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**Executive Board  
Second Regular Session**

**Rome, 4–7 November 2013**

# **RESOURCE, FINANCIAL AND BUDGETARY MATTERS**

**Agenda item 5**

*For approval*



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## **WFP MANAGEMENT PLAN (2014–2016)**



This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

## NOTE TO THE EXECUTIVE BOARD

**This document is submitted to the Executive Board for approval.**

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

Assistant Executive Director, RM* and Chief Financial Officer:	Mr M. Juneja	tel.: 066513-2885
Director, RMB**:	Mr F. Curran	tel.: 066513-2408
Chief, RMBB***:	Mr C. Gardner	tel.: 066513-2077
Chief, RMBP****:	Mr L. Bukera	tel.: 066513-2074

Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645).

\* Resource Management and Accountability Department

\*\* Budget and Programming Division

\*\*\* Organizational Budgeting Service

\*\*\*\* Project Budget and Programming Service

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# EXECUTIVE SUMMARY

## A Financial Plan to Operationalize WFP's Strategy

1. At its 2013 Annual Session, the Board approved WFP's Strategic Plan (2014–2017), which supports the transition to food assistance and the organizational reforms launched by the Executive Director in 2012 to make WFP "Fit for Purpose", and requested a financial plan to support its implementation.
2. This Management Plan builds on the Framework for Action presented at the Board's 2012 Second Regular Session, and reflects the design principles laid out in the Management Plan (2013–2015). It incorporates the priority areas for investment identified by the Executive Director in her closing intervention at the Board's 2013 Annual Session: i) people-centred initiatives and internal capacity development; ii) partnerships; iii) upgrading of programmes, systems, processes and structures; and iv) accountability and resource development.

⇒ *Overview of Budget Proposal and Funding*

3. The 2014 budget proposal for operational and other requirements is US\$6.60 billion (see Table 1).

<b>TABLE 1: MANAGEMENT PLAN BUDGET (US\$ million)</b>			
<b>Proposal 2014</b>		<b>2013</b>	<b>% change, 2014/2013</b>
Operational requirements	5 857.0	4 969.0	17.8
Regular Programme Support and Administrative (PSA) budget	281.8	256.5 <sup>1</sup>	9.8
Non-recurring PSA investments	9.2	20.0 <sup>2</sup>	-53.5
Security funding (from the General Fund)	10.0	10.0	-
Treasury Management System (from the General Fund)	-	0.4	n/a
Trust funds and special accounts	438.0	405.5 <sup>1</sup>	8.0
<b>TOTAL</b>	<b>6 596.0</b>	<b>5 661.4</b>	<b>16.5</b>

<sup>1</sup> In line with a decision at the Board's 2013 Annual Session, the 2013 regular PSA budget figure includes an adjustment of US\$7.4 million to mainstream private-sector work into this budget.

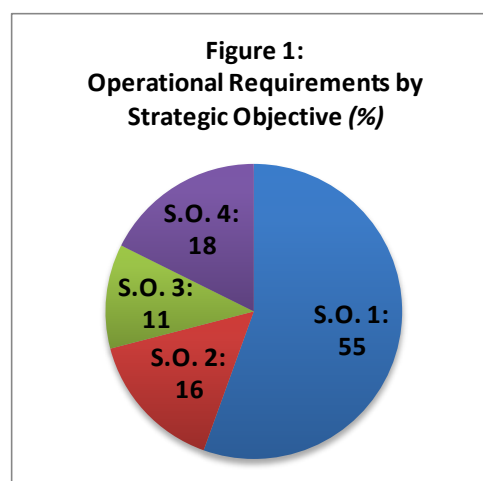
<sup>2</sup> See Section III and Annex VI.

4. The 2014 budget is presented for the Board's approval in line with Financial Regulation 9.6. The operational requirements and trust funds and special accounts are presented for information; the regular and non-recurring PSA appropriations and security funding are presented for approval.

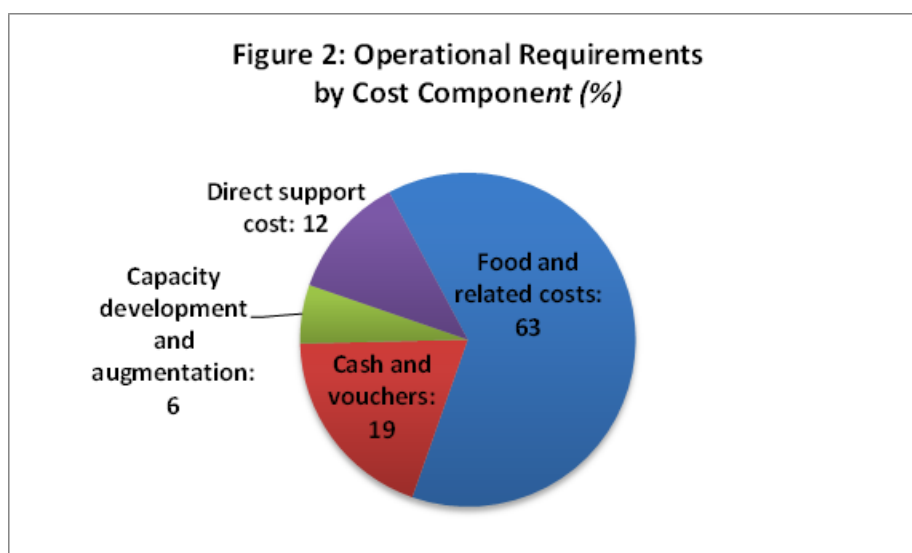
## Operational Requirements

5. The projected operational requirements for 2014 of US\$5.86 billion are an aggregation of active projects approved by the Board or by the Executive Director under delegated authority and their logical and foreseen extensions. This enables WFP to assist 76 million beneficiaries through 151 projects in 75 countries.

6. The operational requirements are presented in terms of the four new Strategic Objectives. Figure 1 shows that US\$3.25 billion (55 percent) are required to support Strategic Objective 1 – Save lives and protect livelihoods in emergencies. Strategic Objective 4 – Reduce undernutrition and break the intergenerational cycle of hunger – accounts for US\$1.03 billion (18 percent). Strategic Objective 2 – Support or restore food security and nutrition and establish livelihoods in fragile settings and following emergencies – will require US\$907 million (16 percent). Strategic Objective 3 – Reduce risk and enable people, communities and countries to meet their own food and nutrition needs – requires US\$670 million (11 percent).



7. Figure 2 shows the 2014 operational requirements by cost component. WFP will utilize 4 million mt of food, including supplementary rations. Food and related direct operational costs will total US\$3.70 billion – 63 percent of projected operational requirements.



8. WFP continues to expand its use of cash and vouchers, which will account for US\$1.13 billion, double the planned requirements for 2013. This increase is mainly a reflection of WFP's response to the Syrian crisis, which will make extensive use of cash and voucher interventions in order to reach the beneficiaries.

