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de Alimentos

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THE WFP BIENNIAL BUDGET FOR THE PERIOD 2000–2001

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The WFP Biennial Budget for the Period 2000–2001

NOTE TO THE EXECUTIVE BOARD

This document is submitted for review and approval by the Executive Board.

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

Director, OEDB: M. Usnick tel.: 066513-2704

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Documentation and Meetings Clerk (tel.: 066513-2641).

Contents

| | Paragraphs |
|--|-----------------|
| GENERAL NOTES | |
| TRANSMITTAL LETTER | 1 - 13 |
| EXECUTIVE BOARD ACTION | 14 - 16 |
| | |
| SECTION I. OVERVIEW OF THE 2000–2001 BUDGET | 17 - 71 |
| Introduction | 17 - 27 |
| Strategic Framework | 28 - 36 |
| Financial Framework | 37 - 39 |
| Projected Resources and their Utilization | 40 - 55 |
| Review of the 1998–99 Biennium | 40 - 47 |
| Projections for 2000–01 Biennium | 48 - 55 |
| Direct Operational Costs | 56 - 58 |
| Support Costs | 59 - 71 |
| | |
| SECTION II. 2000–2001 OPERATIONAL BUDGET | 72 - 91 |
| Overview | 72 - 73 |
| Development Programme | 74 - 77 |
| Emergency Operations | 78 - 81 |
| Protracted Relief and Recovery Operations | 82 - 87 |
| Special Operations | 88 |
| Other Resources | 89 - 91 |
| | |
| SECTION III. 2000–2001 SUPPORT BUDGET | 92 - 146 |
| Overview | 92 - 95 |
| Direct Support Cost Budget | 96 - 100 |
| Indirect Support Cost (PSA) Budget | 101 - 121 |
| Programme Support—Regional and Country Offices | 104 - 108 |
| Programme Support—Headquarters | 109 - 113 |
| Management and Administration | 114 - 116 |
| Statutory Requirements | 117 - 121 |
| Other Support Budget Initiatives | 122 - 146 |

| | Pages |
|---|----------------|
| SECTION IV. TABLES AND ANNEXES | 35 - 55 |
| Table A: Staffing Table, 1998–1999 and 2000–2001 | 36 |
| Table B: PSA Posts by Organizational Unit and by Appropriation Line, 2000–2001 | 37 |
| Table C: PSA Budget by Organizational Unit and by Appropriation Line, 1998–1999 | 39 |
| Table D: PSA Budget by Organizational Unit and by Appropriation Line, 2000–2001 | 41 |
| Annex I: WFP Organizational Chart with Organizational Unit Acronyms | 43 |
| Annex II: Highlights of the Strategic and Financial Plan, 2000–2003 | 47 |
| Annex III: Budget Methodology | 51 |
| Annex IV: Terminology | 53 |

Overview of contents

This document sets out WFP's biennial budget proposal for the period 2000–2001. The structure, while broadly similar to that of previous WFP biennial budget documents, has been re-organized to reflect the presentation of cost category components to better substantiate the operational and administrative requirements in accordance with WFP's revised Resource and Long-term Financing (R<F) policies. In preparing WFP's 2000–2001 budget proposal, and in respect of the views previously expressed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) regarding the presentation of WFP biennial budgets, particular attention has been made to avoid unnecessary repetition of data and information in explanatory tables, and to provide more succinct narratives.

As is the usual practice, the 2000–2001 budget document indicates the resource projections and the foreseen distribution of those estimates as expenditures against operational and related activities. It lays out the key strategic priorities as well as the major financial, operational and programme management initiatives that constitute the platform underlying WFP's activities in the forthcoming budgetary period. The WFP 2000–2001 budget document consists of the following:

- The **Transmittal Letter** from the Executive Director gives her introductory views on the guiding principles and make-up of the budget, and summarizes the directions to be pursued by WFP in 2000–2001.
- The section on **Executive Board Action** contains the Executive Director's recommendations to the Executive Board.
- The section on **Overview of the 2000–2001 WFP Budget** outlines the impact of the revised Resource and Long-term Financing policies on the formulation of the budget, and presents insight into how WFP intends to incorporate, in future budget cycles, the concept of results-based management. The section provides an overall framework showing the strategic and financial parameters that shape WFP's operational activities for the coming biennium. It illustrates the projected total resources foreseen to be made available in 2000–2001 as well as their utilization. The section contains a review of how the 1998–99 budget was implemented and gives a summary account of projections for the coming biennial period for both operational and support activities. It also outlines the assumptions used in determining commodity, transport and other operational costs.
- The section on the **2000–2001 WFP Operational Budget** gives resource and expenditure projections for direct operational costs for all programme categories.
- The section on the **2000–2001 WFP Support Budget** addresses resource and expenditure projections for both direct and indirect support costs by programme category and appropriation line, and discusses the major management initiatives that will be undertaken during the biennium.

- **Tables and Annexes** consist of: i) Staffing Table (comparing the 1998–99 situation with 2000-01 proposals); ii) PSA posts by organizational unit and by appropriation line, 2000-2001; iii) PSA budget by organizational unit and by appropriation line, 1998–99; iv) PSA budget by organizational unit and by appropriation line, 2000–2001; v) WFP organizational chart for 2000-01, with a description of WFP organizational unit acronyms; vi) highlights of the Strategic and Financial Plan, 2000–2003; vii) methodology used to devise the 2000–2001 budget, including the key factors and assumptions affecting the calculation of budget estimates; and viii) terminology used in the budget document.

General Notes

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

One billion equals 1,000 million.

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

Low-income, food-deficit countries (LIFDCs) include all food-deficit (i.e. net cereal-importing) countries with per capita gross national product (GNP) not exceeding the level used by the World Bank to determine eligibility for International Development Association (IDA) assistance (\$1,505 in 1996). In 1998, 83 countries were classified by FAO as LIFDCs. The United Nations category of least developed countries (LDCs) includes “those low-income countries that are suffering long-term handicaps to growth, in particular low levels of human resource development and/or severe structural weaknesses”. In 1998, 48 countries were classified by the United Nations General Assembly as LDCs (and one classified “as if” it was an LDC).

Throughout the 2000–2001 budget document, tables appear which show inter-biennia expenditure comparisons (actual for 1996–97, estimated for 1998–99 and projected for 2000–2001). However, due to cost re-categorization in direct operational, direct support and indirect support cost categories, comparisons between the three biennial periods cannot be made. Furthermore, the de-obligation of prior-year balances during the 1996–97 period make the figures for that biennium artificially low when compared with the other biennia.

ACRONYMS USED IN THE DOCUMENT

| | |
|----------------|--|
| ACABQ | UN Advisory Committee on Administrative and Budgetary Questions |
| ACC/SCN | Administrative Committee on Coordination/Sub-Committee on Nutrition |
| CCPOQ | UN Consultative Committee on Programme and Operational Questions |
| CIS | Commonwealth of Independent States |
| DSC | Direct Support Cost |
| DOC | Direct Operational Costs |
| DPRK | Democratic People’s Republic of Korea |
| ECHA | Executive Committee on Humanitarian Affairs |
| ECOSOC | United Nations Economic and Social Council |
| EMOP | Emergency Operation |
| ETNet | Enhanced Telecommunication Network |
| FAAD | Food Aid and Development |
| FAO | Food and Agriculture Organization of the United Nations |
| FMIP | Financial Management Improvement Programme |
| GCCC | Government Counterpart Cash Contribution towards local operating costs |
| IFAD | International Fund for Agricultural Development |
| ILO | International Labour Organisation |
| ISC | Indirect support cost |

| | |
|------------------|---|
| ITSH | Internal transport, storage and handling |
| JIU | Joint Inspection Unit |
| JPO | Junior Professional Officer |
| LDC | Least developed country |
| LIFDC | Low-income, food-deficit country |
| LTSH | Landside transport, storage and handling |
| MIS | Management Information System |
| MOU | Memorandum of Understanding |
| NGO | Non-Governmental organization |
| NGLS | Non-Governmental Liaison Service |
| PRRO | Protracted Relief and Recovery Operation |
| PSA | Programme Support and Administration/Programme Support and Administrative |
| RBM | Results Based Management |
| R&LTF | Resource and Long-term Financing (policies) |
| SFP | Strategic and Financial Plan |
| SO | Special Operation |
| UN | United Nations |
| UNDAF | United Nations Development Assistance Framework |
| UNDG | United Nations Development Group |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNFPA | United Nations Fund for Population |
| UNHCR | United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children's Fund |
| VAM | Vulnerability Analysis and Mapping |
| WFP | World Food Programme |
| WHO | World Health Organization |

Transmittal Letter

1. The WFP Biennial Budget for the period 2000–2001 is presented for the review and approval of the Executive Board. This budget document is submitted in accordance with Article IX of the WFP Financial Regulations.
2. As we enter the new millennium, hunger is on the rise again. Despite steady progress in the drive to eradicate hunger and malnutrition since the end of World War II, we are now faced with a resurgence and the number of people affected has actually risen by 30 million in the last few years. Roughly 830 million people—mostly women and children—do not have enough food to live healthy and productive lives.
3. This sudden turn for the worse for the hungry comes at a time when food is comparatively cheap and world agricultural output is more than enough to meet the needs of every man, woman and child. The heart of the hunger problem lies not so much in production as in access. Vast numbers of people simply do not have access to food or the earning power they need to feed themselves.
4. As the food aid arm of the United Nations system, WFP works closely with its UN, NGO and other partners to ensure that poor people and victims of emergencies have access to the food they need. This has been a difficult task recently as massive emergencies in the sub-Saharan Africa, Bangladesh, China, Kosovo and Central America have all diverted attention from the fact that the number of chronically poor who are not victims of emergencies quietly continues to rise.
5. While resources from donors have not kept pace with the growth in the number of chronically hungry people, there has been an extraordinarily generous response to the victims of man-made and natural disasters. Just two years ago, as we formulated the 1998–99 WFP budget, we assumed that donations to WFP would decrease over the four-year planning period 1998–2001. However, in response to the growing emergencies, this biennium donors have provided WFP with an estimated 52 percent more tonnage than projected in the current budget. This means that, except for the 1992–93 biennium, WFP will deliver more food this biennium than any in its history.
6. The WFP Strategic and Financial Plan for 2000–2003, which was endorsed by the Executive Board at its Annual Session of 1999, projected resource levels for the 2000–2001 biennium of 5.1 million tons at a total value of \$2.689 billion, including support costs. The budget I am submitting for your approval will deliver 5.165 million tons of food at a cost of \$2.742 billion. The slight revision reflects a modest increase in tonnage and more precise programming assumptions.
7. The biennium 2000–2001 will be a challenging one for WFP because many of the organizational change initiatives launched in earlier years are now being fully implemented.
8. With the commencement of the 2000–2001 biennium, WFP's revised Resource and Long-Term Financing policies will take effect. These policies, adopted by the Executive Board in January 1999, are aimed at providing the Programme with greater security of funding for the support cost component of the budget, enhanced flexibility in

the use of resources and wider capacity to plan and implement activities in a timely manner.

9. WFP's Financial Management Improvement Programme (FMIP) was launched in 1995. Its primary objectives were to upgrade WFP's management and accounting systems and put in place a systems environment that would support further delegation of responsibilities to country offices. Through FMIP, country offices will be able to better manage their administrative and project budgets. This biennium, under the umbrella of the FMIP, WFP introduced a new Commodity Tracking System which will support operations and food pipeline management, and a Resource Mobilization System to track and record data on resource needs and contributions. In the new biennium, WFP's integrated finance, personnel and procurement systems will come on line as well as other management information systems geared to support WFP operations.
10. By the end of 1999, WFP will have 11 Regional Cluster offices and two Regional Bureaux in the field. The two Regional Bureaux remaining at headquarters will be streamlined as a result of the programme coordination functions being transferred to the field. This will allow a number of posts at headquarters to be redeployed in order to bolster country and regional offices.
11. Finally, we will be implementing the new Food Aid and Development policies endorsed by the Executive Board at its Annual Session of 1999.
12. As in the past, we will continue to be an active participant in the process of UN reform. In that spirit, this document follows the standard "harmonized" format for biennial budgets adopted by other voluntarily-funded UN programmes (UNDP, UNFPA and UNICEF). Consistent with this approach, we have limited the information in the budget document in most instances to the summary level so that Executive Board members can focus on strategic financial decision-making. More detailed tables are included at the end of the document. We have also shortened the document to avoid repetition of information included in other WFP documents such as the Annual Report. However, should more detailed information be required, it will be made available upon request.
13. This new budget for 2000–2001 will allow WFP to contribute more in the ongoing struggle to end hunger. At the outset of the new millennium, we must rededicate ourselves to this task. We should no longer tolerate the fact that hundreds of millions of people simply lack the proper health and nutrition to compete economically and provide for themselves.



Catherine Bertini
Executive Director

Executive Board Action

14. Member Governments have entrusted WFP with the resources to carry out its Mission Statement in accordance with the principles and priorities established in the Strategic and Financial Plan, 2000–03. Hand-in-hand with this trust is an obligation by WFP to continue to look for ways to heighten operational effectiveness, and to deliver food aid in both a timely and cost-effective manner.
15. WFP's projected expenditure for the period 2000–2001 amounts to \$2.742 billion. This figure includes all estimated operational, direct and indirect support costs. WFP expects to expend \$2.269 billion for direct operational costs, \$195.6 million for direct support costs, and \$193.9 million for Programme Support and Administration (PSA). This budget will fund the delivery of a projected 5.165 million tons of food aid over the two-year period to needy people in over 80 countries.
16. The Executive Director recommends that the Executive Board consider and adopt the following.

The Executive Board:

Having considered WFP's biennial budget estimates for the period 2000–2001 as submitted by the Executive Director in document WFP/EB.3/99/3-A:

- a) **Takes note** of the operational levels, including the projected expenditure components by programme and cost category as outlined in Table 2 (paragraph 48).
- b) **Approves** a net PSA appropriation in the amount of **\$193,882,000** based on an indirect support cost recovery rate of 7.8 percent for the purposes indicated below:

| | (US\$) |
|---|--------------------|
| Programme Support: Regional and Country Offices | 73,106,000 |
| Programme Support: Headquarters | 26,778,000 |
| Management and Administration | 93,998,000 |
| Net Total | 193,882,000 |

- c) **Authorizes** the Executive Director to adjust the PSA component of the budget in accordance with any variation in volume of operations when such variations are more than 10 percent from the planned level;
- d) **Authorizes** the Executive Director to recast the budget at the US\$/Lira exchange rate fixed by the FAO Conference for the 2000–2001 biennium;
- e) **Authorizes** the Executive Director to allot up to \$33 million for purposes of advancing Direct Support Costs (DSC) under the DSC Advance Facility.

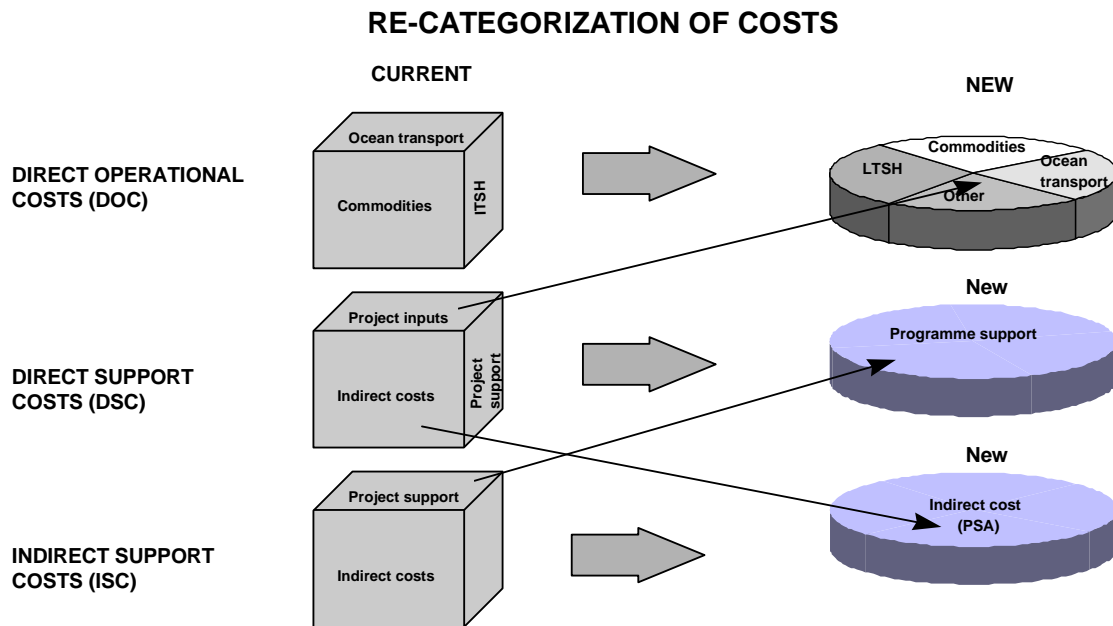
OVERVIEW OF 2000–2001 BUDGET

INTRODUCTION

17. WFP's 2000–2001 biennial budget proposal emanates from its mission and mandate as the food aid arm of the United Nations. Its preparation was guided by the advice of the Executive Board provided during its consideration of the Strategic and Financial Plan (SFP), 2000–2003. The general orientation and strategic priorities of that Plan were endorsed by the Board at its Annual Session in May 1999. The structure and content of the budget document reflect the advice of the ACABQ and the FAO Finance Committee.
18. The document also reflects the revised R<F policies approved by the Board at its First Regular Session of 1999. It presents a consolidated budget showing the totality of projected turnover for all cost and programme categories for the coming financial period, and it does so in line with the common format established under the "harmonization of budgets" initiative adopted by other voluntarily-funded UN Funds and Programmes. Appropriate changes have been made to the harmonized format to better reflect WFP's unique cost recovery modalities as defined under WFP's revised R<F policies.

