developed and distributed;
  - commitments made for staff costs have been included on the most commonly used financial management reports; and

◊ the requirements for financial reports from the data warehouse have been defined and are under development.

Institutional Strengthening

35. In addition to regular PSA funding, the institutional strengthening partnership between the Department for International Development (DFID) and WFP partially funded:

- a new ***Consolidated Finance Manual***, which provides a single point of reference on WFP financial policy to all managers and relevant staff; and
- roll-out of electronic banking software to 38 country offices, resulting in reduced transaction costs and reduced country office cash balances.

One-Time Capacity Investment

36. Provision of a one time non-recurring capacity investment has allowed WFP to recruit and train additional qualified finance officers. Based on a review of each office and consultation with the regional and executive staff, the requirements for additional finance staff in each location were established, including regional financial analysts in five regions. Of the 43 new posts, 37 have been recruited.

37. To maximize the effectiveness of these new staff, **finance officer orientation training** was delivered in May and October 2004 covering the financial impact of the complete WFP business cycle, and providing detailed guidance on the role of the finance officer and hands-on training in WINGS. Consequently the plan has evolved as shown in Table 5.

TABLE 5:REQUIRED INFRASTRUCTURE OF FINANCIAL EXPERTISE

	Original plan	Current plan
Additional national officers	52	17
Additional international officers	14	26
Total number of staff	**66**	**43**
Total staff cost (US$ million)	5.67	5.9
Total non-staff cost (US$ million)	0.07	0.4
Total cost	**5.74**	**6.3**

38. An additional US$500,000 may be required to complete this initiative if all planned expenditures are incurred.

FINANCIAL POLICY FRAMEWORK ISSUES

Government Counterpart Cash Contributions (GCCC)

39. In the Management Plan 2004–2005 (WFP/EB.3/2003/5-A/1) the Board approved the current policy on Government Counterpart Cash Contributions (GCCC), under decision (K): Approved the following treatment for GCCC:

i) for least developed countries (LDCs), whatever local contributions are received will be retained in the country offices as additional support resources for the country;

ii) for non-LDCs, cash received from the government of up to 50 percent of PSA-funded local costs, staff and other, will be treated as GCCC revenue of the General Fund; any excess will be retained in the country offices as additional resources for the country.

40. The current policy has given countries an incentive to contribute to WFP’s local operating costs, but there are still several countries in the non-LDC category that receive modest GCCC amounts on an annual basis but the amount never exceeds the 50 percent of PSA-funded costs in the country. To strengthen the incentive for governments in LDC and non-LDC countries to contribute to WFP’s local operating costs, it is proposed to treat all GCCC income as additional support resources that would be retained in the country. It is expected the level of GCCC will steadily increase as a result. For the next biennium, it is expected that minimum US$5 million could be generated in GCCC.

41. The Secretariat intends to present a proposal for a revision of GCCC policy for the Board in the Management Plan proposal for 2006–2007.

SMALL COUNTRY OFFICES

42. Following discussions at the WFP Global Meeting 2004 in Dublin, an internal task force was established to review the need to strengthen small country offices. This was because the current uniform formula for funding country offices – one country director plus US$200,000 funded by PSA, with all other costs funded from DSC – has not been working sufficiently to support small country offices that do not generate enough tonnage to support a minimum critical mass of direct support costs. The task force presented its preliminary findings to the Executive Director in November 2004. The main findings were that 33 country offices are considered small on the basis of tonnage throughput, government capacity, difficulty of terrain and programme category. These offices have limited resources to cope with the corporate requirements in the areas of programme – including thematic areas such as HIV/AIDS and nutrition – finance and corporate reporting. Based on the preliminary proposal, the Executive Director approved an interim revised PSA funded standard structure for the small offices for 2005. This structure consists of:

i) two international professional staff (country director plus one international professional); and

ii) local operating expenses of US$220,000 one national officer position and information and communications technology (ICT) related requirements estimated at US$80,000.

43. In the review of resources and long-term financing (R&LTF), WFP/EB.1/99/4-A, the Board approved a minimum standard structure of:

i) one international professional (country director/WFP representative);

ii) two national officers;

iii) three general service staff; and

iv) non-staff costs of US$55,000.

44. The above structure was adjusted to one international staff, the country director, plus US$200,000 for local operating costs and national staff in the 2004–2005 budget cycle.

45. The task force recommendations deviate from the concept of a minimum standard structure by introducing four structures, as in Table 6.

TABLE 6: COUNTRY STANDARD STRUCTURE	
Size of country	**PSA allocation**
Large	One country director.
Medium	One country director plus US$200,000 in local operating costs.
Small	One country director plus one additional professional staff plus US$220,000 for local operating, one national officer and US$80,000 for ICT-related requirements.
Very small	One country director, one additional professional staff, plus US$220,000 for local operating costs and US$30,000 for ICT-related requirements.

46. The task force will continue its work and make a final proposal to be included in the Management Plan for 2006–2007.

ACRONYMS USED IN THE DOCUMENT

ADFA	Financial Analysis and Review Branch
APR	Annual Performance Report
CMEA	common monitoring and evaluation approach
DFID	Department for International Development
DPRK	Democratic People’s Republic of Korea
DSC	direct support cost
DSCAF	direct support cost advance facility
EMOP	emergency operation
FSO	field security officer
GCCC	government counterpart cash contribution
GPS	global positioning system
ICT	information and communications technology
IRA	Immediate Response Account
ISC	indirect support costs
LDC	least-developed country
M&E	monitoring and evaluation
MOSS	minimum operating security standards
MP	Management Priority
ODOC	other direct operational cost
PRRO	protracted relief and recovery operation
PSA	programme support and administrative (budget)
R&LTF	resources and long-term financing
RBM	results-based management
SO	special operation
SP	Strategic Priority
SPR	standard project report
UNDP	United Nations Development Programme
WINGS	WFP Information Network and Global System