9. WFP will achieve its Strategic Objectives by selecting the most appropriate mix of transfer modalities: general food assistance as food, cash or vouchers; other forms of food assistance such as nutrition and school feeding; and activities that combine food assistance with resilience-building, such as food or cash for work, assets or training. Capacity development will be integrated across all areas, including building the capacities of countries and communities.
10. Projected operational requirements for the Cairo Regional Bureau (OMC), covering the Middle East, North Africa, Eastern Europe and Central Asia, will increase from 21 percent in 2013 to 28 percent in 2014. This reflects the significant increase in requirements related to the Syrian operation, which has become WFP's largest programme.
11. The operational requirements tabulated above do not take into account unforeseen needs that may arise during the year. The operational requirements for the Syrian crisis provide for the first six months of 2014 only, in view of the uncertainty of the situation (see Annex IV).
12. This Management Plan presents for the first time a refined method for calculating the average monthly cost per beneficiary in place of the annual average cost, reflecting the fact that the duration of an operation affects its cost structure. This new metric indicates that average monthly costs per beneficiary will fall from US\$8.50 in 2013 to US\$8.10 in 2014.
13. The Secretariat recognizes, however, that merely measuring requirements, costs and performance against the number of people directly receiving food assistance from WFP does not do justice to the impact WFP assistance has for food-insecure people. In 2014, therefore, WFP will invest in a more inclusive definition and measurement of beneficiaries to take account of a broadened portfolio of assistance modalities. This will include capturing the economic and social benefits accruing from assets, market development and resilience-building supported by WFP assistance; and a clearer determination of the impact of WFP's capacity development. An example would be WFP's support for the public distribution system in Iraq, where there were no recorded *direct* beneficiaries because no food was distributed – but the improved social protection will assist an estimated 6.4 million of Iraq's most food-insecure people. It is clearly essential to capture such contributions in a reliable and quantified way to demonstrate the full value of WFP's assistance.

## Funding Levels

14. Table 2 summarizes the forecast funding in this Management Plan, with comparative figures from the previous plan.

<b>TABLE 2: FORECAST FUNDING (US\$ billion)</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Management Plan (2014–2016)	4.0*	4.2	4.0	4.0
Management Plan (2013–2015)	3.7	3.8	3.8	N/A

\* Latest estimate, 15 September 2013.

15. Forecast contributions are projected to increase to US\$4.20 billion in 2014. For 2015 and 2016, contributions are assumed to level off at US\$4.00 billion per annum.

16. We think the US\$ 4.20 billion is realistic. In four of the last five years, the funding received for operational needs and PSA requirements reached or exceeded US\$4.00 billion. A total of US\$4.00 billion in contributions was realized in 2012, against a forecast of US\$3.75 billion. Contributions as at mid-September of 2013 are 5.2 percent greater than those at the same time in 2012. There are also clear indications of continued support from donors to meet the exceptional requirements of the Syrian crisis in 2013, which is expected to continue through 2014.
17. WFP's scale of operations depends on the level of financial support it actually receives. Sound partnerships and fundraising are therefore prerequisites for the delivery of effective services to beneficiaries. A priority is to increase the range and quality of financial support by expanding the number of donors and increasing the proportion of multi-year and multilateral funds at WFP's disposal. Some targeted PSA investments in the Partnership and Governance Services Department will build relationships and promote resource mobilization with various donors. WFP's private-sector partnerships and fundraising strategy was approved by the Board at its 2013 Annual Session, and a partnership strategy will be submitted to the Board in 2014.

### **Prioritizing the Use of Funding Available for Operational Activities**

18. WFP's operational requirements consistently exceed its forecast contributions. The 2014 forecast of US\$4.20 billion – which means US\$3.93 billion for operations net of indirect support costs (ISC) – is 33 percent short of operational requirements for 2014. Responding to Board requests, this Management Plan includes the results of an exercise carried out across WFP that shows how resource allocations will be prioritized in the event that only two thirds of operational requirements are funded.
19. The analysis shows how managers would respond if a resource shortfall occurred, with the aim of minimizing the impact on beneficiaries.
- Beneficiaries may be affected, either through reduced rations or reduced duration of assistance.
  - Managers would prioritize activities that address the most urgent food and nutrition needs in support of Strategic Objectives 1 and 4. In some countries the original planning figures for these Strategic Objectives would be reduced by approximately 30 percent.
  - Given the priority to meet the most acute needs under Strategic Objectives 1 and 4, managers would need to reduce activities related to restoring livelihoods and strengthening resilience under Strategic Objectives 2 and 3; the planned figures would have to be reduced by 40 percent for Strategic Objective 2 and by 38 percent for Strategic Objective 3.

### **PSA Budget for 2014**

20. In preparing the PSA proposals the Secretariat reviewed the organizational strengthening actions required in 2014, building on those begun in 2013. The review confirmed that WFP's transition "from good to great" is on track, but that it requires a PSA budget level in 2014 that is adequate to support a projected level of funded operations of US\$4.20 billion. The review concluded that judicious allocation of PSA resources is needed to address areas of under-investment, but that only minor refinements to the current organizational structure and reporting lines are needed in 2014. Hence the 2014 regular PSA proposal amounts to US\$281.8 million, and the proposal for non-recurring investments to US\$9.2 million.



21. The regular PSA budget provides indirect support for funded operations. All monies received are derived from the 7 percent ISC rate. The projected increase in resources results in an increase in resources available for PSA allocation. In contrast with agencies that enjoy a more predictable income level based on an assessed contribution model, WFP must anticipate an appropriate level of investment in its programme support and administration structure with income levels that can fluctuate significantly over a short period of time.
22. As in previous years, the proposal for 2014 takes into account the increase in workload resulting from the higher level of forecast contributions and related operational activity. The 2013 Management Plan forecast contributions of US\$3.70 billion and a regular PSA budget of US\$256.5 million. However, the forecast contributions of US\$4.20 billion for 2014 are generating funds 13.5 percent above the level forecast in the 2013 Management Plan; whereas the regular PSA budget proposal of US\$281.8 million for 2014 represents only a 9.8 percent increase from the approved 2013 level of US\$256.5 million. This proposal reflects a prudent investment of resource gains in 2014. It also reflects the savings expected from increased efficiency generated by this investment in all areas of work under the ongoing Fit for Purpose activities.
23. The proposed PSA appropriation for 2014 and a supplementary appropriation for non-recurring investments are shown in Table 3.

<b>TABLE 3: PROPOSED PSA APPROPRIATION FOR 2014</b>	
	<i>(US\$ million)</i>
<b>Adjusted 2013 base</b>	256.5
Non-discretionary costs for 2014	9.5
	-----
Adjusted 2014 base	266.0
Strategic investments entailing recurring costs at Headquarters	6.0
Strategic investments entailing recurring costs in the field	9.8
	-----
2014 appropriation	281.8
	=====
Supplementary appropriation	
Non-recurring strategic investments	9.2

⇒ *Non-discretionary costs*

24. Non-discretionary costs are outlays that WFP must make as a result of external factors or that constitute provisions for good financial management. The two main elements for 2014 are: i) an increase in standard staff cost to quantify the effects of cost adjustments, which are determined by the International Civil Service Commission and the United Nations General Assembly; and ii) an increase to central appropriations to augment the provision for reassignment costs and to cover WFP's share of the costs of the Resident Coordinator system.