Conformity with revised Resource and Long-term Financing policies

19. WFP's new R<F modalities are geared to: a) better reflect and measure support costs (direct and indirect) against what WFP delivers; b) more accurately align costs under the applicable Direct Operational Cost (DOC), Direct Support Cost (DSC) and Indirect Support Cost (ISC) categories; and c) reaffirm the principle of full-cost recovery in that each donor is required to meet its contribution's share of all associated costs and a pro-rata share of the direct and indirect support costs. Key innovative aspects from the budgetary standpoint are highlighted below:
 - The re-categorization of costs means that some costs previously considered as indirect support costs under PSA will shift to project DSC while certain DSC project deliverable costs will now be classified as DOC.
 - Support costs in budget terms are expanded to include both the indirect and direct support components, resulting in wider coverage of costs under the country office programme support line.
 - A single ISC rate is to apply to all programme categories to finance the PSA budget.
 - A PSA-funded standard country office structure is established, with other support costs met through DSC. In defining support cost levels, consideration has been given to the level and types of operational activities, in-country or regional circumstances, stand-alone offices and programming factors (i.e. LDCs, LIFDCs and others).
20. A graphic overview of the new DOC, DSC and ISC structure is shown below.



21. More precise definitions of the elements that fall under the DOC, DSC and ISC categories, taken from WFP's current General Regulations, General Rules, Financial Regulations and Rules of Procedure, are shown in Annex IV of this document.
22. In aggregate terms, approximately \$69 million of DSC in the revised 1998–99 estimates will shift to DOC in 2000–2001. A net amount of \$32.4 million will shift from PSA to DSC in 2000–2001 to fund country office support costs.

IMPORTANT: The cost re-categorization brought about by the revised R<F policies, which is reflected in this document, makes it difficult to compare figures between biennia.

Results-based management—future directions

23. With the encouragement of the Executive Board, the SFP, 2000–2003, committed WFP to the introduction of results-based management (RBM) as one of a number of initiatives to support continuous improvement of the Programme.
24. RBM is a relatively new approach to management in the public sector. It balances previous emphases on resource requirements and processes with a strong emphasis on measuring the achievement of organizational objectives.
25. This management approach will need to be adapted to meet the needs of WFP and its Member States and donors. In consultation with the Board, WFP will explore the concept of RBM and determine how it can best serve the Programme.
26. Subject to the agreement of the Board, WFP expects to be able to adopt a timetable for the introduction of RBM so that the SFP, 2002–2005, to be submitted for approval in 2001, will be based on an RBM approach. However, it should be emphasized that a complete transition to RBM will take several biennia.
27. While it is important that WFP's RBM system be developed by its own staff, WFP anticipates drawing extensively upon the experience of other organizations and Member

States. RBM is also being introduced in other UN agencies such as UNDP. A consistent approach across UN agencies will help to facilitate increased operational collaboration.

STRATEGIC FRAMEWORK

28. Strategically, WFP plans over a four-year horizon, on a rolling cycle every two years. The SFP, 1998-2001 identified six programmatic priorities and four organizational priorities that were carried over into the 2000–03 SFP, which was endorsed by the Board in May 1999. Highlights of that Plan are given in Annex II of this document.
29. WFP's 2000–2001 integrated budget supports the following four planning objectives for the period:
 - To enable at least 20 million hungry poor people per year to achieve greater food security;
 - To minimize the loss of human life and enhance the recovery capability of targeted populations in all approved relief and recovery activities;
 - To implement four major corporate initiatives—FMIP; the Food Aid and Development (FAAD) policy endorsed in May 1999; ongoing organizational change and decentralization initiatives; and the implementation of the revised R<F policies; and
 - To establish WFP as a decentralized organization that is respected for its innovative approach, achievement of results, continuous efforts to realize improvements, responsiveness to change, and knowledge of food aid and the hungry poor.
30. WFP's activities are grouped in three main **programme categories**: a) Development; b) Emergency Operations (EMOP); and c) Protracted Relief and Recovery Operations (PRRO).
31. WFP's **development** activities will be guided by the conclusions of the FAAD policy review, the outcome of which was endorsed by the Board in May 1999. WFP will provide such assistance only where and when food consumption is inadequate for good health and productivity. Working in collaboration with partner organizations, WFP will provide this food aid in ways which enable poor, food-insecure households to take advantage of development opportunities, either by investing in human capital or by acquiring or protecting physical assets. The needs of women will be given particular attention.
32. WFP will focus its development activities on the following objectives, which will be selected and combined in Country Programmes in accordance with the circumstances of the recipient country:
 - Enable young children and expectant and nursing mothers to meet their special nutritional and nutrition-related health needs;
 - Enable poor households to invest in human capital through education and training;
 - Make it possible for poor families to gain and preserve assets;
 - Mitigate the effects of natural disasters in areas vulnerable to recurring crises of this kind; and

- Enable households which depend on degraded natural resources for their food security to make a shift to more sustainable livelihoods.
33. In accordance with WFP's Mission Statement, a minimum of 50 percent of development resources will be utilized in LDCs, and at least 90 percent will be directed to LIFDCs, including LDCs.
 34. The **EMOP** programme category covers activities that respond to acute emergency situations where normal access to food is no longer possible. EMOPs normally have a maximum duration of two years.
 35. **PRROs** bridge the gap between relief and development. A strategy to guide relief through the recovery phase to development is designed as early as possible, even during the preceding emergency activity; thus WFP assistance extends from crisis to recovery.
 36. Closely related to WFP's relief activities are special operations that are sometimes required in extraordinary circumstances to rehabilitate and enhance transport and logistics infrastructure and capacity to permit speedy and efficient delivery of food assistance to meet emergency and protracted relief needs.

FINANCIAL FRAMEWORK

37. The Financial Plan section of the SFP, 2000–2003, formed the foundation upon which this biennial budget was constructed.
38. WFP receives all of its resources on a voluntary basis. All resources flow to the projects and operations through funding windows, which are classified as multilateral, directed multilateral and bilateral, according to the degree of directedness and other donor conditions. Resources channelled through these funding windows go towards the respective programme categories (i.e. Development, EMOP and PRRO). All contributions are required to be on a full cost recovery basis. Full-cost recovery means that each contribution includes the value of the commodities, as well as ocean transport, landside transport, storage and handling (LTSH), and the DSC and ISC components.
39. Current modalities covering Government Counterpart Cash Contributions (GCCC) towards local operating costs are applicable to non-LDC recipient governments. Governments are approached on an annual basis to make contributions based on a formula approved by the Governing Body. Contributions received are applied as income for funding the PSA component of the budget. With the implementation of the revised R<F policies, certain elements of the GCCC mechanism will need to be revised to take into account both the ISC and DSC support lines. In 2000–2001, the Programme intends to aggressively pursue GCCC and will incorporate such obligations in agreements with recipient countries. The expected level of GCCC in 2000–2001 is in the range of \$2 million.

PROJECTED RESOURCES AND THEIR UTILIZATION

Review of the 1998–99 Biennium

40. The level of operations projected in the 1998–99 budget document covered both the availability and utilization of resources. Contributions confirmed in writing by donors are considered available resources. The assumption was that the volume in transit, or not called forward in one biennium or year, would be similar to the volume in the previous biennium or year.
41. The level of operations in terms of the availability of resources for 1998 was revised in August 1998 from **2.207 million tons** (as projected in the 1998–99 budget) to **3.731 million tons**, or 169 percent of the original estimate. The primary reason for the increase was a large donation of additional commodities (approximately one million tons) from the United States. The availability by programme category, against the original estimate, was 119 percent for Development, 233 percent for EMOP and 123 percent for PRRO. The carry-over from 1997 was utilized in 1998.
42. The estimated availability of resources for 1999 was revised in July 1999 from **2.174 million tons** (as projected in the 1998–99 budget) to **2.953 million tons**, or 136 percent of the original estimate. This revision was again primarily attributable to a second tranche of additional commodities (approximately 800,000 tons) from the United States. The availability by programme category, against the original estimate, is estimated to be 91 percent for development, 181 percent for EMOP and 113 percent for PRRO.
43. The value of WFP's operations in terms of expenditure, including the PSA component, amounted to **\$1.764 billion** for 1998 and is projected at **\$1.516 billion** for 1999. Thus, the total value of operations in terms of expenditure for the 1998–99 biennium is estimated to be **\$3.280 billion**.
44. The approved biennial PSA budget for 1998–99 was **\$203.6 million**, based on a planned operational level of 4.381 million tons. In light of the additional 1998 contribution, in 1998 the Executive Director exercised her authority *to adjust the budget in accordance with the variation in the volume of operations when such variations are more than 10 percent from the planned level* by increasing the PSA budget by \$12 million. She also exercised this authority in 1999, this time based upon the additional 1999 contribution, by increasing the PSA budget by an additional \$10 million. Thus, the total PSA budget for 1998–99 has been revised to **\$225.6 million** against a total operational level of **6.684 million tons**. This ratio of PSA to turnover was significantly less than the 1998–99 projected budget ratio and also less than the 1996–97 ratio, when PSA was \$226 million against a total operational level of 5.0 million tons.
45. Table 1 below shows a comparison of original estimated expenditures with revised estimates for 1998–99, by both programme category and cost component.

Table 1: Original projections versus revised estimates, 1998–99

| (in million US\$) | 1998-99 Original projection | 1998-99 Revised estimates |
|---|--------------------------------|------------------------------|
| Sources of Funds By Programme Category | | |
| General Fund | 71 | 83 |
| Development | 651 | 630 |
| EMOP | 1 117 | 1 838 |
| PRRO | 526 | 642 |
| Special Operations | 60 | 39 |
| Bilateral and other operations | 66 | 48 |
| TOTAL SOURCES | 2 491 | 3 280 |
| Usage of Funds by Cost Component | | |
| Food | 1 210 | 1 507 |
| Ocean transport | 292 | 480 |
| LTSH | 486 | 658 |
| Other direct operational costs | 62 | 63 |
| Direct support costs | 182 | 267 |
| Indirect support costs | 204 | 226 |
| Subtotal | 2 436 | 3 199 |
| General Fund | 55 | 81 |
| TOTAL USAGE | 2 491 | 3 280 |
| <i>Volume (in thousand tons)</i> | <i>4 381</i> | <i>6 684</i> |

46. As can be seen from the table, most of the increase from the original estimates was in the EMOP category.

47. A full budgetary performance report for the 1998–99 biennium will be submitted to the Executive Board in 2000.

Projections for the 2000–2001 Biennium

Total Resources

48. Table 2 below projects total resources and their utilization for 2000–2001 by programme and cost category.

Table 2: Total projected resources and their utilization, 2000–2001

| (in million US\$) | General Fund | Development | EMOP | PRRO | Special Operations | Bilateral and Others | TOTAL |
|----------------------------------|--------------|--------------|--------------|--------------|--------------------|----------------------|--------------|
| CONTRIBUTIONS AND INCOME | | | | | | | |
| Commodity contributions | | 250 | 274 | 268 | | | 792 |
| Cash contributions | | 368 | 767 | 677 | 27 | 26 | 1 865 |
| Interest and other income | 84 | | | | | | 84 |
| GCCC | 2 | | | | | | 2 |
| TOTAL | 86 | 618 | 1 040 | 945 | 27 | 26 | 2 742 |
| EXPENDITURES | | | | | | | |
| Food in kind | | 250 | 274 | 268 | | | 792 |
| Food purchases | | 140 | 199 | 155 | | | 494 |
| Ocean transport | | 87 | 106 | 132 | | | 325 |
| LTSH | | 30 | 300 | 235 | | | 565 |
| Other direct operational costs | | 26 | 8 | 12 | 23 | 25 | 93 |
| Direct support costs | | 40 | 79 | 74 | 2 | | 196 |
| Indirect support costs | 2 | 45 | 75 | 68 | 2 | 1 | 194 |
| Subtotal | 2 | 618 | 1 040 | 945 | 27 | 26 | 2 658 |
| General Fund | 84 | | | | | | 84 |
| TOTAL | 86 | 618 | 1 040 | 945 | 27 | 26 | 2 742 |
| <i>Volume (in thousand tons)</i> | <i>0</i> | <i>1 505</i> | <i>1 852</i> | <i>1 808</i> | <i>0</i> | <i>0</i> | <i>5 165</i> |

49. The estimated available resources of WFP consist of commodities, cash and acceptable services. For planning purposes, the calculated value per ton of commodities, by programme category, was based on the WFP five-year historical price averages and the corresponding average food basket composition. The commodity price trend of the past five years shows a price peak in 1996 with a downward trend into 1998. Current market price projections for 2000, however, show an upward direction. Forecasting for the planning horizon is not always exact. In this regard, the upward trend is taken into account by applying the five-year average which yields commodity prices somewhat higher than in 1998. It is anticipated that the ocean freight market will remain somewhat depressed, and a gradual return in 2001 and onwards is expected.
50. As indicated above, the total WFP budget for the 2000–2001 biennium is projected to be **\$2.742 billion**, a decrease of \$538 million from the revised 1998–99 budget of \$3.280 billion. This amount is expected to fund the delivery of **5.165 million tons** of food and related support costs, compared to estimated deliveries of 6.684 million tons of food in the 1998–99 biennium.
51. Tables 3 and 4 below compare the projected budget with the previous and current biennia, based on tonnage volume and value of operations.

Table 3: Volume of operations—by programme category

| (in thousand tons) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|--------------------|-------------------|----------------------|----------------------|
| Development | 1 711 | 1 517 | 1 505 |
| EMOP | 2 032 | 3 938 | 1 852 |
| PRRO | 1 173 | 1 229 | 1 808 |
| TOTAL | 4 916 | 6 684 | 5 165 |

Table 4: Value of operations—by programme category

| (in million US\$) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|----------------------|-------------------|----------------------|----------------------|
| Development | 688 | 630 | 618 |
| EMOP | 1 006 | 1 838 | 1 040 |
| PRRO | 521 | 642 | 945 |
| Special Operations | 45 | 39 | 27 |
| Bilateral and others | 118 | 131 | 112 |
| TOTAL | 2 378 | 3 280 | 2 742 |

52. Several points should be emphasized regarding the above tables. First, the projected levels for PRROs are noticeably higher in 2000–2001 than in previous biennia, and the levels for EMOPs are noticeably lower. This shift reflects the Board's decision in 1998 that, other than in exceptional circumstances, EMOPs would not exceed two years in duration and hence many current EMOPs would be converted to PRROs. Consequently, in developing the 2000–2001 budget, WFP reviewed its current EMOPs and assessed whether they would likely be transformed into PRROs after two years and, if so, for how long and at what resource level.
53. Second, it is important to note again that the 1996–97 values are understated due to the de-obligation of prior-year balances during that financial period.
54. Section II of the document provides a breakdown of DOC by Region. The following table uses the harmonized format, showing the projections for 2000–2001 compared with 1998–99 by cost category and appropriation line.

Table 5: Total budget by cost category and appropriation line, 1998–99 and 2000–2001

| (In thousand US\$) | 1998-99 Estimates | % of Total | Changes Volume Inc/(Dec) | Changes Cost Inc/(Dec) | 2000-01 Projected | % of Total |
|--|----------------------|---------------|--------------------------------|------------------------------|----------------------|---------------|
| BY COST CATEGORY | | | | | | |
| 1. Direct operational costs | | | | | | |
| Food | 1 506 606 | 46 | (315 251) | 93 808 | 1 285 163 | 47 |
| Ocean transport | 479 696 | 15 | (97 745) | (57 102) | 324 849 | 12 |
| LTSH | 657 522 | 20 | (167 079) | 74 778 | 565 221 | 21 |
| Other direct operational costs | 62 576 | 2 | 30 870 | | 93 447 | 3 |
| Subtotal | 2 706 400 | 83 | (549 204) | 111 484 | 2 268 680 | 83 |
| 2. Support costs | | | | | | |
| Direct support costs | 267 000 | 8 | (71 333) | | 195 666 | 7 |
| Indirect support costs (PSA) | 225 600 | 7 | (36 587) | 4 869 | 193 882 | 7 |
| Subtotal | 492 600 | 15 | (107 920) | 4 869 | 389 548 | 14 |
| 3. General Fund | 80 597 | 2 | 3 272 | | 83 869 | 3 |
| TOTAL | 3 279 597 | 100 | (653 852) | 116 353 | 2 742 098 | 100 |
| BY APPROPRIATION LINE | | | | | | |
| PSA | | | | | | |
| Programme support-reg. and country offices | 101 050 | 45 | (32 741) | 4 797 | 73 106 | 38 |
| Programme support-headquarters | 32 531 | 14 | (5 769) | 16 | 26 778 | 14 |
| Management and administration ¹ | 92 019 | 41 | 1 923 | 56 | 93 998 | 48 |
| TOTAL PSA | 225 600 | 100 | (36 587) | 4 869 | 193 882 | 100 |

¹ Includes Executive Direction, Strategy and Policy, Resources and External Relations, Finance and Information Systems, Human Resources, Management Services and Statutory Requirements.

55. With respect to the PSA by appropriation line in 2000–2001, the percentages reduce for programme support for regional and country offices, and while for management and administration, the amount increases. This is because of the shift of approximately \$33 million from PSA to DSC under the revised R<F policies.

DIRECT OPERATIONAL COSTS

56. Table 6 below shows projected resource levels for DOC by cost component for 2000-01 compared with the 1996–97 actual and 1998–99 estimated levels.

Table 6: Direct Operational Costs—by cost component

| (in million US\$) | 1996-97 Actual | 1998-99 Estimated | 2000-01 Projected |
|--------------------------------|-------------------|----------------------|----------------------|
| By Cost Component | | | |
| Food | 1 374 | 1 507 | 1 285 |
| Ocean transport | 221 | 480 | 325 |
| LTSH | 284 | 658 | 565 |
| Other direct operational costs | 124 | 63 | 93 |
| TOTAL | 2 003 | 2 706 | 2 269 |

57. After discounting the volume differences between biennia, it is important to note that the de-obligation of prior-year ocean transport and LTSH balances during 1996–97 make those values artificially low.
58. Additional details on DOC by programme category and Region are contained in Section II of this document.

SUPPORT COSTS

59. The WFP budget for 2000–2001 for the first time segregates support costs from programme costs. Support costs under WFP's revised R<F modalities consist of direct and indirect support costs, representing the total programme delivery support and administrative budget required by WFP to run its operations and programmes.

Direct Support Costs

60. Under the revised R<F policies, DSC has been redefined as *variable* or *incremental* costs for a WFP country office to support WFP operational activities in that country—either for development or relief. Starting with the 2000–2001 budget, DSC will:
- be entirely determined and justified by type and volume of activities and special circumstances in the respective countries;
 - cover international and national staff costs, office vehicles, equipment and other country office support cost requirements falling outside the PSA-funded standard country office structure;

- be programmed on a country basis, not on a project basis; and
 - allow for cost recovery of country-specific DSC by charging the respective projects or operations in a country on a pro-rata basis.
61. In order to ensure that funds are available to finance country office costs that have shifted from PSA to DSC prior to the receipt of confirmed contributions, the Executive Board approved a DSC Advance Facility, known as the “guarantee mechanism”, that allows WFP to authorize the expenditure of DSC, up to a limit established by the Board. For 2000–2001, the spending limit required under the DSC Advance Facility is projected at \$33 million.
62. Once fully implemented, the new DSC budgeting process will help WFP strategically review and adjust the country office structure and staffing level for each country as circumstances change. It will help strengthen the decentralization process, and promote a transparent control of costs.
63. Table 7 below shows projected DSC for 2000–2001 by programme category in comparison with 1996–97 actual and 1998–99 estimated DSC.

Table 7: Direct Support Costs—by programme category

| (in thousand US\$) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|--------------------|-------------------|----------------------|----------------------|
| Development | 10 000 | 21 000 | 39 864 |
| EMOP | 106 000 | 171 000 | 79 209 |
| PRRO | 25 000 | 59 000 | 74 110 |
| Special Operations | | 16 000 | 2 484 |
| TOTAL | 141 000 | 267 000 | 195 666 |

64. Table 8 below shows the same numbers distributed by region over the three biennia.

Table 8: Direct Support Costs—by Region

| (in thousand US\$) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|-------------------------------------|-------------------|----------------------|----------------------|
| Asia and CIS Region | 34 000 | 97 000 | 71 377 |
| Latin America and Caribbean Region | 1 000 | 18 000 | 7 362 |
| Middle East and North Africa Region | 1 000 | 4 000 | 2 501 |
| Africa Region | 105 000 | 148 000 | 114 426 |
| TOTAL | 141 000 | 267 000 | 195 666 |

65. It should be noted that DSC was not fully utilized in 1996–97 due to the fact that the initial set of R<F policies came into effect in 1996.
66. Details of the projected DSC budget for 2000–2001 can be found in Section III of this document.

Indirect Support Costs

67. Indirect Support Costs (ISC) constitute nearly all of the PSA budget of WFP, and henceforth in this document the two terms will be used interchangeably. Prior to this biennium, PSA funded a large portion of country office support costs, as well as headquarters operations. Beginning in 2000–2001, PSA will fund:
- A minimal country office structure considered essential for a WFP presence;
 - Regional office (i.e. cluster and outposted Bureaux) support costs; and
 - All headquarters support costs.
68. In line with the harmonization of budgets initiative, the PSA budget has been prepared along the lines of the three components of United Nations support budgets: a) programme support—regional and country offices; b) programme support—headquarters; and c) management and administration.
69. Table 9 below summarizes the PSA budget by these three categories.

Table 9: PSA Costs—by appropriation line

| (in thousand US\$) | 1996-97 Actual | 1998-99 Estimated | 2000-01 Projected |
|--|-------------------|----------------------|----------------------|
| Programme support-regional and country offices | 99 145 | 101 050 | 73 106 |
| Programme support-headquarters | 40 003 | 32 531 | 26 778 |
| Management and administration | 87 052 | 92 019 | 93 998 |
| TOTAL | 226 200 | 225 600 | 193 882 |

70. The total PSA has been reduced because of a shift to DSC of some costs previously classified as PSA. This is a result of the re-categorization of costs associated with the introduction of the revised R<F policies discussed previously. Consequently, the projected PSA budget proposes a single rate of 7.8 percent to be charged for the recovery of ISC. This rate is slightly below the 8.0 percent rate included for this purpose in the SFP, 2000–03.
71. Details of the PSA budget are provided in Section III of this document.

2000–2001 Operational Budget

OVERVIEW

72. In global terms, WFP expects to have food aid assistance programmes and technical assistance activities in over 80 countries in 2000–2001. It is projected that at the start of the biennium, WFP's development portfolio will consist of 22 Country Programmes, and WFP expects the continuation of some 200 projects and programme activities. In addition, in each year of the biennium, WFP expects to be supporting some 70 relief operations.
73. A summary of the composition of DOC estimates in the coming biennium for Development, EMOP and PRRO programme categories is given below.

DEVELOPMENT PROGRAMME

74. The anticipated level of contributions for development in 2000–2001 amounts to 1.505 million tons, the value of which in DOC is estimated at \$533 million. The total value is composed of the weighted average (of contributions in kind and purchases) commodity price of \$259 per ton, average ocean transport and related costs of \$58 per ton, and an average LTSH (including the ITSH subsidy) of \$20 per ton. The bulk of contributions for development are expected to continue to come through the multilateral funding window.
75. In percentage terms, it is projected that DOC under the development programme will consist of 73 percent for food commodities, 16 percent for ocean transport, 6 percent for LTSH and 5 percent for other DOC costs such as non-food items and technical support.
76. From a regional standpoint, significant developments programmes are foreseen for:
a) Bangladesh, China, India and Pakistan in the OAC region; b) Ethiopia, Malawi, Mozambique and Sudan in the OSA region; c) Egypt, the Gaza/West Bank and Yemen in the OMN region; and c) Bolivia, Haiti and Peru in the OLC region.
77. Table 10 below shows for the Development programme the actual DOC expenditure for 1996–97, the estimated expenditure for 1998–99 and the projected expenditure for 2000–2001.

Table 10: Direct Operational Costs—Development Programme

| (in million US\$) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|----------------------------------|---------------------------|------------------------------|------------------------------|
| Food in kind | 332 | 257 | 250 |
| Food purchases | 171 | 144 | 140 |
| Subtotal | 503 | 402 | 390 |
| Other costs | | | |
| Ocean transport | 65 | 103 | 87 |
| LTSH | 31 | 32 | 30 |
| Other direct operational costs | 9 | 0 | 26 |
| Subtotal | 105 | 135 | 143 |
| TOTAL | 608 | 537 | 533 |
| <i>Volume (in thousand tons)</i> | <i>1 711</i> | <i>1 517</i> | <i>1 505</i> |

EMERGENCY OPERATIONS

78. WFP expects to handle about 1.852 million tons of commodities for EMOPs in 2000-01, the value of which in DOC is estimated at \$886 million. The projected volume is higher than the figures which appeared in the SFP, 2000-03 (i.e. 1.852 million tons shown in the 2000-2001 budget document against 900,000 tons shown in the estimates presented in the SFP, 2000-03). This is because certain EMOPs previously foreseen to be transformed into PRROs in 2000-2001 are now projected to continue as EMOPs. The total value is composed of the weighted average (of contributions in kind and purchases) commodity price of \$255 per ton, average ocean transport and related costs of \$57 per ton, and an average LTSH (including the ITSH subsidy) of \$162 per ton.
79. In percentage terms, it is foreseen that DOC under the EMOP programme will consist of 53 percent for food commodities, 12 percent for ocean transport, 34 percent for LTSH and 1 percent for other DOC costs such as non-food items and technical support.
80. From a regional standpoint, significant EMOPs are expected to continue in: a) the Balkans, Bangladesh, the Democratic People's Republic of Korea and Indonesia in the OAC region; and b) Ethiopia, Kenya and Sudan in the OSA region.
81. Table 11 below shows for the Emergency programme the actual DOC expenditure for 1996-97, the estimated expenditure for 1998-99 and the projected expenditure for 2000-01.

Table 11: Direct Operational Costs—Emergency Operations

| (in million US\$) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|----------------------------------|-------------------|----------------------|----------------------|
| Food in kind | 324 | 482 | 274 |
| Food purchases | 252 | 350 | 199 |
| Subtotal | 576 | 832 | 472 |
| Other costs | | | |
| Ocean transport | 91 | 274 | 106 |
| LTSH | 153 | 461 | 300 |
| Other direct operational costs | 26 | 0 | 8 |
| Subtotal | 270 | 735 | 414 |
| TOTAL | 846 | 1 567 | 886 |
| <i>Volume (in thousand tons)</i> | <i>2 032</i> | <i>3 938</i> | <i>1 852</i> |

PROTRACTED RELIEF AND RECOVERY OPERATIONS

82. WFP expects to handle about 1.808 million tons of commodities for PRROs in 2000-01, the value of which in DOC is estimated at \$802 million. The level of PRROs is higher than in previous biennia, because EMOPs for the most part are being limited to two years in duration. However, the projected volume is lower than the figures which appeared in the SFP, 2000-03 (i.e. 1.808 million tons shown in the 2000-2001 budget document against 2.7 million tons shown in the estimates presented in the SFP). This is because certain EMOPs that were expected to become PRROs will continue to be handled as EMOPs throughout the biennium.
83. The total value is composed of the weighted average (of contributions in kind and purchases) commodity price of \$234 per ton, average ocean transport and related costs of \$73 per ton, and an average LTSH (including the ITSH subsidy) of \$130 per ton.
84. In percentage terms, it is foreseen that DOC under the PRRO programme will consist of 53 percent for food commodities, 16 percent for ocean transport, 29 percent for LTSH and 2 percent for other DOC costs such as non-food items and technical support.
85. From a regional standpoint, significant PRROs are foreseen for: a) Afghanistan, Cambodia and Tajikistan in the OAC region; b) Angola, Burundi, Ethiopia, Kenya and Rwanda in the OSA region; c) Algeria and Iraq in the OMN region; and d) Columbia, Honduras and Nicaragua in the OLC region.
86. Table 12 below shows for the PRRO programme the actual DOC expenditure for 1996-97, the estimated expenditure for 1998-99 and the projected expenditure for 2000-01.

Table 12: Direct Operational Costs—Protracted Relief and Recovery Operations

| (in million US\$) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|----------------------------------|---------------------------|------------------------------|------------------------------|
| Food in kind | 164 | 173 | 268 |
| Food purchases | 131 | 100 | 155 |
| Subtotal | 295 | 273 | 423 |
| Other costs | | | |
| Ocean transport | 58 | 102 | 132 |
| LTSH | 104 | 164 | 235 |
| Other direct operational costs | 2 | 0 | 12 |
| Subtotal | 164 | 267 | 379 |
| TOTAL | 459 | 540 | 802 |
| <i>Volume (in thousand tons)</i> | <i>1 173</i> | <i>1 229</i> | <i>1 808</i> |

87. In light of the circumstances and assumptions indicated above, the 2000–2001 budget projects total DOC by Region and programme category as indicated in the following table.

Table 13: Direct Operational Costs by Region and programme category, 2000–2001

| | Asia and CIS | Latin America and Caribbean | Middle East and North Africa | Africa Region | Total |
|--|--------------|--------------------------------|---------------------------------|---------------|--------------|
| | Region | Region | Region | Region | |
| Volume of Operations (in thousand tons) | | | | | |
| Development | 672 | 141 | 133 | 558 | 1 505 |
| EMOP | 1 606 | 28 | 0 | 218 | 1 852 |
| PRRO | 477 | 95 | 56 | 1 179 | 1 808 |
| TOTAL | 2 755 | 265 | 190 | 1 956 | 5 165 |
| Value of Operations (in million US\$) | | | | | |
| Development | 229 | 51 | 46 | 207 | 533 |
| EMOP | 769 | 13 | 0 | 104 | 886 |
| PRRO | 211 | 43 | 25 | 524 | 802 |
| Special Operations | | | | 23 | 23 |
| Subtotal | 1 209 | 108 | 71 | 857 | 2 244 |
| Bilateral and others | | | | | 25 |
| TOTAL | | | | | 2 269 |

SPECIAL OPERATIONS

88. Special Operations (SOs) are funded separately and cover major non-project-related activities focusing on repairing, augmenting and establishing infrastructure for transport and logistics preparedness, food handling and storage and port capacity. In carrying out SOs, WFP's aim is to improve or equip infrastructure to permit speedy and efficient delivery of food aid. The estimated DOC for SOs in the coming biennium amount to \$23 million. The main SOs in 2000–2001 are foreseen to take place in Angola, the Horn of Africa, the Great Lakes Region, West Africa and the Balkans.

OTHER RESOURCES

89. WFP will continue to provide services to donors, other UN organizations and NGOs for their bilateral operations in 2000–2001, much the same as it has done in prior biennia. Such services normally include procurement of food, its transport, or both. WFP foresees that over the course of the next biennium, the DOC component for bilateral services would be in the range of \$19 million.
90. WFP relies heavily on the Junior Professional Officer (JPO) programme to bolster its capacity to carry out and administer operations. Donors propose candidates for specific assignments which are usually for two or three years. For the coming biennium, the number of JPOs working with WFP will likely be in the region of 80. In 2000–2001 the resources generated for WFP under the JPO programme will be in the range of \$6 million.
91. Table 14 below illustrates the expected sources and utilization of other resources for 1996–97, the estimates for 1998–99 and the projections for 2000–2001.

Table 14: Other resources

| (in million US\$) | 1996-97 Actual | 1998-99 Estimates | 2000-01 Projected |
|---------------------|-------------------|----------------------|----------------------|
| Bilateral services | 30 | 41 | 19 |
| JPO programme | 6 | 3 | 6 |
| Others ¹ | 16 | 0 | 0 |
| TOTAL | 52 | 44 | 25 |

¹ The amount shown under Others in 1996–97 consists of other expenditures under special accounts.

2000–2001 Support Budget

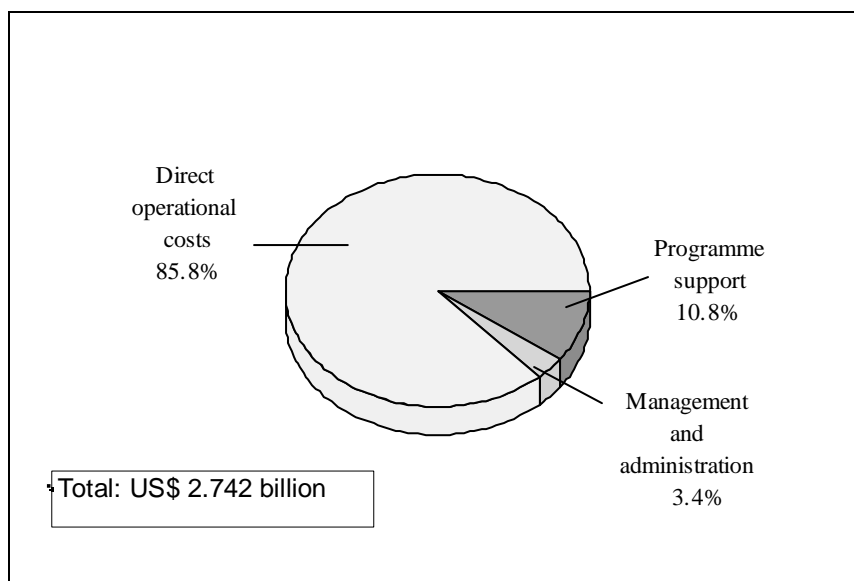
OVERVIEW

92. In accordance with the harmonization of budgets initiative, WFP's 2000–2001 Budget for the first time shows support costs separate from operational costs. Although other UN agencies prepare a single support cost budget, the unique WFP fund structure requires the budget to consolidate DSC and ISC (or PSA) in order to give a comparable picture.
93. Table 15 below table reflects the total support budget, that is, the combined DSC and ISC components, for 2000–2001. The data include 1996–97 actual and 1998–99 estimated costs. **Comparisons between the three biennia are difficult to make due to cost re-categorization and the de-obligations reflected in the 1996–97 figures.**

Table 15: WFP Support Budget

| (in thousand US\$) | 1996-97 Actual | 1998-99 Estimated | 2000-01 Projected |
|--|-------------------|----------------------|----------------------|
| Programme support-regional and country offices | 240 145 | 368 050 | 268 773 |
| Programme support-headquarters | 40 003 | 32 531 | 26 778 |
| Subtotal - Programme Support | 280 148 | 400 581 | 295 551 |
| Management and administration | 87 052 | 92 019 | 93 998 |
| TOTAL SUPPORT COSTS | 367 200 | 492 600 | 389 548 |
| TOTAL TURNOVER | 2 378 000 | 3 279 597 | 2 742 098 |
| Total Support Costs as % of Turnover | 15.4% | 15.0% | 14.2% |
| Programme Support as % of Turnover | 11.8% | 12.2% | 10.8% |
| Management and administration as % of Turnover | 3.7% | 2.8% | 3.4% |

94. The WFP support budget constitutes 14.2 percent of the total WFP budget, while operations constitute 85.8 percent of the total. Of the total support costs, 10.8 percent represents programme support, and 3.4 percent represents management and administration. This is illustrated graphically in the following chart.