⇒ *Recurring investments*

25. In making the choice of recurring investments in PSA resources for 2014, the Secretariat challenged senior managers to evaluate proposals against organizational priorities as embodied in the Strategic Plan (2014–2017), the Fit for Purpose organizational shift and views expressed by the Board. Specific criteria were defined to facilitate this assessment, including strategic and operational importance, relevance to corporate risks, urgency of action and availability of alternative funding sources.
26. A new Management Results Framework (MRF) has been elaborated that identifies the enablers and the measurable results needed to give WFP the global capacity to reach hungry people effectively and efficiently. The revised Management Result Dimensions are People, Partnerships, Processes and Systems, Programmes, and Accountability and Funding. The MRF will facilitate accountability and reporting on the effectiveness and efficiency of resource usage.
27. The recurring investments of US\$15.8 million and the non-recurring investments of US\$9.2 million will guarantee PSA funding for core activities supporting the new Strategic Plan and securing a sustainable shift from food aid to food assistance. Each strategic investment was examined in terms of its potential contribution to improving the economy, efficiency and effectiveness of WFP.
28. The single largest investment will be for: i) strengthening the regional bureaux' ability to fulfil their function of managing, overseeing and supporting country offices by building capacities for programme design, delivery, monitoring and support; and ii) empowering country offices through increased availability of expertise.
29. In line with Fit for Purpose, 62 percent of recurring investments will be made in the field. All 29 additional international professional positions are in regional bureaux and country offices. New positions for programme support and administration in Headquarters will be met by reallocating existing Headquarter positions rather than by creating new ones.

⇒ *Impact on the PSA Equalization Account*

30. The proposed spending levels take into account resources available from current reserves and the need to retain a satisfactory PSA Equalization Account reserve at the end of 2014. The 31 December 2014 balance is projected to be US\$74.4 million – three months of PSA expenditure.

## **Security Funding**

31. WFP has used the General Fund to cover US\$10.0 million of the annual United Nations Department of Safety and Security (UNDSS) costs that cannot be linked directly to projects. The positive balance of the General Fund is built up from interest income net of bank charges. However, as a result of WFP's reduction in its cash holdings and of current low interest rates, the UNDSS charge has exceeded net interest income for a number of years. Current projections are that 2014 will be the last year in which the General Fund will be able to meet the full amount.

## Funding for Capital Investments

32. WFP does not have a funding model for capital projects: its funding cycle requires annual approval of the PSA budget, which in turn is funded from ISC income from operations. The absence of a source of funding that can provide spending authority in the short term in return for medium-term and long-term economic benefits delays the implementation of viable initiatives, even when they have clear value for WFP.
33. WFP will address this gap by creating a Capital Budgeting Facility (CBF) for long-term investments in corporate services based on the principles underlying the Forward Purchase Facility (FPF) and the Global Vehicle Leasing Programme. This would also bring WFP into line with best business practices.
34. The CBF will be a revolving fund capitalized initially with seed money from the Working Capital Financing Facility (WCFF). A ceiling would be included in the Management Plan each year, along with a summary of new proposals and the repayments status of each capital project. A ceiling of US\$20.0 million has been established for 2014.
35. The CBF will provide capital for projects that can demonstrate quantifiable benefits such as measurable efficiencies and that provide a plan for repayment of investments through administrative savings or charges to operational projects to replenish the facility in the long term.
36. WFP will start the CBF with an advance for the Logistics Execution Support System (LESS). In the future the CBF will also be used to address issues of housing and office security in, for example, Afghanistan, Iraq and South Sudan. The business case for LESS is self-evident and supported by the Board. The advance will be repaid through a tonnage-based charge to landside transport, storage and handling for use of the system once it has been implemented and savings are being realized. This approach will ensure that charges to projects are matched by the savings generated, in line with the principle of charging projects only for costs that are directly attributable to them.

## Increase in the Working Capital Financing Facility

37. WFP must be able to supply food immediately in response to an unforeseen escalation in demand. It is therefore proposed that the WCFF ceiling be raised by US\$50.0 million to increase the FPF from US\$300.0 million to US\$350.0 million. To mitigate the risks of advance financing, and in accordance with WFP's risk-management policy and its leverage ratio of 6:1, the Operational Reserve will be increased by US\$8.3 million.<sup>3</sup>

## Financial Framework Review

38. The financial framework review under "Fit for Purpose" aims to: i) enhance the stability of funding, particularly to improve stability in contracting local staff; ii) optimize the use of resources; iii) improve planning and cost management; and iv) enhance transparency to stakeholders. This will include a review of the Operational Reserve and the current WCFF ceiling. Proposals will be submitted to the Board's 2014 First Regular Session.

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<sup>3</sup> WFP/EB.2/2010/5-B/1, paragraph 47.

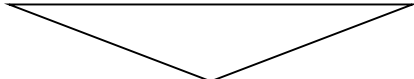
## Indirect Support Costs

39. It is proposed that the ISC recovery rate of 7 percent be maintained in 2014.
40. The last time the ISC rate was reviewed was in 2002. At its Third Regular Session of that year, the Board completed its analysis of WFP's ISC, which included a comparative study of other United Nations organizations. At that time, WFP was rather different in terms of size, work programme, toolbox, cost structure and financial framework. The adoption in 2012 of the Quadrennial Comprehensive Policy Review by the General Assembly provides an incentive to review the ISC rate, particularly in light of the United Nations Development Programme, the United Nations Children's Fund, the United Nations Population Fund and the UN-Women having already adopted a harmonized cost recovery rate from 2014.
41. The Secretariat proposes a review in two stages: i) identification of a method for calculating a new ISC rate; and ii) application of this method in WFP to generate an indicative ISC rate. The Board's approval for the first stage could be sought at its 2014 First Regular Session; the second stage could be considered at the 2014 Annual Session with a view to incorporating the Board's recommendations in the Management Plan (2015–2017).

## Trust Funds and Special Accounts

42. Trust funds are contributions that support WFP's objectives but whose purpose, scope and reporting requirements are outside WFP's regular operational programmes. The two types are i) corporate trust funds, which are established to develop WFP's institutional capacity; and ii) country-specific trust funds, which are established to enable country offices to assist governments with programmes aligned with WFP's Strategic Objectives.
43. WFP's estimate of trust fund requirements in 2014 is US\$258.0 million – US\$188.0 million for corporate trust funds and US\$70.0 million for country-specific trust funds. These resources will enable WFP to develop innovations, invest in institutional capacity and optimize operational efficiency under the Strategic Plan.
44. The Management Plan provides an analysis of corporate trust fund requirements by Management Result Dimension, showing that "Processes and Systems" and "Partnerships" account for two thirds of the requirements and that 64 percent of requirements are field-based.
45. There has been a significant regional shift in the use of country-specific trust funds, which in 2013 were largely used in Latin America. WFP anticipates increased use of such funds in other regions in 2014, particularly Asia and southern Africa.
46. Special accounts are accounts established by the Executive Director to enable WFP to provide non-profit business services and to support activities that do not fall into its programme categories; these include aviation services, vehicle leasing, information technology and logistics. The level of activity in special accounts is estimated at US\$180.0 million in 2014, the same as in 2013.