Figure 2: Total WFP Expenditures, 2000–2001

95. In the coming biennium, WFP will continue to keep support costs low in relation to total operational levels. Total support costs as a percentage of turnover are less in 2000-01 than they were in the two previous biennia, due in large part to the shift of costs from DSC to DOC.

DIRECT SUPPORT COST BUDGET

96. WFP projects and operations require an element of DSC directly linked to the provision of support to operational activities. While a small core of a country office structure will be funded from PSA (largely for costs deemed essential for maintaining continuity and a WFP presence), the DSC component is meant to fund the *variable* or *incremental* cost of maintaining country offices as well as other forms of operational support, including both the staff and non-staff expenditure components.
97. With the implementation of the revised R<F policies, the reliance on DSC in country offices will increase significantly. Costs, over and above the provision of a standard PSA-funded structure, for international and national officer salaries, UN Volunteers, local operating expenses (e.g. communications, security, office utilities, vehicles, etc.) and other forms of project support inputs such as VAM, gender and technical assessments and reviews must be borne from DSC contributions. Under special circumstances, DSC may be used to cover certain outside country costs, including short-duration posts in regional clusters, at headquarters and other related costs. However, in doing so, the activity funded must be directly linked to the applicable DSC contribution.
98. For the forthcoming budget, aggregate requirements were used to arrive at total DSC and the distribution by country. Beginning in September 1999, WFP will revise all active project budgets so that they conform to the revised R<F cost categories before the beginning of 2000. It is at this point that specific DSC levels by programme or project will be established.
99. Table 16 below shows DSC staffing and total DSC costs (salaries and local operating expenses) by Region.

Table 16: DSC-funded posts and costs by Region, 1998–99 and 2000–2001

| (Total cost in thousand US\$) | 1998-99 | | | 2000-01 | | |
|-------------------------------|--------------|----------------|----------------|--------------|----------------|----------------|
| | Prof. | Others | Total cost | Prof. | Others | Total cost |
| Asia and CIS | 112.0 | 969.0 | 97 000 | 124.5 | 833.5 | 71 377 |
| Latin America and Caribbean | 31.0 | 108.0 | 18 000 | 24.0 | 122.5 | 7 362 |
| Middle East and North Africa | 9.0 | 200.0 | 4 000 | 8.0 | 41.5 | 2 501 |
| Africa | 133.0 | 1 231.0 | 148 000 | 218.5 | 1 555.0 | 114 426 |
| Others | 13.0 | 27.0 | | 15.0 | 18.0 | |
| TOTAL | 298.0 | 2 535.0 | 267 000 | 390.0 | 2 570.5 | 195 666 |

100. It should be noted that many of the non-professional posts cited above are employees working under Special Service Agreements (SSAs). Many of these posts are of short-term duration and are tied to specific relief operations. The increase in DSC-funded staff in 2000–2001 reflects the shift of funding for many of the country office employees from PSA to DSC.

INDIRECT SUPPORT COST (PSA) BUDGET

101. The ISC budget (or PSA) funds both programme support and management and administration. Approximately 52 percent of the PSA budget is used for programme support in the regional and country offices and at headquarters, while 48 percent is devoted to management and administration.

102. Table 17 compares the projected 2000–2001 PSA by appropriation line with 1996–97 actual and 1998–99 estimated costs.

Table 17: PSA—by appropriation line

| (Total cost in thousand US\$) | 1996-97 | | | 1998-99 | | | 2000-01 | | |
|--|--------------|----------------|----------------|--------------|----------------|----------------|--------------|--------------|----------------|
| | Prof. | Others | Total cost | Prof. | Others | Total cost | Prof. | Others | Total cost |
| Programme support-reg. and country offices | 202.0 | 944.0 | 99 145 | 188.0 | 881.0 | 101 050 | 135.0 | 456.0 | 73 106 |
| Programme support-headquarters | 98.0 | 109.0 | 40 003 | 81.0 | 101.0 | 32 531 | 70.0 | 88.0 | 26 778 |
| Management and administration | 146.5 | 223.5 | 87 052 | 163.5 | 220.5 | 92 019 | 174.5 | 219.5 | 91 110 |
| Statutory requirements | 2.0 | - | 1 958 | - | - | 2 035 | - | - | 2 888 |
| TOTAL | 446.5 | 1 276.5 | 226 200 | 432.5 | 1 202.5 | 225 600 | 379.5 | 763.5 | 193 882 |

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

Programme Support—Regional and Country Offices

104. In 2000–2001, the PSA component of the support budget will fund a standard country office structure in 71 countries where WFP has a presence, plus two Regional Bureaux located outside of Rome and eleven cluster offices. The two Bureaux were transferred in 1998. Seven of the cluster offices were established in 1997, two more were established in 1998, and the last two were established in 1999. These offices were established for the purpose of putting senior WFP staff closer to the beneficiaries WFP serves. Along with the

decentralization went the requisite authority and responsibility to carry out WFP's mission from these offices.

105. Table 18 shows the distribution of staff and costs by region within this category for 2000–2001 compared with 1996–97 and 1998–99.

Table 18: Programme support—regional and country offices

| (Total cost in thousand US\$) | 1996-97 | | | 1998-99 | | | 2000-01 | | |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|----------------|--------------|--------------|---------------|
| | Posts | | Total cost | Posts | | Total cost | Posts | | Total cost |
| | Prof. | Others | | Prof. | Others | | Prof. | Others | |
| Asia and CIS | 35.0 | 285.0 | 20 271 | 37.0 | 253.0 | 13 032 | 30.0 | 103.0 | 18 684 |
| Latin America and Caribbean | 26.0 | 121.0 | 15 093 | 23.0 | 95.0 | 7 893 | 24.0 | 78.0 | 13 707 |
| Middle East and North Africa | 17.0 | 65.0 | 8 545 | 18.0 | 72.0 | 24 230 | 15.0 | 57.0 | 8 166 |
| Africa | 124.0 | 473.0 | 55 236 | 110.0 | 461.0 | 55 895 | 66.0 | 218.0 | 32 550 |
| TOTAL | 202.0 | 944.0 | 99 145 | 188.0 | 881.0 | 101 050 | 135.0 | 456.0 | 73 106 |

106. Of the \$73.1 million proposed for this category in 2000–2001, \$6.2 million will support the two outposted Regional Bureaux—the Latin America and Caribbean Regional Bureau (OLC) in Managua, Nicaragua and the Middle East and North Africa Regional Bureau (OMN) in Cairo, Egypt. This level represents an increase of \$1.2 million over the 1998–99 estimates (\$758,000 in programme increases and \$390,000 in cost increases), reflecting the full biennial costing of these Bureaux and increased staff costs.
107. Of the proposed \$73.1 million, \$26.5 million is projected to fund the ongoing costs of 11 cluster offices supporting the country offices and activities. This amount represents a \$9.2 million increase over the 1998–99 amounts, including \$7.7 million in programme increases and \$1.5 million in cost increases. During 1998–99, four new cluster offices were established; these will require recurring operating costs in 2000–2001. In addition, the projected resources allow the cluster offices to be staffed with a core staffing configuration, plus support funds for gender, VAM and security, consistent with the recommendations contained in the Organizational Change Initiative. Most of the increase has been absorbed by reductions in headquarters costs. The grouping of country offices under clusters (Regions) has greatly facilitated the provision of coherent and coordinated support in the areas of programme, logistics, finance, personnel and communications.
108. In 2000–2001, \$40.4 million of the projected \$73.1 million will be used to fund a standard country office configuration in 71 country offices. For the most part, country offices will receive PSA to fund one international professional, two national officers, and three general service staff, plus \$55,000 for local operating expenses, as agreed by the Board in approving the Report of the Formal Working Group on R<F policies. The projected requirements reflect a shift of approximately \$33 million from PSA to DSC, offset by cost increases of \$2.8 million.

Programme Support - Headquarters

109. This category of PSA funding constitutes support provided to WFP programmes by the Operations Department (OD) stationed at headquarters. Table 19 provides a breakdown for both staffing and total costs (staff and non-staff) for 2000–2001, compared with 1996–97 actual and 1998–99 estimated costs. A description of the acronyms used in the table is given in Annex I of this document.

Table 19: Programme Support—Headquarters

| (Total cost in thousand US\$) | 1996-97 | | | 1998-99 | | | 2000-01 | | |
|----------------------------------|-------------|--------------|---------------|-------------|--------------|---------------|-------------|-------------|---------------|
| | Posts | | Total cost | Posts | | Total cost | Posts | | Total cost |
| | Prof. | Others | | Prof. | Others | | Prof. | Others | |
| ODD | 2.0 | 2.0 | 4 542 | 4.0 | 6.5 | 2 495 | 11.0 | 10.5 | 4 794 |
| ODP | 7.0 | 12.5 | 2 344 | 5.0 | 12.5 | 2 388 | 7.0 | 12.5 | 2 841 |
| ODT | 8.0 | 6.0 | 6 852 | 10.0 | 6.0 | 4 892 | - | - | 0 |
| OTD | 1.0 | 1.0 | 893 | 1.0 | 1.0 | 533 | 1.0 | 1.0 | 465 |
| OTI | 4.0 | 12.0 | 1 749 | 4.0 | 13.0 | 2 160 | 4.0 | 13.0 | 2 300 |
| OTL | 13.0 | 13.0 | 3 860 | 12.0 | 10.0 | 4 198 | 14.0 | 10.0 | 4 172 |
| OTS | 10.0 | 9.0 | 2 627 | 9.0 | 10.0 | 2 844 | 9.0 | 10.0 | 3 003 |
| OTF | 4.0 | 10.0 | 1 504 | 4.0 | 9.0 | 1 714 | 4.0 | 9.0 | 1 780 |
| OSA | 26.0 | 23.0 | 8 035 | 19.0 | 20.0 | 6 608 | 10.0 | 10.0 | 3 660 |
| OAC | 9.0 | 8.0 | 3 076 | 9.0 | 8.0 | 3 083 | 7.0 | 8.0 | 2 644 |
| OLC | 6.0 | 4.5 | 1 995 | 2.0 | 2.0 | 802 | 1.0 | 2.0 | 472 |
| OMN | 8.0 | 8.0 | 2 526 | 2.0 | 3.0 | 814 | 2.0 | 2.0 | 649 |
| TOTAL | 98.0 | 109.0 | 40 003 | 81.0 | 101.0 | 32 531 | 70.0 | 88.0 | 26 778 |

110. Total OD staff were reduced by 25 between 1996–97 and 1998–99. The 2000–2001 budget reduces OD staff by an additional 24, to a level of 158 total posts. These reductions are due primarily to the decentralization of responsibilities to the regional and country offices.
111. As part of the decentralization process, two Regional Bureaux were re-located to the field in 1998–99. In 2000–2001, the two remaining Regional Bureaux at headquarters (the Africa and the Asia and CIS Bureaux) will be streamlined by decentralizing the programme coordination functions to the field. As a result, the number of staff in each of those Bureaux will be reduced in relation to 1998–99 levels.
112. In a move to better integrate operational and policy functions, changes will be made in the Technical Support Service (ODT) in OD. Functions pertaining to humanitarian aid issues, management of FAAD and VAM will remain in OD under the Assistant Executive Director, OD. Special trust funds such as those provided for technical cooperation, disaster mitigation, project quality improvement and for multi-sectoral activities will be managed by this Unit. The Food Aid Assessment Unit functions will be transferred to the Bureaux and the Emergency Response Facility will be assigned to the Logistics Service (OTL). The Reporting Unit will be integrated in the Central Information Management and Statistics Branch (SPI) of the Strategy and Policy Division (SP). The Gender and Nutrition units will also become part of the Policy Service (SPP) of SP.
113. Details of staffing and PSA by unit are provided in Tables B, C and D at the end of the document.

Management and Administration

114. This component of the support budget comes the closest to representing “overhead” as it is defined in the UN system. In WFP, the specific offices funded under this category are the Office of the Executive Director (OED), the Strategy and Policy Division (SP), the Resources and External Relations Division (RE), the Finance and Information Systems Division (FS), the Human Resources Division (HR), and the Management Services Division (MS). The following table compares the projected 2000–2001 resource requirements for this category by posts and total costs (staff and non-staff) against 1996-97 actual and 1998–99 estimated requirements.

Table 20: Programme Support—Management and Administration¹

| (Total cost in thousand US\$) | 1996-97 | | | 1998-99 | | | 2000-01 | | |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | Posts | | Total cost | Posts | | Total cost | Posts | | Total cost |
| | Prof. | Others | | Prof. | Others | | Prof. | Others | |
| OED | 32.0 | 25.0 | 10 467 | 30.0 | 23.0 | 12 347 | 31.0 | 23.0 | 11 449 |
| SP | 13.0 | 14.0 | 2 780 | 12.0 | 13.0 | 5 587 | 22.0 | 15.0 | 7 337 |
| RE | 37.0 | 39.0 | 18 553 | 46.5 | 42.0 | 20 436 | 46.5 | 42.0 | 20 932 |
| FS | 31.0 | 48.0 | 27 860 | 42.0 | 56.0 | 24 646 | 40.5 | 53.8 | 21 601 |
| HR | 17.0 | 38.0 | 11 062 | 18.0 | 35.0 | 12 524 | 19.0 | 34.3 | 13 640 |
| MS | 14.5 | 59.5 | 14 372 | 15.0 | 51.5 | 14 444 | 15.5 | 51.5 | 16 150 |
| TOTAL | 144.5 | 223.5 | 85 094 | 163.5 | 220.5 | 89 984 | 174.5 | 219.5 | 91 110 |

¹ Excludes statutory requirements of \$2.89 million.

115. The projected 2000–2001 budget for management and administration staff costs totals \$60.32 million, and includes a net increase of 11 Professional staff and a net decrease of 1 General Service staff from the revised 1998–99 staffing configuration. Most of the staff increase is due to the transfer of functions from OD to SP (7), and to the creation of new posts for the WFP Website (4) and a new payroll unit (6). Reductions in the FS and HR divisions partially offset these increases. Details of PSA posts by organizational unit and appropriation line are found in Table B at the end of the document.

116. Non-staff costs under management and administration are projected to total \$30.79 million, a \$3.9 million reduction from the 1998–99 revised estimates. Increases in training and building and maintenance have been offset by substantial reductions in consultants, Management Information Systems (MIS)/Computer charges, and services from FAO. Details of the objects of expenditure for the 1998–99 revised estimates are included in Table C at the end of the document. The same information for the 2000–2001 projections is included in Table D.

Statutory Requirements

117. A subset of management and administration is what was referred to in previous budgets as statutory requirements. These include the costs of the External Auditor and WFP's contributions to other UN and related organizations, including the UN Common House programme.

118. Table 21 shows how the projected requirements for this category compare with 1996-97 actual and 1998–99 estimated requirements.

Table 21: Statutory requirements

| (Total cost in thousand US\$) | 1996-97 | | | 1998-99 | | | 2000-01 | | |
|--------------------------------|------------|----------|--------------|----------|----------|--------------|----------|----------|--------------|
| | Posts | | Total cost | Posts | | Total cost | Posts | | Total cost |
| | Prof. | Others | | Prof. | Others | | Prof. | Others | |
| External Audit | | | 481 | | | 511 | | | 488 |
| Contributions to Other UN Org. | | | 1 477 | | | 1 524 | | | 1 400 |
| UN Common House | | | | | | | | | 1 000 |
| TOTAL | 2.0 | - | 1 958 | - | - | 2 035 | - | - | 2 888 |

External Audit

119. An amount of \$488,000 has been included for the costs of WFP's External Auditor over the biennial period. This amount is equivalent to what was actually paid in the current biennium, versus a slightly higher amount shown in the 1998–99 budget document.

Contributions to other United Nations Organizations

120. WFP contributes a proportionate share to the cost of UN bodies such as the Joint Inspection Unit (JIU) and the Administrative Committee on Coordination/Sub-Committee on Nutrition (ACC/SCN). In addition, WFP shares the cost of certain other activities, such as those of the United Nations Consultative Committee on Programme and Operational Questions (CCPOQ) and the Non-Governmental Liaison Service (NGLS). These and additional requests received on an ad hoc basis from other institutions and bodies are met from this budget line. The total projection for these contributions is \$1.4 million.

United Nations Common House

121. The Secretary General's UN reform proposal called for the acceleration of the implementation of the UN Common House programme, which is comprised of UNDP, UNFPA, UNICEF, WFP and others. Under the 2000–2001 budget, WFP has set aside an amount of \$1 million for this purpose.

OTHER SUPPORT BUDGET INITIATIVES

122. The section that follows gives an overview of other support budget initiatives to be addressed in the 2000–2001 budgetary period.

Financial Management Improvement Program

123. The Financial Management Improvement Programme (FMIP) consists of several interrelated projects which combine “... *to improve WFP's financial management capability, in particular its ability to account for, and report on, in both an accurate and timely manner, the utilization of the resources placed at the Programme's disposal.*”

124. Major advancements in the implementation of FMIP are expected as the programme draws towards completion during the 2000–2001 biennium. In the first six months of 2000, the strategic corporate information systems will be implemented at headquarters, providing WFP with modern information management capabilities in finance and accounting, procurement, human resources and payroll, resource programming, programme and project management, logistics and resource mobilization. A gradually phased extension of the system will be made to the regional offices and country offices throughout the remainder of the year and into 2001.

125. In anticipation of the permanent impact of the new FMIP systems, the 2000–2001 budget begins to reflect additional savings in staff. For example, by the end of 2001, and as a direct result of FMIP, it is anticipated that there will be 11 fewer posts at WFP headquarters than at the beginning of the biennium. These reductions are in addition to the posts that have been eliminated since the inception of the initiative in 1996. While further staff savings are anticipated in the subsequent biennium, it is not possible to gauge these accurately until the new systems have actually been in use.

Gender Mainstreaming

126. At the Annual Session of 1999, the Board endorsed the recommendations of the mid-term review of the implementation of WFP's Commitments to Women. The Board agreed that costs for gender activities should be mainstreamed into the WFP budget.

Country offices have thus been requested to include gender costs in their DOC and DSC budgets. Regional offices and headquarters will similarly build their gender-related plans into PSA budgets. During the 1998–99 biennium, the Gender Unit at headquarters was strengthened to include two Senior Gender Advisers.

Vulnerability Analysis and Mapping (VAM)

127. VAM currently provides short- and long-term food security analysis in 48 countries. The principal objective is to improve the targeting of food aid by better understanding the dynamics of food security and vulnerability to food insecurity. The analytical work undertaken through VAM helps WFP develop a typology of food security and insecurity by identifying insecure households, and thus design food aid interventions targeted to address defined needs.
128. In the coming biennium, steps will be taken to further decentralize VAM at the regional level so that VAM expertise can be much closer to the heart of WFP's work.

Telecommunications

129. WFP continues to enhance its ability to respond immediately to emergency situations with 'fast implementation or response facilities' ready to deploy fully functioning office communications within days. Modest rapid response stock has been pre-positioned at headquarters and in other strategic locations outside of Rome. In addition, WFP actively looks for opportunities to collaborate in robust bilateral support relationships with other UN agencies and NGOs for telecommunications use and cost-sharing arrangements.
130. Field staff-security communication continues to be accorded priority. The intention is to provide connectivity, both for telephone/radio communications and e-mail, to deep field offices and mobile sites.
131. A major initiative has been launched to further upgrade country office communications capabilities through the development of an Enhanced Telecommunications Network (ETNet). Using satellite technology, the Programme will make major inroads in: a) enhancing voice-data integration; and b) realizing more efficient information technology and less costly telecommunications delivery. The network, a further instrument of empowerment to the field, will be particularly useful in allowing regional and country offices to participate in the use of the new corporate information systems being introduced through FMIP. The ETNet project commenced in mid-1999 and is expected to be operational in 2000.

WFP Web site

132. WFP was one of the first UN agencies to establish an Internet Web site. Its importance and utility to external and internal users is evidenced by the steady increase in postings and site visitors. During the past year the content of the WFP Web site has tripled.
133. WFP's Web site has become the major communications tool to provide information on WFP policies and activities to its strategic partners. It is also a source for crisis awareness and contact information for individuals, corporations and institutions who are willing to contribute to WFP or are seeking information on WFP activities. The WFP Web site provides access to WFP documents in a more timely and cost-effective manner. In order to promote access to the WFP Web site by representatives of Member States, WFP provides Rome-based embassies with training on basic Internet and Web browser concepts.

134. WFP is participating in the UN Global Extranet project. Using Web technology, the UN Extranet will be a tool for sharing and searching information among UN agencies.
135. With the decentralization of WFP there has been an ever-increasing need and demand to provide information to WFP field offices in a timely, cost-effective way. The WFP global office (*WFPgo*) is WFP's Intranet service which provides access to WFP corporate information. Through *WFPgo*, all staff have on-line access to manuals, guidelines, reports, various administrative forms, statistics and contact information previously available only on paper. During the Kosovo crisis, a proper Internet connection was not available in the region. Thus, *WFPgo* was distributed on CD-ROM to the Kosovo offices; it is providing staff with a virtual information management library at the country office level.

Security of WFP Staff and Assets

136. In 2000–2001, the headquarters and field Security Units will be strengthened to improve WFP's overall security services and support. In concert with that initiative, a WFP Security Operations Centre (SOC) with 24-hour coverage will be established.
137. The SOC will coordinate with the United Nations Office of the Security Coordinator (UNSECOORD), Department of Peace Keeping Operations (DPKO), UNHCR, UNICEF and regional and country offices on a daily basis by monitoring security situations as they develop. It will analyse data and produce 24-hour situation reports, including the provision of real-time, no-notice briefings to senior staff members. As the focal point for all security information, the SOC will be able to provide up-to-the-minute briefings at any time of the day or night on any location where the security of WFP staff and assets is at risk.
138. Closely related to the security of WFP staff has been the appointment of regional stress counsellors. In 2000–2001, WFP intends to have such counselling service available in all four Regions.

Staff Development and Training

139. Staff development and training undertaken during 1998–99 will be accorded similar priority in 2000–2001. The priority training to be addressed will include: a) FMIP training for staff affected by these systems; b) management training for managers at both the senior and middle management levels; c) training of national officers to support field-based training to strengthen accountability, delegation of authority and capacity-building; d) career development and staff orientation programmes; and e) inter-agency training and coordination.
140. The Executive Director gives particular priority and urgency to the safeguarding of WFP staff and assets. Thus, 2000–2001 training activities will continue to give due prominence to the security of WFP staff and assets. While the existing security awareness training provides basic security training for all staff, there will be added widespread training in the areas of vehicle/driving safety, stress management, fire safety, communications, and first aid.
141. WFP's main asset is its staff. Of particular importance is an ongoing commitment to career development. To better enhance career development prospects in WFP, a system will be implemented to profile the skills of all staff. The skills profiles will be stored electronically and managed via the Resumé Tracking System (RESTRAC). This will help to plan and report on individual and organizational career development and training initiatives. Furthermore, WFP will install resource centres for career development

planning, self-training and self-testing in major field offices and to train key resource people to assist staff in their use.

Training for FAAD

142. With the implementation of FAAD policy, a new approach to WFP-assisted food aid activities will need to be adopted. Part and parcel to this process is to place significant emphasis on training and skills enhancement for WFP staff, recipient governments and other implementing partners and beneficiaries, if higher standards of quality in WFP-assisted development activities are to be achieved. For WFP staff engaged in designing and developing activities under FAAD, project and country programme design knowledge must be sharpened and strengthened, and policy directives must be in place to guide the process in line with the objectives approved by the Board. Special emphasis will be given to gender analysis and monitoring and evaluation. Beneficiaries, particularly women, must be given income-generation, skills enhancement and non-formal education opportunities through WFP-assisted activities. Provision to guide the FAAD implementation process has been made in the 2000–2001 budget.

Anticipated Reimbursement of Funds from the Host Government

143. WFP and the Host Government entered into a Headquarters Agreement in February, 1994. Under the terms and conditions of the Agreement, the Host Government is expected to assume liability for certain costs and reimburse WFP accordingly. Three categories of expenses are subject to this process: a) outstanding expenses relating to the refurbishment and supply of furniture and conference facilities in the former headquarters building located on Via Cristoforo Colombo; b) costs incurred as a result of the move to new premises at Parco dei Medici; and c) rental of the new WFP headquarters at Parco dei Medici. Negotiations to settle reimbursement issues with the Host Government are under way.

Post Upgradings for 2000–2001

144. The 1998–99 budget contained provision for 10 post upgradings, all of which were to be applied against PSA-funded posts, subject to the Executive Director's authorization. Those upgradings were applied conservatively to support decentralization initiatives and to recognize changes in functions at headquarters, mostly brought on by new or expanded responsibilities resulting from FMIP systems. With the implementation of the revised R<F policies in 2000–2001, the scope for consideration of post upgradings widens beyond the PSA budget component in that the Executive Director will have to consider the totality of applicable posts, irrespective of the funding mechanism.

145. For the forthcoming biennium, the Executive Director seeks authority from the Board on the global number of authorized post upgradings through a percentage formula. She recommends that this authority be applicable to a ceiling of not more than 2 percent of total staff, or 40 upgradings.

United Nations Coordination

146. The strengthening of UN coordination is an ongoing process in which WFP will continue to play an active and constructive part:

- WFP will continue to devote financial and human resources to support its participation in meetings of ECOSOC; the FAO Council and other relevant FAO meetings; the

Secretary-General's Senior Management Group; the Inter-Agency Steering Committee (IASC); the Executive Committee on Humanitarian Affairs (ECHA) and the UNDG. ECHA and UNDG meetings in particular have implications for the strengthening of the liaison function, for the travel budget and for the time invested by WFP Executive Staff.

- Equally important will be the sustained responsiveness to guidance given by the Board's governance structure (ECOSOC and FAO Council): participation of the President of the Board of WFP in the joint meetings of the Boards of the Funds and Programmes in New York will enhance coordination in terms of agenda-setting and cohesion on policy issues; strengthening of the relationship between the Bureaux of the same Executive Boards will also be pursued.
- As the UNDAF approach is widened, an increasing number of country offices will be called upon to devote significant staff resources to Common Country Assessment (CCA) and UNDAF exercises, in line with WFP's commitment to greater programme coordination through these mechanisms.
- More broadly, WFP will strengthen programme effectiveness through more extensive and systematic collaboration (including the strengthening of the Consolidated Appeal Process (CAP) with United Nations agencies, NGOs and other operational partners.
- Particular attention will be devoted to collaboration with FAO and IFAD; such collaboration will benefit from frequent meetings at the policy and technical levels as well as from more structured relationships formalized in Memoranda of Understanding (MOUs).
- As outlined in the document *Enabling Development* endorsed by the Board in May 1999, WFP will seek a revitalized cooperation with specialized agencies (FAO, ILO, UNESCO, WHO) to ensure technical soundness in the design and delivery of its activities.

Tables and Annexes

| | |
|------------|--|
| Table A: | Staffing Table, 1998–99 and 2000–2001 |
| Table B: | PSA posts by organizational unit and by appropriation line, 2000–2001 |
| Table C: | PSA budget by organizational unit and by appropriation line, 1998–99 |
| Table D: | PSA budget by organizational unit and by appropriation line, 2000–2001 |
| Annex I: | WFP Organizational Chart with Organizational Unit Acronyms |
| Annex II: | Highlights of the Strategic and Financial Plan, 2000–03 |
| Annex III: | Budget Methodology |
| Annex IV: | Terminology |

Table A: Staffing Table, 1998–99 and 2000–2001

| Location and Staff Grade | 1998-99 Approved staffing | 1998-99 Current staffing | 2000-01 Proposed staffing |
|---|---------------------------------|--------------------------------|---------------------------------|
| Regional and Country Offices | | | |
| Professional staff - international | | | |
| D2 | | 2.0 | 2.0 |
| D1 | 17.0 | 14.0 | 16.0 |
| P5 | 56.0 | 58.0 | 51.0 |
| P4 | 54.0 | 58.0 | 47.0 |
| P3 | 36.0 | 37.0 | 16.0 |
| P2 | 21.0 | 19.0 | 3.0 |
| P1 | | | |
| International Professional Subtotal | 184.0 | 188.0 | 135.0 |
| National Officers | 170.0 | 172.0 | 123.0 |
| UNVs | 44.0 | 44.0 | |
| Professional Total | 398.0 | 404.0 | 258.0 |
| General Service staff - International | 3.0 | 4.0 | 2.0 |
| General Service staff - Local | 658.0 | 661.0 | 331.0 |
| Total Regional and Country Offices staff | 1 059.0 | 1 069.0 | 591.0 |
| Headquarters | | | |
| Professional staff | | | |
| Executive Director | 1.0 | 1.0 | 1.0 |
| DED/AED | 2.0 | 2.0 | 2.0 |
| D2 | 7.0 | 7.0 | 7.0 |
| D1 | 21.5 | 20.0 | 22.0 |
| P5 | 42.5 | 46.0 | 44.3 |
| P4 | 77.0 | 85.5 | 83.5 |
| P3 | 55.5 | 63.0 | 63.8 |
| P2 | 16.5 | 20.0 | 21.0 |
| Total Professional | 223.0 | 244.5 | 244.5 |
| General Service staff | | | |
| G7 | 4.0 | 4.0 | 3.0 |
| G6 | 43.0 | 44.0 | 44.0 |
| G5 | 65.0 | 77.0 | 77.8 |
| G4 | 92.5 | 93.5 | 87.8 |
| G3 | 81.0 | 76.0 | 69.3 |
| G2 | 17.0 | 22.5 | 21.3 |
| G1 | 4.0 | 4.5 | 4.5 |
| Total General Service | 306.5 | 321.5 | 307.5 |
| Total Headquarters | 529.5 | 566.0 | 552.0 |
| Outposted to other organizations | | | |
| P5 | 3.0 | | |
| WFP Total | 1 591.5 | 1 635.0 | 1 143.0 |

Table B: PSA posts by organizational unit and by appropriation line, 2000–2001

| | D2 & above | D1 | P5 | P4 | P3 | P2 | Total Int'l. Prof. | NOC | NOB | NOA | GS Int'l. | GS8 | GS7 | GS6 | GS5 | GS4 | GS3 | GS2 | GS1 | Total Local | Total Staff |
|--|------------|-------------|-------------|-------------|-------------|------------|--------------------|-------------|-------------|-------------|------------|------------|-------------|--------------|-------------|-------------|-------------|-------------|------------|--------------|--------------|
| A. Programme support-regional and country offices | | | | | | | | | | | | | | | | | | | | | |
| Country offices | | | | | | | | | | | | | | | | | | | | | |
| OAC | - | 5.0 | 8.0 | 14.0 | 2.0 | 1.0 | 30.0 | 3.0 | 6.0 | 16.0 | - | 3.0 | 16.0 | 40.0 | 8.0 | 7.0 | 4.0 | - | - | 103.0 | 133.0 |
| OLC | 1.0 | 1.0 | 6.0 | 11.0 | 4.0 | 1.0 | 24.0 | 7.0 | 12.0 | 8.0 | - | 1.0 | 7.0 | 15.0 | 13.0 | 7.0 | 4.0 | 3.0 | 1.0 | 78.0 | 102.0 |
| OMN | 1.0 | 1.0 | 6.0 | 4.0 | 3.0 | - | 15.0 | 1.0 | 5.0 | 6.0 | 2.0 | 2.0 | 5.0 | 8.0 | 10.0 | 5.0 | 6.0 | 7.0 | - | 57.0 | 72.0 |
| OSA | - | 9.0 | 31.0 | 18.0 | 7.0 | 1.0 | 66.0 | 14.0 | 20.0 | 25.0 | - | 2.0 | 30.0 | 50.0 | 35.0 | 19.0 | 14.0 | 9.0 | - | 218.0 | 284.0 |
| Subtotal | 2.0 | 16.0 | 51.0 | 47.0 | 16.0 | 3.0 | 135.0 | 25.0 | 43.0 | 55.0 | 2.0 | 8.0 | 58.0 | 113.0 | 66.0 | 38.0 | 28.0 | 19.0 | 1.0 | 456.0 | 591.0 |
| Cluster offices | | | | | | | | | | | | | | | | | | | | | |
| West and Central Asia | - | 1.0 | - | 4.0 | - | - | 5.0 | - | - | - | - | - | - | 6.0 | 1.0 | - | - | - | - | 7.0 | 12.0 |
| South Asia | - | 1.0 | - | 3.0 | - | 1.0 | 5.0 | - | - | - | - | - | - | - | 3.0 | 2.0 | 2.0 | - | - | 7.0 | 12.0 |
| East and Southeast Asia | - | 1.0 | 1.0 | 2.0 | 1.0 | - | 5.0 | 1.0 | 1.0 | - | - | - | 2.0 | 2.0 | 1.0 | - | - | - | - | 7.0 | 12.0 |
| Central America | - | - | - | 1.0 | 3.0 | - | 4.0 | 1.0 | - | - | - | - | - | 1.0 | 1.0 | 2.0 | 1.0 | 1.0 | - | 7.0 | 11.0 |
| South America | - | 1.0 | 1.0 | 2.0 | - | 1.0 | 5.0 | 1.0 | - | - | - | - | - | 1.0 | 1.0 | 1.0 | 1.0 | - | - | 5.0 | 10.0 |
| Sahel | - | 1.0 | 2.0 | 3.0 | 2.0 | 1.0 | 9.0 | 1.0 | 1.0 | 1.0 | - | - | - | 2.0 | - | 3.0 | 2.0 | 1.0 | - | 11.0 | 20.0 |
| West Africa | - | 1.0 | 1.0 | 3.0 | - | - | 5.0 | 1.0 | - | - | - | - | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | - | 7.0 | 12.0 |
| Horn of Africa | - | 1.0 | 3.0 | 2.0 | 1.0 | - | 7.0 | - | 3.0 | - | - | - | 1.0 | 1.0 | 4.0 | 3.0 | - | - | - | 12.0 | 19.0 |
| Southern Africa | - | 1.0 | 1.0 | 2.0 | 2.0 | - | 6.0 | 1.0 | - | - | - | - | 1.0 | 2.0 | 1.0 | - | - | - | - | 5.0 | 11.0 |
| Great Lakes | - | 1.0 | 2.0 | - | 2.0 | - | 5.0 | 1.0 | 1.0 | - | - | - | - | 3.0 | - | 1.0 | - | - | - | 6.0 | 11.0 |
| Central Africa | - | 1.0 | 1.0 | 2.0 | - | - | 4.0 | 1.0 | - | - | - | - | 1.0 | 2.0 | 1.0 | - | - | - | - | 5.0 | 9.0 |
| Subtotal | - | 9.0 | 13.0 | 24.0 | 11.0 | 3.0 | 60.0 | 8.0 | 6.0 | 1.0 | - | - | 6.0 | 21.0 | 14.0 | 13.0 | 7.0 | 3.0 | - | 79.0 | 139.0 |
| Outposted Bureaux | | | | | | | | | | | | | | | | | | | | | |
| OLC | 1.0 | - | 1.0 | 2.0 | 1.0 | - | 5.0 | 2.0 | 1.0 | - | - | - | 1.0 | 1.0 | 1.0 | - | 1.0 | - | - | 7.0 | 12.0 |
| OMN | 1.0 | - | 2.0 | 1.0 | 3.0 | - | 7.0 | 1.0 | - | - | 2.0 | - | - | 1.0 | 1.0 | 2.0 | 3.0 | 2.0 | - | 12.0 | 19.0 |
| Subtotal | 2.0 | - | 3.0 | 3.0 | 4.0 | - | 12.0 | 3.0 | 1.0 | - | 2.0 | - | 1.0 | 2.0 | 2.0 | 2.0 | 4.0 | 2.0 | - | 19.0 | 31.0 |
| Total | 4.0 | 25.0 | 67.0 | 74.0 | 31.0 | 6.0 | 207.0 | 36.0 | 50.0 | 56.0 | 4.0 | 8.0 | 65.0 | 136.0 | 82.0 | 53.0 | 39.0 | 24.0 | 1.0 | 554.0 | 761.0 |
| B. Programme support-headquarters | | | | | | | | | | | | | | | | | | | | | |
| ODD | 1.0 | 2.0 | - | 5.0 | 2.0 | 1.0 | 11.0 | - | - | - | - | - | - | 1.0 | 1.5 | 5.0 | 2.0 | 1.0 | - | 10.5 | 21.5 |
| ODP | - | - | 1.0 | 2.0 | 3.0 | 1.0 | 7.0 | - | - | - | - | - | - | 3.0 | 4.0 | 2.0 | 3.5 | - | - | 12.5 | 19.5 |
| OTD | 1.0 | - | - | - | - | - | 1.0 | - | - | - | - | - | - | 1.0 | - | - | - | - | - | 1.0 | 2.0 |
| OTI | - | - | 1.0 | 3.0 | - | - | 4.0 | - | - | - | - | - | - | - | 4.0 | 5.0 | 1.0 | 3.0 | - | 13.0 | 17.0 |
| OTL | - | 1.0 | 1.0 | 8.0 | 3.0 | 1.0 | 14.0 | - | - | - | - | - | - | 1.0 | 3.0 | 3.0 | 3.0 | - | - | 10.0 | 24.0 |
| OTS | - | 1.0 | 1.0 | 3.0 | 4.0 | - | 9.0 | - | - | - | - | - | - | 2.0 | 3.0 | 1.0 | 4.0 | - | - | 10.0 | 19.0 |
| OTF | - | - | 1.0 | - | 2.0 | 1.0 | 4.0 | - | - | - | - | - | - | 2.0 | 1.0 | 4.0 | 2.0 | - | - | 9.0 | 13.0 |
| OAC | 1.0 | 1.0 | 1.0 | 3.0 | 1.0 | - | 7.0 | - | - | - | - | - | - | 2.0 | 2.0 | 2.0 | 2.0 | - | - | 8.0 | 15.0 |
| OLC | - | - | 1.0 | - | - | - | 1.0 | - | - | - | - | - | - | - | 1.0 | - | 1.0 | - | - | 2.0 | 3.0 |
| OMN | - | - | - | 2.0 | - | - | 2.0 | - | - | - | - | - | - | - | - | 1.0 | 1.0 | - | - | 2.0 | 4.0 |
| OSA | 1.0 | 1.0 | 2.0 | 2.0 | 4.0 | - | 10.0 | - | - | - | - | - | - | 4.0 | 3.0 | 2.0 | 1.0 | - | - | 10.0 | 20.0 |
| Total | 4.0 | 6.0 | 9.0 | 28.0 | 19.0 | 4.0 | 70.0 | - | - | - | - | - | - | 16.0 | 22.5 | 25.0 | 20.5 | 4.0 | - | 88.0 | 158.0 |