## DRAFT DECISION\*



Having considered WFP's Management Plan 2014–2016, as submitted by the Executive Director in document WFP/EB.2/2013/5-A/1 the Board:

- i) **takes note of** the projected operational requirements of US\$5.86 billion for 2014, excluding any provision for unforeseen emergencies and including direct support costs, as outlined in Section II;
- ii) **takes note** that the 2014 Programme Support and Administrative appropriation assumes a funding level of US\$4.20 billion in 2014;
- iii) **approves** a 2014 Programme Support and Administrative appropriation of **US\$281.8 million**, to be allocated as follows:

Programme support: regional bureaux and country offices	US\$96.7 million
Programme support: Headquarters	US\$55.5 million
Management and administration	US\$129.6 million
<b>Total</b>	<b>US\$281.8 million</b>

- iv) **approves** a supplementary Programme Support and Administrative appropriation of US\$9.2 million, as outlined in Section III;
- v) **approves** expenditures of up to US\$10.0 million funded from the General Fund for the United Nations Department of Safety and Security and for the WFP Security Emergency Fund;
- vi) **approves** an indirect support cost recovery rate of 7.0 percent for 2014;
- vii) **approves** an increase in the Working Capital Financing Facility fund level, from US\$557.0 million to US\$607.0 million, through increasing the Operational Reserve by US\$8.3 million in order to be able to meet a sudden surge in supply chain capacity in any emergency; and
- viii) **authorizes** the Executive Director to adjust the Programme Support and Administrative component of the budget in accordance with any variation in the volume of operational requirements of more than 10 percent from levels outlined in Section II.

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



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## SECTION I: INTRODUCTION

### Structure of the Document and Reader's Guide

47. This Management Plan describes the resources needed to implement approved and foreseen activities for 2014. Anticipated requirements for 2015 and 2016 are also indicated. The document proposes a financial plan for implementation of the Strategic Plan (2014–2017) and continued improvements to make WFP Fit for Purpose.
48. This Management Plan is longer than its predecessors and similar documents produced by the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF). From 2014, the Secretariat intends to work with the Board to reduce the length of the document and provide supporting information in a suitable electronic form.
49. Each section of this Management Plan starts with a summary of the matters covered. The main text has been reduced by moving some details of the programme support and administration appropriation lines and the regional overview of operational requirements to the Annexes. In view of the fact that readers of the Management Plan have different requirements, this document enables them to access information at several levels of detail.
50. The reader can therefore review the Management Plan as a whole through the Executive Summary and Draft Decision, or consider the summary at the beginning of each section, or read the whole document in detail.

### Executive Summary

51. The Executive Summary and Draft Decision give an overview of the issues addressed.

### Section I: Introduction

52. An outline of the document is followed by an account of the strategic context reflected in the Management Plan and discussion of the funding situation and resourcing assumptions for 2014.

### Section II: Projected Operational Requirements

53. Projected operational requirements<sup>4</sup> for 2014 total US\$5.86 billion, excluding provision for unforeseen requirements. Approved project budgets, compiled by country offices in consultation with government and other agencies through needs-based assessments, and their foreseen logical extensions, form the basis of the operational requirements. The requirements for 2014 include the Syrian crisis — which is quantified for only the first half of the year, with the remainder treated as unforeseen requirements as described in Annex IV — and substantially increased requirements for the Sahel. Overall, operational requirements are high compared with recent Management Plans.

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<sup>4</sup> Operational requirements comprise approved projects and foreseen logical extensions – the direct costs of emergency operations (EMOPs), protracted relief and recovery operations (PRROs), development projects (DEVs) and special operations (SOs).



54. An analysis of the funding gap is included for the first time that shows the decisions and the priorities that would have to be adopted in the case of a shortfall in funding for operational requirements. Improved ways of defining and measuring beneficiaries in the light of WFP's expanding food assistance toolbox are also described.

### **Section III: Programme Support and Administrative Budget**

55. The strategic investments proposed under the PSA budget for 2014 in effect describe the next phase of Fit for Purpose under the new MRF. The proposed regular PSA budget for 2014 is US\$281.8 million; non-recurring PSA investments total an additional US\$9.2 million.
56. A Capital Budgeting Facility is proposed for the financing of corporate services, to be set up with seed funding from the Working Capital Financing Facility (WCFF). An increase in the Forward Purchase Facility (FPF) is also proposed to better enable WFP to respond to escalating humanitarian needs.
57. The ongoing Financial Framework Review (FFR) under Fit for Purpose is expected to produce a blueprint for a business model that maximizes WFP's impact on beneficiaries. The objectives are to: i) enhance funding stability; ii) optimize the use of resources; iii) improve planning and cost management; and iv) enhance transparency to stakeholders
58. The case for a review of WFP's indirect support costs (ISC) rate is given on the basis of recent experience in UNDP, the United Nations Population Fund (UNFPA), UNICEF and UN-Women for consideration by the Board during 2014.

### **Section IV: Trust Funds and Special Accounts**

59. Trust fund requirements in 2014 are projected to total US\$258.0 million; the use of special accounts is anticipated to be US\$180.0 million. This funding will enable WFP to provide non-profit business services, improve institutional capacities and mobilize country-specific complementary resources for programmes.

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## **STRATEGIC CONTEXT**

60. The context of the Management Plan is drawn from the Strategic Plan (2014–2017) and its four Strategic Objectives addressing three overlapping priorities: i) to prepare for and respond to shocks; ii) to restore and rebuild lives and livelihoods; and iii) to reduce vulnerability and build lasting resilience.
61. The Strategic Objectives are:
- 1 – Save lives and protect livelihoods in emergencies.
  - 2 – Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies.
  - 3 – Reduce risk and enable people, communities and countries to meet their own food and nutrition needs.
  - 4 – Reduce undernutrition and break the intergenerational cycle of hunger.



62. The Strategic Plan (2014–2017) reflects an evolving operating environment that has shaped WFP’s operational requirements and its proposed use of trust funds in this Management Plan, as these examples show:
- This Management Plan expands the effectiveness of WFP’s operations through the application of its enhanced set of tools. WFP is improving its capacity to provide policy, institutional and programmatic advice in response to the needs of governments and regional organizations with a view to handing programmes over where possible to local and national authorities.
  - WFP’s work is guided by the geography and demography of poverty, in particular a shift in 2014 in the prevalence of poverty from South Asia to sub-Saharan Africa. The number of stunted children and other chronically vulnerable people in middle-income countries is growing, and the last decade has also seen a shift of poverty to urban areas, particularly in Asia and Latin America. There is no “one size fits all” approach, so the policies and capacity needed for WFP to deploy the right tools in the right place at the right time will continue to be developed.
  - Of WFP’s beneficiaries, most of whom are women and children, 80 percent live in fragile and shock-prone environments and find it increasingly difficult to maintain their food security and cope with crises without compromising livelihoods and future capacities. WFP’s operational requirements will provide for increased resilience through asset creation, nutrition interventions and tools such as micro-insurance, with enhanced gender analysis and mainstreaming. This will be supported by food-security analyses and early-warning systems to help governments and communities to handle natural shocks and safeguard development gains.
63. The Strategic Plan and Framework for Action also steer the proposed use of programme support and administrative resources and trust fund resources in this Management Plan. The proposed PSA appropriation will continue to support WFP’s organizational design, management and operations in line with the Strategic Objectives. WFP will continue to:
- enhance the capacity of country offices to design and implement country programmes and operations;
  - increase the capacity of regional bureaux to provide the policy, management and front-line support for country offices; and
  - ensure that Headquarters operates as an efficient field-oriented organization that establishes policies, strategies and standards, provides oversight, supports innovation and facilitates optimum accountability, performance monitoring and reporting.
64. WFP will work with state and non-state actors to prevent fragmentation, duplication and competition and to maximize complementarity and the comparative advantages of each partner. Partnerships with governments, other United Nations agencies, non-governmental organizations (NGOs), civil society and private-sector businesses will be prioritized.
65. Ultimately it is the quality and commitment of staff that determines the efficiency with which WFP implements its Strategic Plan. Staffing profiles will have to evolve to meet new needs, so WFP is increasing its investment in learning, professional development and succession planning. The returns on this investment will be measured in terms of staff performance, commitment and accountability.

66. WFP must consistently provide value for money and demonstrate that it is delivering the best possible outcomes with the resources entrusted to it. With this in view, WFP will measure operational results under the Strategic Objectives through a new Strategic Results Framework, and the effectiveness and efficiency of its internal performance through a new MRF. Resources will be allocated to equip staff and partners with guidance, tools and training to ensure optimum monitoring and evaluation of WFP's operations and to report on and learn from outcomes.
67. A significant proportion of WFP's work will continue to be in fragile states, with inevitable security risks. The planning principles will be "no programme without security" and "no security without resources". Where possible, projects will be charged for security expenditures directly related to operations, and in line with the previous Management Plan up to US\$10 million may be drawn from the General Fund to cover security charges that cannot be charged to projects. Because the General Fund's main source of income is interest income net of bank charges – and interest income is declining – a new solution for security funding will have to be found.

## FUNDING CONTEXT AND RESOURCING ASSUMPTIONS

68. The economic crisis that started in 2008 continues. There are signs of recovery in the United States of America, but several European countries continue to experience high unemployment, excessive sovereign debt and restricted access to funding. Global gross domestic product (GDP) growth forecasts for 2014 range from 0.9 percent in the Eurozone to 6.9 percent in China, with 3 percent growth predicted for the United States of America. Food and energy prices have stabilized in the last year, but remain above the long-term averages.
69. In this context WFP is addressing major humanitarian crises in Afghanistan, the Caribbean, the Sahel and the Syrian Arab Republic. In 2012, WFP secured funding of US\$4 billion to address these crises, and anticipates a programme of work for 2014 of about US\$6 billion to provide nutrition and food assistance for its beneficiaries.
70. WFP's resourcing is undertaken in a competitive environment where efficiency, value for money and accountability are vital. Collaboration with donors, host governments, United Nations agencies, NGOs and the private sector is fundamental in getting nutrition and food assistance to those in need. WFP requires predictable, flexible funding and multi-year contributions to minimize exposure to risk and to plan securely for the future. WFP's innovative approaches are also important: examples include twinning, resourcing diversification to reduce the burden on the major donors, South–South cooperation and funding initiatives with host governments and the private sector.
71. Because WFP is voluntarily funded, the scale of operations depends on the level of funding received: effective partnerships and fundraising are therefore essential. The private-sector partnerships and fundraising strategy was endorsed by the Board at its 2013 Annual Session, and a partnership strategy will be presented in 2014. A priority is to broaden the range and quality of financial support by increasing the number of donors and the proportion of multi-year and multilateral funds at WFP's disposal.

72. The proposed US\$6 billion programme of work projection for 2014, which is a significant increase from 2013, is based on a bottom-up assessment of what is needed to address the needs of vulnerable populations.
73. Forecast income for 2014 for calculating programme support costs is US\$4.20 billion, in line with the following trends and assumptions:
- Since 2008, funding has exceeded US\$4 billion every year except 2011. Current forecasts for 2013 predict that funding will reach US\$4 billion: as at mid-September of 2013 contributions are 5.2 percent more than the resources mobilized in the corresponding period in 2012.
  - Taking into account the funding trends noted above and the positive response to appeals for the Syrian crisis, a funding level of US\$4.2 billion is anticipated.



## SECTION II: PROJECTED OPERATIONAL REQUIREMENTS

### Introduction and Overview

74. This section sets out WFP's projected operational requirements.<sup>5</sup> The 2014 operational requirements are included as part of the annual budget; the 2015 and 2016 operational requirements are provided for context and planning purposes. Projected Operational requirements are presented by Strategic Objective, programme category, cost component and regional bureau.
75. WFP's operational requirements for 2014 amount to US\$5.86 billion. Project plans are approved by the Board or by the Executive Director under authority delegated by General Rule VI.2. On the basis of the approved project plans and their logical extensions, WFP will assist 75.9 million beneficiaries through 151<sup>6</sup> projects in 75<sup>7</sup> countries.
76. This increase in operational requirements from the level originally planned for 2013 reflects WFP's response to the needs of populations affected by the Syrian and Sahel crises; it is slightly above the high projection for 2014 in the Management Plan (2013–2015).<sup>8</sup> Operational requirements in 2014 build on the current programme of work<sup>9</sup> and the unforeseen requirements that arose during 2013 (see Annex IV and Annex V). Strategic Objective 1 – Save lives and protect livelihoods in emergencies – will account for 55 percent of operational requirements. Nutrition-related interventions, which are integrated into projects, fall primarily under Strategic Objective 4. The operational plans support WFP's work as a food assistance agency: 20 percent of the operational requirements for 2014 are related to cash and vouchers (C&V).
77. WFP estimates the operational requirements for the Syrian crisis and special operations at US\$780 million for the first six months of 2014 (see Box 1), the extent foreseeable given the volatility of the situation. Preliminary indications for the second half of 2014 are considered as unforeseen requirements (see Annex IV).
78. WFP's ten largest programmes account for 60 percent of projected operational requirements. Nine of these are the same as in 2013, with the Syrian operation the only addition.

<sup>5</sup> Operational requirements include all operational needs and direct support costs related to approved projects and their logical extensions. ISC is excluded.

<sup>6</sup> Only projects in the programme categories EMOP, PRRO, DEV and SO are presented in the operational requirements section.

<sup>7</sup> Number of countries where WFP will be implementing at least one EMOP, PRRO, DEV or SO in 2014.

<sup>8</sup> WFP/EB.2/2012/5-A/1.

<sup>9</sup> Programme of work includes operational requirements and ISC.