| | D2 & above | D1 | P5 | P4 | P3 | P2 | Total Int'l. Prof. | NOC | NOB | NOA | GS Int'l. | GS8 | GS7 | GS6 | GS5 | GS4 | GS3 | GS2 | GS1 | Total Local | Total Staff |
|---|-------------|-------------|-------------|--------------|-------------|-------------|--------------------|-------------|-------------|-------------|------------|------------|-------------|--------------|--------------|--------------|-------------|-------------|------------|--------------|----------------|
| C. Management and administration | | | | | | | | | | | | | | | | | | | | | |
| Office of the Executive Director | | | | | | | | | | | | | | | | | | | | | |
| OED | 2.0 | 1.0 | 1.0 | 2.0 | - | - | 6.0 | | | | | 2.0 | 2.0 | 1.0 | 1.0 | - | - | 1.0 | | 7.0 | 13.0 |
| OEDA | - | 1.0 | 1.0 | 4.0 | 2.0 | - | 8.0 | | | | | - | 1.0 | 2.0 | 1.0 | - | - | - | | 4.0 | 12.0 |
| OEDE | - | 1.0 | 3.0 | 3.0 | 1.0 | - | 8.0 | | | | | - | 1.0 | 1.0 | 1.0 | - | - | - | | 3.0 | 11.0 |
| OEDI | - | 1.0 | - | 1.0 | - | - | 2.0 | | | | | - | - | 1.0 | - | 1.0 | - | - | | 2.0 | 4.0 |
| OEDB | - | 1.0 | - | 2.0 | 2.0 | 2.0 | 7.0 | | | | | - | 2.0 | 2.0 | 1.0 | 1.0 | 1.0 | - | | 7.0 | 14.0 |
| Strategy and Policy Division | | | | | | | | | | | | | | | | | | | | | |
| SPD | 1.0 | 1.0 | - | - | - | - | 2.0 | | | | | - | 1.0 | - | - | - | - | - | | 1.0 | 3.0 |
| SPP | - | 1.0 | 6.0 | 3.0 | 1.0 | - | 11.0 | | | | | - | - | 1.0 | 1.0 | 2.0 | - | - | | 4.0 | 15.0 |
| SPS | - | - | 1.0 | - | - | - | 1.0 | | | | | - | - | - | 1.0 | - | - | - | | 1.0 | 2.0 |
| SPI | - | - | 1.0 | 2.0 | 3.0 | 2.0 | 8.0 | | | | | - | 2.0 | 1.0 | 5.0 | 1.0 | - | - | | 9.0 | 17.0 |
| Resources and External Relations Division | | | | | | | | | | | | | | | | | | | | | |
| RED | 1.0 | - | - | 1.0 | - | - | 2.0 | | | | | - | 1.0 | - | - | 1.0 | - | - | | 2.0 | 4.0 |
| REWB | - | - | - | - | - | - | - | | | | | - | - | - | - | - | - | - | | - | - |
| REP | - | 1.0 | 1.0 | 4.0 | 1.0 | - | 7.0 | | | | | - | - | 2.0 | 3.0 | 1.0 | - | - | | 6.0 | 13.0 |
| REC | - | 1.0 | 2.0 | 1.0 | 5.0 | - | 9.0 | | | | | 1.0 | 3.0 | 3.0 | 5.0 | 5.0 | 1.0 | - | | 18.0 | 27.0 |
| REA | - | 1.0 | 1.0 | 1.0 | 3.0 | 1.0 | 7.0 | | | | | - | - | 3.0 | - | 2.0 | - | - | | 5.0 | 12.0 |
| REJ | - | - | 1.0 | - | 1.0 | - | 2.0 | | | | | - | - | - | 1.0 | - | - | - | | 1.0 | 3.0 |
| REW | - | - | 1.0 | 0.5 | 1.0 | - | 2.5 | | | | | - | - | - | 1.0 | - | - | - | | 1.0 | 3.5 |
| REE | - | 1.0 | 1.0 | 2.0 | 3.0 | - | 7.0 | | | | | - | - | 2.0 | 1.0 | 1.0 | - | - | | 4.0 | 11.0 |
| REB | - | - | - | 1.0 | - | - | 1.0 | | | | | - | - | - | 1.0 | - | - | - | | 1.0 | 2.0 |
| REN | - | 1.0 | 3.0 | 2.0 | - | - | 6.0 | | | | | - | - | 1.0 | 1.0 | 1.0 | - | - | | 3.0 | 9.0 |
| REG | - | - | 1.0 | 2.0 | - | - | 3.0 | | | | | - | - | 1.0 | - | - | - | - | | 1.0 | 4.0 |
| Finance and Information Systems Division | | | | | | | | | | | | | | | | | | | | | |
| FSD | 1.0 | - | - | 1.0 | - | - | 2.0 | | | | | - | 1.0 | - | - | 1.0 | - | - | | 2.0 | 4.0 |
| FSF | - | 1.0 | - | 0.5 | - | - | 1.5 | | | | | - | - | 1.0 | - | - | - | - | | 1.0 | 2.5 |
| FSFA | - | - | 1.0 | 3.0 | - | 3.0 | 7.0 | | | | | - | 2.0 | 5.0 | 7.0 | 2.0 | - | - | | 16.0 | 23.0 |
| FSFD | - | - | - | 1.0 | 1.0 | 1.0 | 3.0 | | | | | - | - | 3.8 | - | 1.0 | - | - | | 4.8 | 7.8 |
| FSFF | - | - | 1.0 | - | 1.0 | - | 2.0 | | | | | - | 2.0 | 1.0 | - | 1.0 | - | - | | 4.0 | 6.0 |
| FSFT | - | - | 1.0 | - | 1.0 | - | 2.0 | | | | | - | - | 1.0 | 3.0 | - | - | - | | 4.0 | 6.0 |
| FSI | - | 1.0 | - | - | - | - | 1.0 | | | | | - | - | 1.0 | - | - | - | - | | 1.0 | 2.0 |
| FSID | - | - | 1.0 | 1.0 | 3.0 | 3.0 | 8.0 | | | | | - | - | - | 1.0 | - | - | - | | 1.0 | 9.0 |
| FSIS | - | - | 1.0 | 4.0 | 4.0 | 1.0 | 10.0 | | | | | - | - | 6.0 | 2.0 | 9.0 | - | - | | 17.0 | 27.0 |
| FSIA | - | - | 1.0 | 2.0 | 1.0 | - | 4.0 | | | | | - | - | - | 1.0 | 2.0 | - | - | | 3.0 | 7.0 |
| Human Resources Division | | | | | | | | | | | | | | | | | | | | | |
| HRD | 1.0 | 1.0 | - | 1.0 | - | - | 3.0 | | | | | - | 2.0 | 1.0 | - | - | - | - | | 3.0 | 6.0 |
| HRC | - | - | 1.0 | 1.0 | 1.0 | - | 3.0 | | | | | - | 1.0 | 1.0 | 2.0 | - | - | - | | 4.0 | 7.0 |
| HRR | - | - | 1.0 | 1.0 | 3.0 | 3.0 | 8.0 | | | | | - | 1.0 | 3.0 | 7.0 | 3.0 | - | - | | 14.0 | 22.0 |
| HRS | - | - | 1.8 | 1.5 | 1.8 | - | 5.0 | | | | | - | 4.0 | 2.0 | 3.3 | 2.3 | 1.8 | - | | 13.3 | 18.3 |
| Management Services Division | | | | | | | | | | | | | | | | | | | | | |
| MSD | - | 1.0 | - | - | - | - | 1.0 | | | | | - | - | 1.0 | 2.0 | - | - | - | | 3.0 | 4.0 |
| MSA | - | - | - | 2.0 | 1.0 | - | 3.0 | | | | | - | 2.0 | 2.0 | - | 3.0 | 8.0 | 2.0 | | 17.0 | 20.0 |
| MST | - | - | - | - | 1.0 | - | 1.0 | | | | | - | - | 1.5 | 1.5 | 1.5 | 0.5 | 0.5 | | 5.5 | 6.5 |
| MSP | - | - | 1.5 | 3.0 | 2.0 | 1.0 | 7.5 | | | | | - | - | 4.0 | 3.0 | 1.0 | 1.0 | 1.0 | | 10.0 | 17.5 |
| MSS | - | - | - | 2.0 | 1.0 | - | 3.0 | | | | | - | - | - | 6.0 | 6.0 | 4.0 | - | | 16.0 | 19.0 |
| Total | 6.0 | 16.0 | 35.3 | 55.5 | 44.8 | 17.0 | 174.5 | - | - | - | - | 3.0 | 28.0 | 55.3 | 62.8 | 48.8 | 17.3 | 4.5 | | 219.5 | 394.0 |
| GRAND TOTAL | 12.0 | 38.0 | 95.3 | 130.5 | 79.8 | 24.0 | 379.5 | 25.0 | 43.0 | 55.0 | 2.0 | 8.0 | 61.0 | 157.0 | 143.8 | 125.8 | 97.3 | 40.3 | 5.5 | 763.5 | 1 143.0 |

Table C: PSA budget by organizational unit and by appropriation line, 1998–99

| Division/Unit | Staff Cost | Overtime | Consultancy | Travel | Info. & Publ. | Documents/ Meetings | Training | Communi cations | MIS/Comp. | Other Op. Exp. | Services from FAO | Services from Other UN Org. | Total Non-Staff Cost | Grand Total |
|--|---------------|-----------|-------------|--------------|---------------|---------------------|----------|-----------------|-----------|----------------|-------------------|-----------------------------|----------------------|----------------|
| A. Programme support - regional and country offices | | | | | | | | | | | | | | |
| OAC Region | 5 333 | | | | | | | | | 7 698 | | | 7 698 | 13 032 |
| OLC Region | 3 422 | | | | | | | | | 4 470 | | | 4 470 | 7 893 |
| OMN Region | 21 201 | | | | | | | | | 3 029 | | | 3 029 | 24 230 |
| OSA Region | 38 057 | | | | | | | | | 17 838 | | | 17 838 | 55 895 |
| Total | 68 014 | | | | | | | | | 33 036 | | | 33 036 | 101 050 |
| B. Programme support - headquarters | | | | | | | | | | | | | | |
| ODD | 1 597 | 5 | 783 | 107 | - | - | - | - | - | 5 | - | - | 899 | 2 495 |
| ODP | 2 363 | 8 | 0 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25 | 2 388 |
| ODT | 2 814 | 2 | 0 | 111 | 30 | 0 | 0 | 0 | 0 | 0 | 410 | 1 525 | 2 078 | 4 892 |
| OTD | 442 | 11 | 21 | 24 | 30 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 91 | 533 |
| OTI | 2 134 | 0 | 0 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 2 160 |
| OTL | 3 558 | 0 | 57 | 147 | 0 | 0 | 0 | 0 | 0 | 435 | 0 | 0 | 640 | 4 198 |
| OTS | 2 793 | 0 | 0 | 51 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 51 | 2 844 |
| OTF | 1 688 | 0 | 0 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 1 714 |
| OSA | 6 296 | 9 | 0 | 299 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 312 | 6 608 |
| OAC | 2 939 | 4 | 0 | 139 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 144 | 3 083 |
| OLC | 667 | 6 | 0 | 128 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 135 | 802 |
| OMN | 739 | 3 | 0 | 71 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 75 | 814 |
| Total | 28 029 | 46 | 861 | 1 146 | 60 | 0 | 0 | 0 | 0 | 454 | 410 | 1 525 | 4 502 | 32 531 |
| C. Management and administration of organization | | | | | | | | | | | | | | |
| Office of the Executive Director | | | | | | | | | | | | | | |
| OED | 2 569 | 20 | 230 | 198 | 3 | 0 | 9 | 0 | 0 | 30 | 150 | 0 | 640 | 3 209 |
| OEDA | 2 224 | 14 | 210 | 188 | 0 | 0 | 12 | 0 | 0 | 0 | 190 | 0 | 614 | 2 838 |
| OEDE | 1 962 | 2 | 515 | 120 | 0 | 0 | 2 | 0 | 0 | 0 | 400 | 200 | 1 239 | 3 201 |
| OEDI | 669 | 3 | 0 | 123 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 0 | 141 | 810 |
| OEDB | 2 122 | 11 | 20 | 57 | 0 | 20 | 0 | 0 | 0 | 0 | 60 | 0 | 168 | 2 290 |
| Strategy and Policy Division | | | | | | | | | | | | | | |
| SPD | 464 | 3 | 77 | 31 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 112 | 576 |
| SPP | 1 854 | 0 | 143 | 112 | 2 | 280 | 14 | 0 | 0 | 0 | 0 | 0 | 551 | 2 405 |
| SPS | 346 | 0 | 38 | 23 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 63 | 409 |
| SPC | 0 | 0 | 0 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28 | 28 |
| SPI | 1 607 | 1 | 547 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 563 | 2 170 |