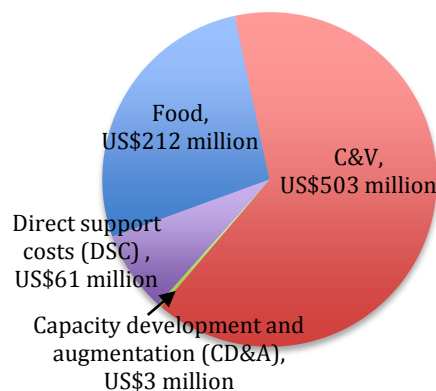
<b>TABLE II.1: WFP'S TEN LARGEST PROGRAMMES</b>		
	<b>2014 projected operational requirements (US\$ million)</b>	<b>%</b>
Syrian crisis	780	13
Ethiopia	569	10
Sudan	392	7
South Sudan	374	6
Somalia	316	5
Niger	309	5
Kenya	256	4
Yemen	208	4
Democratic Republic of the Congo	197	3
Chad	183	3
<b>TOTAL</b>	<b>3 584</b>	<b>60</b>
<b>Total projected operational requirements</b>	<b>5 857</b>	<b>100</b>

79. This Management Plan introduces new elements into the operational requirements section. The first is an outline of WFP's actions to improve beneficiary-related metrics such as a refined calculation for measuring cost per beneficiary: this is the first step in a process to be developed in consultation with the Board to optimize planning and reporting. In 2014, WFP will start to develop an approach to deal with the concept of "prospective beneficiaries".
80. The second element is analysis of the funding gap in response to recommendations from the Board and the External Auditor. This shows how WFP will prioritize its operational requirements in terms of programme category, Strategic Objective and activity, with the resulting impact on beneficiaries, in the context of a 33 percent funding gap. WFP will refine this analysis on the basis of feedback from the Board and lessons learned with a view to creating better linkages between planning, implementation and annual performance reporting.

### Box 1. Corporate Emergency Response to the Syrian Crisis

- In the first six months of 2014, WFP will target an estimated 6.6 million beneficiaries affected by the Syrian crisis. Most of the projected US\$780 million in operational requirements will be delivered through EMOPs to assist vulnerable people in the Syrian Arab Republic and Syrian refugees in Egypt, Iraq, Jordan, Lebanon and Turkey.
- Figure II.1 shows the projected operational requirements for the Syrian crisis by cost component. WFP will scale up C&V to US\$485 million, excluding delivery and other direct operational costs. WFP expects to deliver 194,300 mt of food.

**Figure II.1: Syrian Crisis – Operational Requirements by Cost Component**



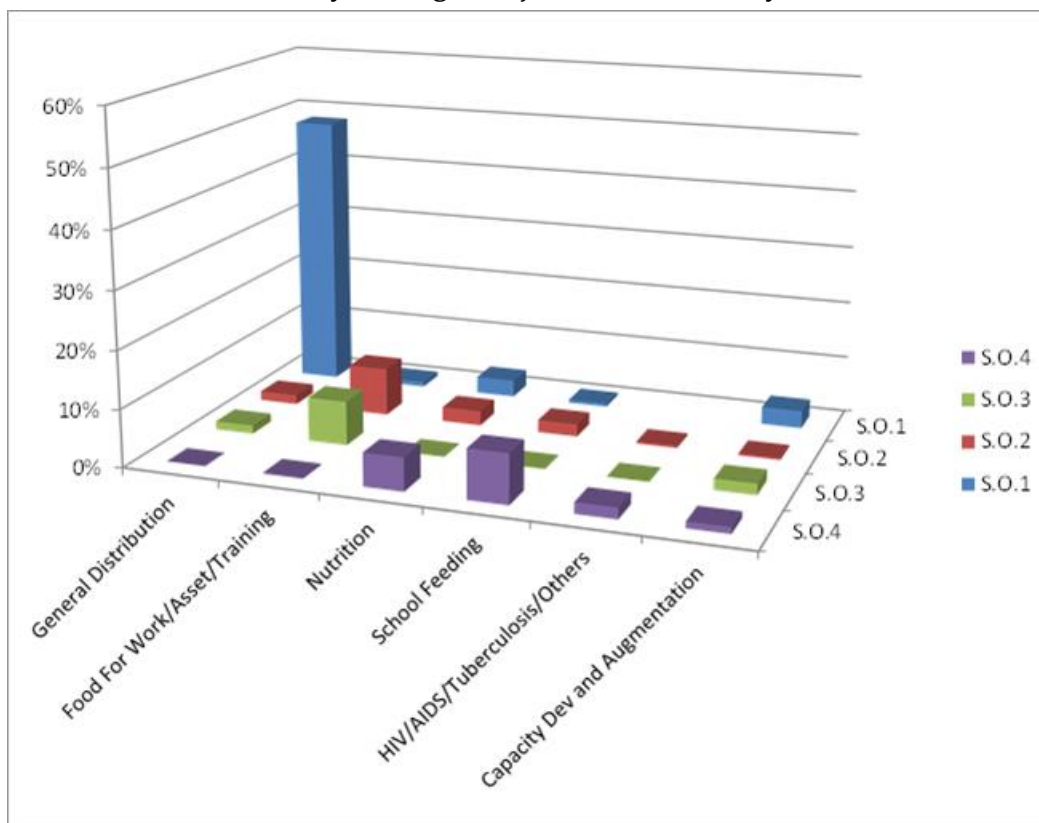
### Presentation of 2014 Projected Operational Requirements

81. For 2014, WFP projects operational requirements of US\$5.86 billion to assist 75.9 million beneficiaries through 151 projects in 75 countries. These operational requirements are set out below by Strategic Objective, programme category, cost component and regional bureau.

⇒ *Distribution of operational requirements by Strategic Objective*

82. With the approval of the Strategic Plan (2014–2017) and the move from five to four Strategic Objectives, comparisons between 2013 and 2014 are problematic. Nonetheless, Strategic Objective 1 – Save lives and protect livelihoods in emergencies – continues to account for the largest share of operational requirements in 2014 (see Figure II.2 and Table II.2), as was the case in 2013.

**Figure II.2: 2014 Operational Requirements  
by Strategic Objective and Activity**



Note: General distribution means unconditional transfers of food, cash or vouchers.

**TABLE II.2: 2014 OPERATIONAL REQUIREMENTS  
BY STRATEGIC OBJECTIVE AND ACTIVITY (US\$ million)**

Strategic Objective	General distrib.	Food for work, etc	Nut.	Sch. feed.	HIV/AIDS	Cap. dev. and aug.	Total
1: Save lives and protect livelihoods in emergencies	2 812	49	175	32	0	180	<b>3 248</b>
2: Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies	97	490	150	127	22	21	<b>907</b>
3: Reduce risk and enable people, communities and countries to meet their own food and nutrition needs	85	450	6	10	6	113	<b>670</b>
4: Reduce undernutrition and break the inter-generational cycle of hunger	1	12	337	503	113	66	<b>1 032</b>
<b>TOTAL</b>	<b>2 995</b>	<b>1 001</b>	<b>668</b>	<b>672</b>	<b>141</b>	<b>379</b>	<b>5 857</b>



83. Of WFP's projected operational requirements, 55 percent – US\$3.25 billion – will support Strategic Objective 1.<sup>10</sup> The primary activity will be general distribution of food or C&V.<sup>11</sup> Most of the operational requirements for the Syrian crisis fall under Strategic Objective 1, of which US\$750 million is planned for general distribution. Although the largest ten programmes tilt the balance of activities towards general distribution, nutrition and capacity development and augmentation activities are also fundamental to achieving Strategic Objective 1.
84. Strategic Objective 2<sup>12</sup> accounts for US\$907 million – 16 percent of overall operational requirements – of which 54 percent is planned for food for work (FFW), food for assets (FFA) or food for training (FFT); school feeding, nutritional interventions and general distribution will be implemented where necessary to support or restore food security.
85. For Strategic Objective 3,<sup>13</sup> US\$670 million – 11 percent – is planned for activities related to FFW, FFA, FFT and capacity development and augmentation.
86. Strategic Objective 4<sup>14</sup> accounts for 18 percent of total operational requirements – US\$1.03 billion, which is planned for school feeding, nutrition interventions and activities to address HIV/AIDS, malaria and TB.

⇒ *Distribution of operational requirements by programme category*

87. WFP clarified its programme categories in consultation with the Board in 2010 and 2011 and in the “Programme Category Review” (WFP/EB.A/2010/11/Rev.1). It also revised its programme guidance materials and established a more robust discipline in the application of programme categories for food assistance projects.

<sup>10</sup> Strategic Objective 1 – Save lives and protect livelihoods in emergencies. Goals: 1) Meet urgent food and nutrition needs of vulnerable people and communities and reduce undernutrition to below emergency levels; 2) Protect lives and livelihoods while enabling safe access to food and nutrition for women and men; and 3) Strengthen the capacity of governments and regional organizations and enable the international community to prepare for, assess and respond to shocks.

<sup>11</sup> Unconditional transfers.

<sup>12</sup> Strategic Objective 2 – Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies. Goals: 1) Support or restore food security and nutrition of people and communities and contribute to stability, resilience and self-reliance; 2) Assist governments and communities to establish or rebuild livelihoods, connect to markets and manage food systems; 3) Through food and nutrition assistance, support the safe, voluntary return, reintegration or resettlement of refugees and internally displaced persons; and 4) Ensure equitable access to and control over food and nutrition assistance for women and men.

<sup>13</sup> Strategic Objective 3 – Reduce risk and enable people, communities and countries to meet their own food and nutrition needs. Goals: 1) Support people, communities and countries to strengthen resilience to shocks, reduce disaster risks and adapt to climate change through food and nutrition assistance; 2) Leverage purchasing power to connect smallholder farmers to markets, reduce post-harvest losses, support economic empowerment of women and men and transform food assistance into a productive investment in local communities; and 3) Strengthen the capacity of governments and communities to establish, manage and scale up sustainable, effective and equitable food security and nutrition institutions, infrastructure and safety-net systems, including systems linked to local agricultural supply chains.

<sup>14</sup> Strategic Objective 4 – Reduce undernutrition and break the intergenerational cycle of hunger. Goals: 1) Prevent stunting and wasting, treat moderate acute malnutrition and address micronutrient deficiencies, particularly among young children, pregnant and lactating women and people infected with HIV, tuberculosis and malaria by providing access to appropriate food and nutrition assistance; 2) Increase access to education and health services, contribute to learning and improve nutrition and health for children, adolescent girls and their families; and 3) Strengthen the capacity of governments and communities to design, manage and scale up nutrition programmes and create an enabling environment that promotes gender equality.

<b>TABLE II.3: OPERATIONAL REQUIREMENTS BY PROGRAMME CATEGORY (US\$ million)</b>		
<b>Programme category</b>	<b>Management Plan 2013 operational requirements</b>	<b>Management Plan 2014 operational requirements</b>
PRRO	2 800	3 354
EMOP	1 074	1 407
DEV/country programme (CP)	839	788
SO	257	308
<b>TOTAL</b>	<b>4 969</b>	<b>5 857</b>

88. Table II.3 presents projected operational requirements by programme category. The Syrian crisis response, for which operational requirements have progressively increased throughout 2013, accounts for US\$780 million of the operational requirements for 2014 – US\$772 million for EMOPs and US\$8 million for SOs in the first half of 2014. The foreseen operational requirements for EMOPs are 30 percent above the original figure planned for 2013; of this, 50 percent is related to the Syrian crisis response.

89. Operational requirements for the PRRO category will increase by 20 percent to US\$3.35 billion because several large programmes categorized as EMOPs in 2013 will evolve into PRROs in 2014; the Mali and South Sudan programmes are examples. The PRROs in Afghanistan, Chad, the Democratic Republic of the Congo, Ethiopia, the Niger, Pakistan, Somalia and Zimbabwe will require US\$1.70 billion.

90. Projected operational requirements for DEVs, CPs and SOs are expected to remain in line with the original 2013 planning levels.

⇒ *Operational requirements by cost component*

91. Under WFP's financial framework, food and non-food activities are planned separately. Table II.4 compares the 2013 and 2014 planning figures by cost component.

<b>TABLE II.4: OPERATIONAL REQUIREMENTS BY COST COMPONENT – MANAGEMENT PLAN, 2013 AND 2014</b>				
<b>Cost component</b>	<b>2013</b>		<b>2014</b>	
	<i>(US\$ million)</i>	<b>%</b>	<i>(US\$ million)</i>	<b>%</b>
Food and related direct operational costs (DOC)	3 544	71	3 699	63
C&V and related DOC	464	10	1 127	19
Capacity development and augmentation	304	6	334	6
<b>Subtotal</b>	<b>4 312</b>	<b>87</b>	<b>5 160</b>	<b>88</b>
Direct support costs (DSC)	657	13	697	12
<b>TOTAL OPERATIONAL REQUIREMENTS</b>	<b>4 969</b>	<b>100</b>	<b>5 857</b>	<b>100</b>

⇒ *Food and related direct operational costs*

92. Food and related DOC, which includes external transport, landside transport, storage and handling and other direct operational costs (ODOC), will account for US\$3.70 billion – 63 percent of WFP’s projected operational requirements. In 2014, WFP will utilize 4 million mt of food valued at US\$2.26 billion. Table II.5 shows the types of food and estimated costs of the 2014 WFP food basket.

Food type	2013		2014		Food basket % difference 2013/2014 (mt)	% difference unit cost per mt
	Expected food basket (% mt)	Estimated unit cost/mt (US\$)	Projected food basket (% mt)	Estimated unit cost/mt (US\$)		
Cereals	71.8	370	70.1	396	-1.7	7.0
Mixed and blended foods	11.7	981	11.5	1 044	-0.2	6.4
Pulses	9.7	675	10.9	663	1.2	-1.7
Oils and fats	4.8	1 407	5.1	1 269	0.3	-9.8
Other	2.0	879	2.3	902	0.3	2.7
<b>TOTAL</b>	<b>100</b>	<b>531</b>	<b>100</b>	<b>556</b>	<b>-0.1</b>	<b>4.7</b>

93. The average unit cost is estimated at US\$556/mt, 5 percent more than the 2013 planning figures. This increase is in line with WFP’s emphasis on the right food at the right time: it reflects the use of higher-value mixed and blended food and the doubling of ready-to-use supplementary foods and an increase in the cost of cereals.