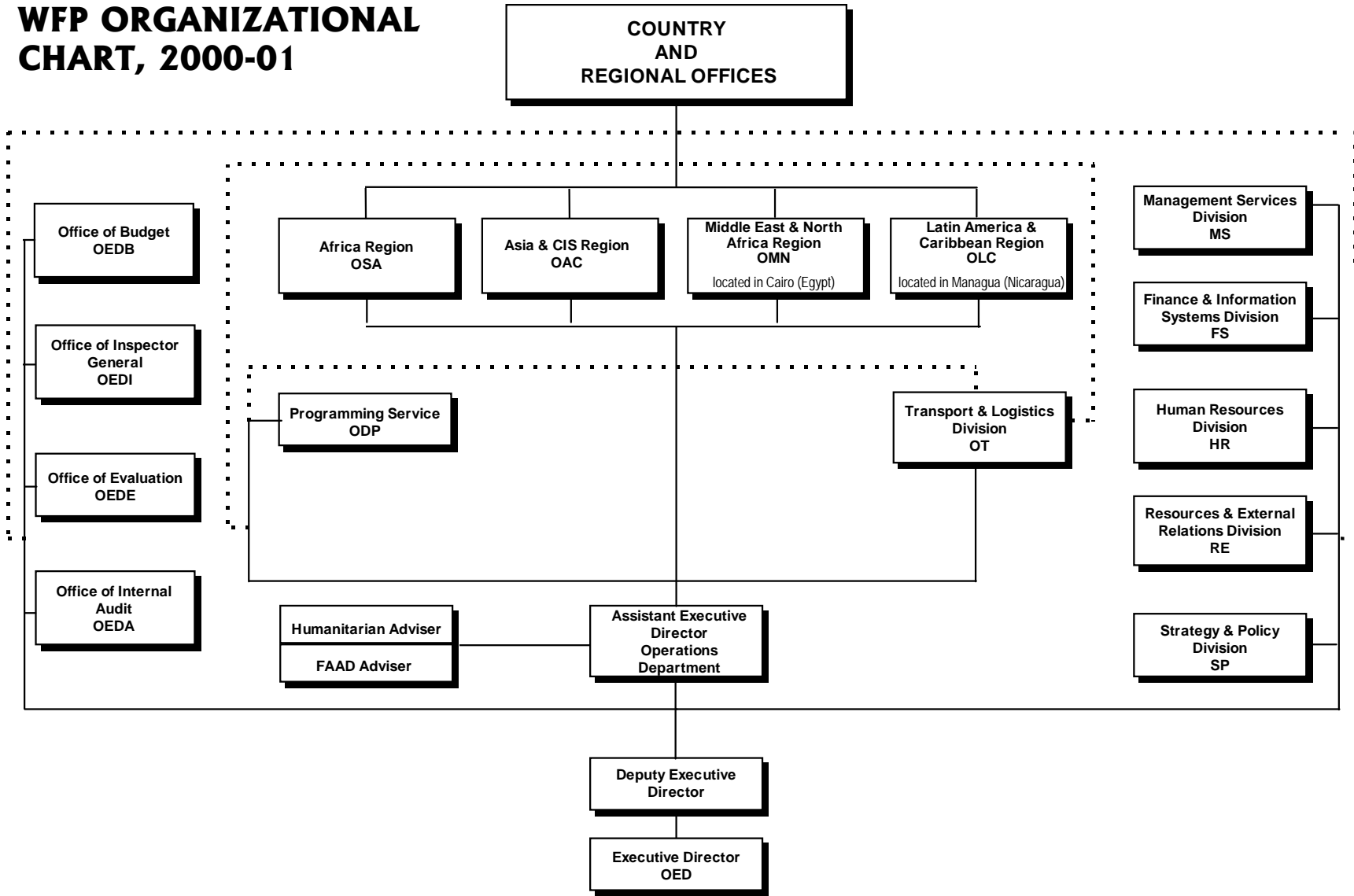
| Division/Unit | Staff Cost | Overtime | Consultancy | Travel | Info. & Publ. | Documents/ Meetings | Training | Communi cations | MIS/Comp. | Other Op. Exp. | Services from FAO | Services from Other UN Org. | Total Non-Staff Cost | Grand Total |
|---|----------------|------------|--------------|--------------|---------------|---------------------|--------------|-----------------|--------------|----------------|-------------------|-----------------------------|----------------------|----------------|
| Resources and External Relations Division | | | | | | | | | | | | | | |
| RED | 639 | 5 | 38 | 39 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 92 | 730 |
| REP | 2 209 | 5 | 0 | 188 | 2 649 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 842 | 5 051 |
| REC | 3 755 | 0 | 0 | 42 | 77 | 1 784 | 0 | 0 | 0 | 0 | 0 | 0 | 1 903 | 5 658 |
| REA | 1 718 | 2 | 436 | 135 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 574 | 2 292 |
| REJ | 517 | 1 | 57 | 25 | 11 | 0 | 0 | 38 | 0 | 39 | 0 | 0 | 171 | 688 |
| REW | 487 | 1 | 1 | 4 | 0 | 0 | 0 | 0 | 0 | 25 | 0 | 0 | 31 | 517 |
| REE | 1 907 | 9 | 19 | 77 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 105 | 2 012 |
| REB | 322 | 0 | 0 | 1 | 0 | 0 | 2 | 0 | 10 | 100 | 0 | 0 | 113 | 435 |
| REN | 1 769 | 4 | 0 | 27 | 1 | 3 | 0 | 10 | 12 | 325 | 0 | 0 | 383 | 2 152 |
| REG | 802 | 2 | 0 | 15 | 0 | 4 | 0 | 46 | 0 | 32 | 0 | 0 | 99 | 901 |
| Finance and Information Systems Division | | | | | | | | | | | | | | |
| FSD | 750 | 17 | 550 | 36 | 0 | 0 | 0 | 0 | 700 | 113 | 361 | 0 | 1 777 | 2 527 |
| FSF | 511 | 1 | 41 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 997 | 0 | 1 059 | 1 570 |
| FSFA | 2 945 | 57 | 0 | 9 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 67 | 3 012 |
| FSFD | 974 | 29 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34 | 1 009 |
| FSFF | 928 | 19 | 0 | 51 | 0 | 0 | 88 | 0 | 0 | 0 | 0 | 0 | 159 | 1 087 |
| FSFT | 719 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 719 |
| FSI | 405 | 3 | 94 | 23 | 0 | 0 | 20 | 0 | 3 750 | 0 | 0 | 0 | 3 890 | 4 295 |
| FSID | 1 389 | 0 | 200 | 43 | 0 | 0 | 100 | 0 | 400 | 0 | 0 | 0 | 742 | 2 131 |
| FSIS | 1 668 | 0 | 214 | 44 | 0 | 0 | 50 | 0 | 470 | 750 | 128 | 0 | 1 655 | 3 323 |
| FSIA | 899 | 0 | 126 | 9 | 0 | 0 | 20 | 0 | 0 | 0 | 0 | 0 | 155 | 1 054 |
| FSIT | 1 423 | 19 | 66 | 31 | 0 | 0 | 20 | 2 229 | 132 | 0 | 0 | 0 | 2 497 | 3 919 |
| Human Resources Division | | | | | | | | | | | | | | |
| HRD | 847 | 2 | 360 | 60 | 0 | 7 | 0 | 0 | 145 | 2 | 1 197 | 0 | 1 772 | 2 619 |
| HRC | 1 257 | 4 | 67 | 41 | 0 | 30 | 3 257 | 0 | 0 | 5 | 0 | 0 | 3 404 | 4 661 |
| HRR | 2 852 | 14 | 4 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 | 2 892 |
| HRS | 2 191 | 14 | 128 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 162 | 2 352 |
| Management Services Division | | | | | | | | | | | | | | |
| MSD | 607 | 0 | 55 | 39 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 103 | 710 |
| MSA | 2 719 | 143 | 20 | 0 | 0 | 0 | 0 | 650 | 0 | 4 632 | 500 | 0 | 5 945 | 8 663 |
| MST | 629 | 11 | 42 | 16 | 3 | 0 | 0 | 0 | 500 | 0 | 0 | 0 | 572 | 1 201 |
| MSP | 2 462 | 9 | 19 | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 118 | 2 580 |
| MSS | 1 171 | 0 | 12 | 53 | 0 | 0 | 0 | 0 | 0 | 54 | 0 | 0 | 120 | 1 291 |
| Statutory requirements | | | | | | | | | | | | | | |
| External Audit | | | | | | | | | | | | | | 511 |
| Contrib. to UN Org. | | | | | | | | | | | | | | 1 524 |
| Total | 55 286 | 422 | 4 326 | 2 059 | 2 747 | 2 128 | 3 613 | 2 972 | 6 119 | 6 130 | 3 983 | 200 | 34 699 | 92 019 |
| NET APPROPRIATION | 151 329 | 468 | 5 187 | 3 204 | 2 807 | 2 128 | 3 613 | 2 972 | 6 119 | 39 620 | 4 393 | 1 725 | 72 236 | 225 600 |

Table D: PSA budget by organizational unit and by appropriation line, 2000–2001

| Division/Unit | Staff Cost | Overtime | Consultancy | Travel | Info. & Publ. | Documents/ Meetings | Training | Communi cations | MIS/Comp. | Other Op. Exp. | Services from FAO | Services from Other UN Org. | Total Non-Staff Cost | Grand Total |
|--|---------------|-----------|-------------|--------------|---------------|---------------------|-----------|-----------------|-----------|----------------|-------------------|-----------------------------|----------------------|---------------|
| A. Programme support - regional and country offices | | | | | | | | | | | | | | |
| OAC Region | 11 732 | | | | | | | | | 6 952 | | | 6 952 | 18 684 |
| OLC Region | 11 783 | | | | | | | | | 1 924 | | | 1 924 | 13 707 |
| OMN Region | 6 971 | | | | | | | | | 1 195 | | | 1 195 | 8 166 |
| OSA Region | 27 165 | | | | | | | | | 5 385 | | | 5 385 | 32 550 |
| Total | 57 651 | | | | | | | | | 15 455 | | | 15 455 | 73 106 |
| B. Programme support - headquarters | | | | | | | | | | | | | | |
| ODD | 3 498 | 7 | 750 | 275 | 60 | - | - | - | - | 205 | - | - | 1 297 | 4 794 |
| ODP | 2 782 | 7 | 25 | 17 | - | - | 10 | - | - | 0 | - | - | 59 | 2 841 |
| OTD | 406 | 1 | 20 | 23 | 10 | - | - | - | - | 5 | - | - | 59 | 465 |
| OTI | 2 254 | 1 | 25 | 20 | - | - | - | - | - | 0 | - | - | 46 | 2 300 |
| OTL | 3 962 | 6 | 57 | 147 | - | - | - | - | - | 0 | - | - | 210 | 4 172 |
| OTS | 2 951 | 2 | 0 | 50 | - | - | - | - | - | 0 | - | - | 52 | 3 003 |
| OTF | 1 749 | 2 | 4 | 25 | - | - | - | - | - | 0 | - | - | 31 | 1 780 |
| OAC | 2 500 | 2 | - | 140 | - | - | - | - | - | 2 | - | - | 144 | 2 644 |
| OLC | 450 | 1 | - | 20 | - | - | - | - | - | 1 | - | - | 22 | 472 |
| OMN | 627 | 1 | - | 20 | - | - | - | - | - | 1 | - | - | 22 | 649 |
| OSA | 3 351 | 5 | - | 300 | - | - | - | - | - | 4 | - | - | 309 | 3 660 |
| Total | 24 529 | 34 | 881 | 1 037 | 70 | 0 | 10 | 0 | 0 | 218 | 0 | 0 | 2 249 | 26 778 |
| C. Management and administration of organization | | | | | | | | | | | | | | |
| Office of the Executive Director | | | | | | | | | | | | | | |
| OED | 2 501 | 20 | 80 | 198 | 3 | - | 9 | - | - | 30 | 340 | - | 680 | 3 181 |
| OEDA | 2 181 | 14 | 130 | 188 | 0 | - | 18 | - | - | 0 | 100 | - | 449 | 2 630 |
| OEDE | 2 137 | 2 | 120 | 120 | 0 | - | 0 | - | - | 0 | 200 | - | 442 | 2 579 |
| OEDI | 686 | 3 | 0 | 130 | 0 | - | 15 | - | - | 0 | 0 | - | 148 | 834 |
| OEDB | 2 118 | 6 | 0 | 40 | 0 | - | 0 | - | - | 0 | 62 | - | 108 | 2 226 |
| Strategy and Policy Division | | | | | | | | | | | | | | |
| SPD | 662 | 3 | 36 | 60 | 0 | - | 0 | - | - | 4 | - | - | 102 | 764 |
| SPP | 2 876 | 0 | 315 | 180 | 76 | - | 0 | - | - | 190 | - | - | 761 | 3 637 |
| SPS | 342 | 0 | 20 | 20 | 0 | - | 0 | - | - | 0 | - | - | 40 | 382 |
| SPI | 2 499 | 0 | 30 | 15 | 0 | - | 10 | - | - | 0 | - | - | 55 | 2 554 |
| Resources and External Relations Division | | | | | | | | | | | | | | |
| RED | 711 | 5 | 20 | 50 | 0 | 5 | 0 | - | - | 10 | - | - | 90 | 801 |
| REP | 2 180 | 5 | 0 | 188 | 2 220 | 0 | 25 | - | - | 1 | - | - | 2 439 | 4 619 |
| REC | 3 847 | 0 | 0 | 50 | 77 | 2 120 | 0 | - | - | 0 | - | - | 2 247 | 6 094 |
| REA | 1 912 | 2 | 300 | 130 | 0 | - | 0 | - | - | 5 | - | - | 437 | 2 349 |
| REJ | 513 | 0 | 30 | 11 | 9 | - | 0 | 48 | 3 | 22 | - | - | 123 | 636 |
| REW | 619 | 2 | 0 | 20 | 2 | - | 0 | 19 | 1 | 72 | - | - | 116 | 735 |

| Division/Unit | Staff Cost | Overtime | Consultancy | Travel | Info. & Publ. | Documents/ Meetings | Training | Communi cations | MIS/Comp. | Other Op. Exp. | Services from FAO | Services from Other UN Org. | Total Non-Staff Cost | Grand Total |
|--|----------------|------------|--------------|--------------|---------------|---------------------|--------------|-----------------|--------------|----------------|-------------------|-----------------------------|----------------------|----------------|
| REE | 1 878 | 9 | 15 | 92 | 3 | - | 2 | 15 | 0 | 43 | - | - | 178 | 2 056 |
| REB | 322 | 2 | 0 | 10 | 2 | - | 0 | 44 | 0 | 112 | - | - | 169 | 491 |
| REN | 1 704 | 3 | 0 | 25 | 2 | - | - | 80 | 40 | 355 | - | - | 505 | 2 209 |
| REG | 781 | 0 | 0 | 14 | 0 | - | - | 78 | 5 | 65 | - | - | 162 | 943 |
| Finance and Information Systems Division | | | | | | | | | | | | | | |
| FSD | 711 | 5 | 50 | 34 | 0 | - | - | - | - | 2 | 0 | - | 91 | 802 |
| FSF | 487 | 1 | 0 | 15 | 0 | - | - | - | - | 0 | 225 | - | 241 | 728 |
| FSFA | 3 149 | 50 | 0 | 7 | 0 | - | - | - | - | - | - | - | 57 | 3 206 |
| FSFD | 1 083 | 20 | 0 | 5 | 0 | - | - | - | - | - | - | - | 25 | 1 108 |
| FSFF | 907 | 15 | 0 | 40 | 0 | - | - | - | - | - | - | - | 55 | 962 |
| FSFT | 858 | 3 | 30 | 20 | 1 | - | - | - | - | - | - | - | 54 | 912 |
| FSI | 381 | 1 | 60 | 20 | 0 | 0 | 10 | 0 | 400 | - | - | - | 491 | 872 |
| FSID | 1 481 | 2 | 100 | 50 | 2 | 0 | 50 | 0 | 0 | - | - | - | 204 | 1 685 |
| FSIS | 3 709 | 3 | 180 | 110 | 3 | 0 | 70 | 1 756 | 871 | 1 450 | 60 | 1 900 | 6 403 | 10 112 |
| FSIA | 1 123 | 2 | 42 | 25 | 2 | 0 | 20 | - | - | - | - | - | 91 | 1 214 |
| Human Resources Division | | | | | | | | | | | | | | |
| HRD | 1 142 | 2 | 100 | 60 | - | - | 0 | - | - | 2 | 1 209 | - | 1 373 | 2 515 |
| HRC | 1 103 | 4 | 300 | 50 | - | - | 3 800 | - | - | 0 | 0 | - | 4 154 | 5 257 |
| HRR | 2 938 | 12 | 4 | 30 | - | - | - | - | - | 0 | 0 | - | 46 | 2 984 |
| HRS | 2 554 | 14 | 250 | 60 | - | - | - | - | - | 7 | 0 | - | 330 | 2 884 |
| Management Services Division | | | | | | | | | | | | | | |
| MSD | 601 | 2 | 25 | 0 | - | - | - | - | - | 1 005 | 0 | - | 1 032 | 1 633 |
| MSA | 2 206 | 50 | 64 | 30 | - | - | - | - | - | 5 528 | 460 | - | 6 132 | 8 338 |
| MST | 741 | 9 | 14 | 15 | 3 | - | - | - | - | - | - | - | 41 | 782 |
| MSP | 2 542 | 7 | 20 | 75 | 0 | - | - | - | - | - | - | - | 102 | 2 644 |
| MSS | 2 137 | 170 | 0 | 54 | 7 | - | 20 | - | - | 246 | - | 120 | 617 | 2 754 |
| Statutory requirements | | | | | | | | | | | | | | |
| External Audit | | | | | | | | | | | | | | 488 |
| Contrib. to UN Org. | | | | | | | | | | | | | | 2 400 |
| Total | 60 321 | 445 | 2 335 | 2 241 | 2 410 | 2 125 | 4 049 | 2 040 | 1 320 | 9 148 | 2 656 | 2 020 | 30 789 | 93 998 |
| NET APPROPRIATION | 142 501 | 479 | 3 215 | 3 278 | 2 480 | 2 125 | 4 059 | 2 040 | 1 320 | 24 821 | 2 656 | 2 020 | 48 493 | 193 882 |

WFP ORGANIZATIONAL CHART, 2000-01



ACRONYMS OF WFP ORGANIZATIONAL UNITS

| | |
|------------|---|
| OED | OFFICE OF THE EXECUTIVE DIRECTOR |
| OED | Office of the Executive Director, OED |
| OEDA | Office of Internal Audit |
| OEDB | Office of Budget |
| OEDE | Office of Evaluation |
| OEDI | Office of the Inspector-General |
| SP | STRATEGY AND POLICY DIVISION |
| SPD | Office of the Director, SP |
| SPI | Central Information Management and Statistics Branch |
| SPP | Policy Affairs Service |
| SPS | Strategy Planning Service |
| RE | RESOURCES AND EXTERNAL RELATIONS DIVISION |
| RED | Office of the Director, RE |
| REA | Resources Mobilization Service (Americas, Australia and Asia) |
| REB | Liaison Office, Brussels |
| REC | Executive Board Secretariat and Inter-agency Affairs Service |
| REE | Resources Mobilization Service (Europe, Middle East and Africa) |
| REG | Liaison Office, Geneva |
| REJ | Liaison Office, Japan |
| REN | Liaison Office, New York |
| REP | Public Affairs Service |
| REW | Liaison Office, Washington |
| OD | OPERATIONS DEPARTMENT |
| ODD | Office of the Assistant Executive Director, OD |
| ODP | Programming Service |
| OAC | Asia and CIS Region |
| OLC | Latin America and Caribbean Region |
| OMN | Middle East and North Africa Region |
| OSA | Africa Region |
| OT | TRANSPORT AND LOGISTICS DIVISION |
| OTD | Office of the Director, OT |
| OTF | Freight Analysis and Support Branch |
| OTI | Insurance and Legal Branch |
| OTL | Logistics Service |
| OTS | Ocean Transport Service |
| FS | FINANCE AND INFORMATION SYSTEMS DIVISION |

| | |
|-----------|--|
| FSD | Office of the Director, FS |
| FMIP | Financial Management Improvement Programme |
| FSI | Information Systems Service |
| FSF | Finance Service |
| HR | HUMAN RESOURCES DIVISION |
| HRD | Office of the Director, HR |
| HRCT | Career Planning and Training Branch |
| HRRS | Recruitment and Servicing Branch |
| HRS | Staff Relations and Benefits Branch |
| MS | MANAGEMENT SERVICES DIVISION |
| MSD | Office of the Director, MS |
| MSA | Administrative Services Branch |
| MSP | Purchasing and Contracts Branch |
| MSS | Headquarters and Field Security Unit |
| MST | Travel Unit |

Annex II

Highlights of Strategic and Financial Plan, 2000–2003

HIGHLIGHTS OF STRATEGIC AND FINANCIAL PLAN, 2000–03

WFP's objectives for 2000–2003 are to:

- enable at least 20 million development programme beneficiaries to achieve greater food security and build physical/human-capital assets;
- minimize loss of life and enhance the recovery capacity of beneficiaries of relief and recovery activities;
- implement the Financial Management Improvement Programme (FMIP), Enabling Development, the Organizational Change Initiative, and the Resource and Long-term Financing policies;
- establish WFP as a decentralized organization respected in its field.

This will be achieved by way of the following strategic priorities which largely continue the strategies identified in the Strategic and Financial Plan for 1998–2001.

(A) STRATEGIC PRIORITIES FOR A PEOPLE-CENTRED APPROACH TO PROGRAMMING FOOD AID

(A.1) PRIORITY 1: STRENGTHEN WFP'S KNOWLEDGE BASE

- Engage with other operators to deepen the understanding of country-specific circumstances, and to open up partnership opportunities;
- Develop a thorough understanding of local food production and constraints, commercial imports, market conditions, actors and mechanisms;
- Support the vulnerability analysis and mapping (VAM) capacity of country offices;
- Disseminate lessons learned from evaluated activities (Office of Evaluation) to increase efficiency;
- Provide to the field electronic version of key statistical and thematic information as well as guidance on WFP policies and issues.

(A.2) PRIORITY 2: SHARPEN WFP'S FOCUS ON COUNTRIES WITH THE GREATEST NEED FOR FOOD AID

- Develop exit strategies to allow seamless transition of food aid when WFP phases out activities.

Least Developed Countries (LDCs)

- Maximize the effectiveness of development food aid in LDCs through high-quality interventions;
- Provide additional support to national authorities to maximize benefits;
- Strengthen staffing in LDCs.

Non-LDCs

- Strengthen advisory role to encourage governments to assume greater responsibility for managing food assistance from national resources;
- Institutionalize cost-sharing with recipient governments.

(A.3) PRIORITY 3: INCREASE THE TARGETING OF RESOURCES TO WOMEN AND CHILDREN

- Promote joint actions with governments and NGOs to implement programmes addressing gender issues;
- Target food aid interventions to benefit women and children;
- In countries where women are seriously disadvantaged, target at least 60 percent of available resources to women and girls;
- Direct to women and girls at least 50 percent of the food aid invested in education;
- Incorporate gender-sensitive analysis into programme design;
- Ensure that in at least 80 percent of relief activities distribution is at the household level to enable women to control the family entitlement;
- Endeavour to increase the proportion of women staff to reach the goal of 50 percent professional women staff.

(A.4) PRIORITY 4: PROMOTE NATIONAL INSTITUTION-BUILDING, AND LOCAL CAPACITY-BUILDING THROUGH BROAD-BASED PARTICIPATION

- Increase support to various national structures to effectively plan, implement, monitor and evaluate development and relief activities;
- With a view to developing an integrated national capacity, assist in contingency planning, emergency management, logistics intervention, training, VAM and coordination of international food relief efforts;

- Pay due attention to evolving market situations and the potential commercial effects of food aid;
- Maximize local and regional purchases in a way which balances considerations of cost, timeliness of delivery and impact on markets.

(A.5) PRIORITY 5: ADOPT OPERATIONAL POLICIES, PRACTICES AND PROGRAMMES TO DELIVER EFFECTIVE EMERGENCY, REHABILITATION AND DEVELOPMENT ASSISTANCE

- Implement the Enabling Development policy through a planned timetable for implementation, the strengthening of WFP systems, and the allocation of sufficient human and financial resources, with the objective of adjusting WFP's development portfolio, in value terms, in line with the new policy directives, by 75 percent by 2001 and 100 percent by 2004;
- Implement the changes to Resource and Long-term Financing policies recommended by the Working Group;
- Develop performance indicators for results assessment to ensure that food actually achieves the outcomes intended for the beneficiary groups;
- Move towards results-based management.

(A.6) PRIORITY 6: MOVE THE ISSUES OF HUNGER AND POVERTY TO THE CENTRE OF THE INTERNATIONAL AGENDA

- Engage in public debate on the issues of hunger and poverty;
- Develop informative tools for advocacy, including country office reports on hunger, food aid and food security, as well as workshops on specific issues;
- Pursue a more active media campaign, and a public awareness campaign to make WFP more well known, particularly in major donor countries;
- Ensure that donors benefit from the timely receipt of global, national and operation-specific needs.

(B) STRATEGIC PRIORITIES FOR ORGANIZATIONAL CAPACITY AND RESOURCES

(B.1) PRIORITY 1: THE ORGANIZATIONAL CHANGE INITIATIVE

- Strengthen management skills;
- Increase communication;

- Streamline decentralization procedures;
- Institutionalize strategic planning.

(B.2) PRIORITY 2: BUILDING A NEW STAFF PROFILE

- Implement the new staffing policy;
- Achieve targets for the recruitment of international professional staff and international professionals from developing countries;
- Implement a strategic three-year training programme.

(B.3) PRIORITY 3: INCREASED ACCOUNTABILITY

- Apply the Financial and Management Improvement Programme, pursuing staff savings where practical;
- Fully institutionalize the data warehouse;
- Enhance accountability, indicating to the Board the outcomes of food aid for the beneficiaries at each intervention level, WFP's progress towards the objectives of the plan period and the cost of its activities;
- Enhance the culture of monitoring and evaluation;
- Incorporate strategies specific to the changing decision-making structure of WFP into the annual work plans of the Office of Internal Audit (OEDA) and the Office of the Inspector-General (OEDI).

(B.4) PRIORITY 4: BETTER MOBILIZATION OF RESOURCES

- Provide excellent customer service, providing accurate and timely reports through standard reporting;
- Ensure that the resource base is expanded and that resources provided are multilateral, to allow maximum flexibility;
- Implement the Resource Mobilization System;
- Keep country-level donor representatives well informed of WFP activities through regular meetings, reports and field visits;
- Seek and harness non-traditional funding sources.

Annex III

Budget Methodology

In developing the biennial budget for the period 2000–2001, the volume and value of resources and their utilization were projected, both in terms of programme category and appropriation line. The resources estimated to be available, as support cost recovery from the different programmes, established the level of the PSA. The level of services to be provided to WFP, if it is to meet its goals for the biennium, established the level of need. Functional activities to be undertaken at headquarters and in the field were reviewed and prioritized. Grade levels of currently approved posts were the basis for calculating 2000–2001 staff requirements.

Staff Costs

The budget has been adjusted for estimated cost increases. Wherever applicable, WFP adopts cost increases calculated by FAO. As in previous biennia, FAO-devised standard staff costs for staff at headquarters are used, including an adjustment for specific factors deriving from an analysis of the differential between standard and actual costs for international staff in country offices. For 2000–2001, the standard costs for Professional staff in Rome have decreased by 5 percent while costs for General Service staff increased by 9 percent.

Lapse Factor

The lapse factor is an allowance for theoretical savings arising from delays in filling vacant posts, to the extent that such savings are not used to finance other posts. A conservative lapse factor of 10 percent, consistent with the situation in 1998–99, has been applied on all existing staff positions at headquarters. A lapse factor of 6 percent has been applied to country and regional office posts.

Other Costs

Non-staff budget costs are estimated at the 1998–99 level, without any inflationary increases. This had been possible as a result of economies achieved in some of the major line items of non-staff expenditure such as travel.

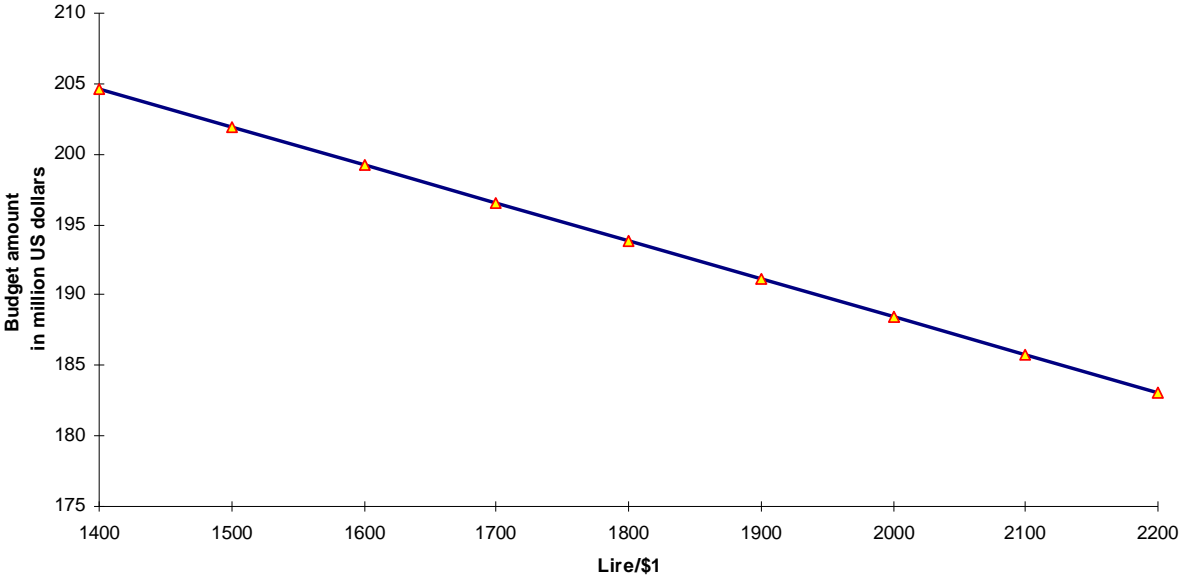
Exchange Rate Effects

The 2000–2001 estimates have been prepared at the exchange rate utilized by FAO in developing its 2000–2001 budget proposal (i.e. 1,800 lire to one US dollar). However, the budget estimates will be re-costed at the rate of exchange to be adopted by the FAO Conference in 1999 for the FAO Programme of Work and Budget for 2000–2001.

Historically, about 25 percent of the current PSA budget is expended in Italian lire. Therefore, a variation in the exchange rate between the US dollar and Italian lira has a significant impact on the total PSA budget. The re-costed value of the proposed PSA budget, based on different exchange rates, is illustrated below.

EFFECTS OF EXCHANGE RATES ON PSA BUDGET
Assuming the Percentage Amount of Expenditures in Italian Lire is 25%

| Lire/\$1 | Rate change (percentage) | Budget change (percentage) | Budget amount (in million US dollars) |
|-----------------|-------------------------------------|---------------------------------------|--|
| 1 400 | -22% | 5.6% | 204.7 |
| 1 500 | -17% | 4.2% | 202.0 |
| 1 600 | -11% | 2.8% | 199.3 |
| 1 700 | -6% | 1.4% | 196.6 |
| 1 800 | 0% | 0.0% | 193.9 |
| 1 900 | 6% | -1.4% | 191.2 |
| 2 000 | 11% | -2.8% | 188.5 |
| 2 100 | 17% | -4.2% | 185.8 |
| 2 200 | 22% | -5.6% | 183.1 |



Annex IV

Terminology

To the extent possible, commonly used UN system terminology for budget preparation has been employed in the formulation of this document. In certain cases, budget preparation and financial terms and definitions linked to WFP have also been used.

Account

A formal record of an asset, liability, revenue or expense for which the effects of transactions are indicated in terms of money or other unit of measurement.

Allotment

A financial authorization issued by the Executive Director to an official to incur obligations for specific purposes within approved budgets, within specified limits and during a specified time.

Appropriation

The amount approved by the Board for specified purposes in the programme support and administrative budget for a financial period, against which obligations up to the amount approved may be incurred for those purposes.

Appropriation Line

The largest subdivision of the programme support and administrative budget within which the Executive Director is authorized to make transfers without prior approval of the Board.

Bilateral Contribution

A contribution directed by the donor to be used to support an activity not initiated by WFP.

Board

The Executive Board of WFP and its predecessors.

Broad-based Appeal

An appeal made by WFP or by WFP jointly with other funds, programmes or agencies for a regional project or for a number of separate country programmes, projects or activities.

Contributions

A donation of appropriate commodities, non-food items, acceptable services or cash made in accordance with procedures set out in WFP's Financial Regulations. A contribution may be multilateral, directed multilateral or bilateral.

Country Programme

A Country Programme approved by the Board in accordance with General Regulation VI.2 (c).

Directed Multilateral Contribution

A contribution, other than a response to an appeal made by WFP for a specific emergency operation, which a donor requests WFP to direct to a specific activity or activities initiated by WFP or to a specific Country Programme or Country Programmes.

Direct Support Cost

A cost which can be directly linked with the provision of support to an operation and which would not be incurred should that activity cease.

Executive Director

The Executive Director of the World Food Programme, or the official to whom the Executive Director has delegated authority and responsibility for the matter in question.

Ex Gratia Payment

A payment made when there is no legal liability, but the moral obligation is such as to make payment desirable.

Finance Committee

The Finance Committee of FAO.

Financial Period

A two-year period starting on 1 January of each even-numbered year.

Financial Rules

The rules established under Financial Regulation 2.2.

Financial Statements

Formal presentation of financial information showing the income and expenditure for a given period and assets and liabilities at the end of that period, including notes, which form an integral part thereof.

FAO

The Food and Agriculture Organization of the United Nations.

Full-cost Recovery

The recovery of operational costs, direct support costs and indirect support costs in full.

Fund

An accounting entity with a self-balancing set of accounts recording cash and other financial and non-financial resources, together with related liabilities and residual equities or balances, and changes therein. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

General Fund

The accounting entity established for recording, under separate accounts, indirect support cost recoveries, miscellaneous income, operational reserve and contributions received which are not designated to a specific programme category, project or a bilateral project.

General Regulations

The General Regulations of the World Food Programme, as approved by the General Assembly of the United Nations and the Conference of FAO.

General Rules

The General Rules of the World Food Programme, as approved by its Executive Board.

IEFR

The International Emergency Food Reserve.

Indirect Support Cost

A cost which supports the execution of projects and activities but cannot be directly linked with their implementation.

IRA

The Immediate Response Account of the IEFR.

Multilateral Contribution

A contribution, for which WFP determines the Country Programme or WFP activities in which the contribution will be used and how it will be used, or a contribution made in response to a broad-based appeal made for which WFP determines, within the scope of the broad-based appeal, the Country Programme or WFP activities in which the contribution will be used and how it will be used, and for which the donor will accept reports submitted to the Board as sufficient to meet the requirements of the donor.

Obligation

A written commitment of monies resulting in a liability against an allotment.

Operational Costs

The costs of commodities, ocean transportation and related costs, and landside transport, storage and handling (LTSH) and other input provided by WFP to beneficiaries, the government of the recipient country or other implementing partners.

Operational Reserve

Monies maintained as an account within the General Fund to be used to ensure continuity of operations in the event of a temporary shortfall of resources.

Programme Category

A classification of WFP activities as established in accordance with the General Rules.

Programme Category Fund

An accounting entity established by the Board for the purposes of accounting for contributions, income and expenditures for each programme category.

Programme Support and Administrative Budget

The portion of the WFP Budget that pertains to providing indirect support to WFP's activities.

Project

A separately identified undertaking within a programme category.

Project Agreement

A document, howsoever designated, executed in accordance with the provisions of General Regulation XI.

Special Account

An account established by the Executive Director for a special contribution, or for monies earmarked for specific activities, the balance of which may be brought forward to the succeeding financial period.

Trust Fund

An identifiable subdivision of the WFP Fund, established by the Executive Director in order to account for a special contribution, the purpose, scope and reporting procedures of which have been agreed with the donor.

WFP Budget

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