94. The proportion of traditional staples such as cereals has fallen by 1.7 percent. While latest global trend reviews for cereals project prices will remain stable or decline, an increase of 7 percent in WFP’s cost per metric ton is expected in 2014. This increase is attributed to project-specific mixes of cereals in the food basket, purchasing plans and the sizeable requirements of the Syrian operations cereal basket where the cost of the pasta and short-grain rice is higher than more traditional cereals monitored in the cereal index. The increased utilization of higher-cost cereals is not a trend across other operations. The pre-packed family rations and canned pulses in the specially designed food basket for the Syrian crisis also influences the higher average cost.

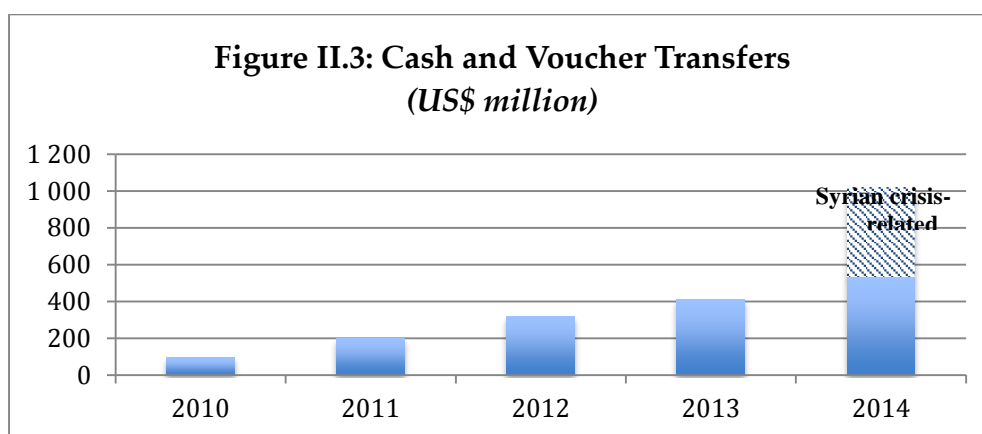
95. External transport costs, including overland haulage and international shipping costs are estimated at US\$267 million for 2014, a decrease of 10 percent from 2013 planning figures. The average international shipping rate is estimated at US\$102/mt, a 4 percent decrease from the foreseen 2013 level, reflecting improving market conditions.

96. Landside transport, storage and handling (LTSH) requirements amount to US\$926 million, an increase of 3 percent from 2013 planning figures. The average rate has increased by 3 percent to US\$228/mt, in line with or below inflation rates in most countries where WFP operates.

97. Other direct operational costs related to food transfers account for US\$250 million. ODOC averages 8 percent for DEVs, compared with 7 percent for PRROs and 5 percent for EMOPs. This is attributable to the higher ODOC for non-food items required for FFW, FFT, FFA, nutrition and school feeding activities.

⇒ *Cash and vouchers and related direct operational costs*

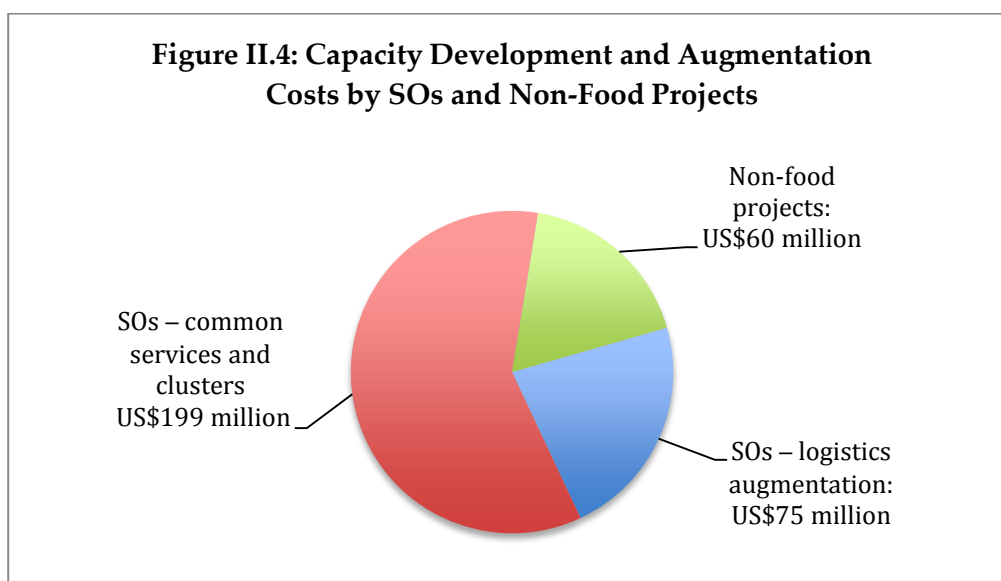
98. Cash and vouchers and related DOC account for US\$1.13 billion – 19 percent – of projected operational requirements for 2014. Of this, 90 percent is the value of the cash or vouchers transferred to beneficiaries and 10 percent covers delivery and other costs.
99. The projected value of C&V transfers – US\$1.02 billion – reflects a US\$600 million increase from the original 2013 planning figures. It should be noted, however, that project budgets approved or pending approval as of August 2013 include C&V transfers of US\$833 million for 2013.
100. The increase in 2014 projections and approved 2013 budget plans are primarily the result of scaled-up cash-based programmes in Chad, Egypt, Ethiopia, Iraq, Jordan, Lebanon, Malawi, Mali, the Niger, Palestine, Turkey and Yemen. In 2014, the Cairo Regional Bureau (OMC) and the Dakar Regional Bureau (OMD) expect the largest increases in C&V transfers for the Syrian and Sahel crises.
101. The rising trend in cash-based programming between 2010 and 2014 (see Figure II.3) reflects the policy of country offices giving all transfer modalities equal consideration. It also reflects WFP's growing assurance in designing and developing food assistance programmes that use C&V, and building the relevant capacities and processes.



102. For 2014, the costs related to C&V are projected at US\$109 million, 10 percent of C&V and related DOC. In 2013, the projection was US\$55 million, 12 percent of C&V and related DOC. The decrease in the percentage of C&V related costs in 2014 compared with 2013 reflects savings attributed to economies of scale.

⇒ *Capacity development and augmentation*

103. Capacity development and augmentation is intended to establish, strengthen or supplement institutions and systems for managing food security programmes and supporting humanitarian assistance (see Figure II.4). It accounts for US\$334 million, 6 percent of operational requirements for 2014.



104. Of the capacity development and augmentation activities, 82 percent relates to 15 planned SOs costing an estimated US\$274 million. These SOs are critical to WFP's mandate in that they optimize transport and logistics, provide the United Nations Humanitarian Air Service (UNHAS) and support the food security, emergency telecommunications and logistics clusters. The largest SOs in 2014 will be implemented in Ethiopia, the Federal Republic of Somalia and South Sudan.

105. WFP has planned US\$60 million for non-food projects in 77 DEVs, EMOPs and PRROs in 59 countries: these include initiatives to develop national capacities in programme design, vulnerability analysis and mapping (VAM), needs assessment, disaster management, market development and food fortification. Several capacity-development programmes will be initiated in collaboration with governments through trust funds. WFP anticipates a corresponding increase in trust fund resources from US\$15 million in 2013 to US\$41 million in 2014. Additional information on capacity development trust funds is provided in Section IV.

⇒ *Direct support costs*

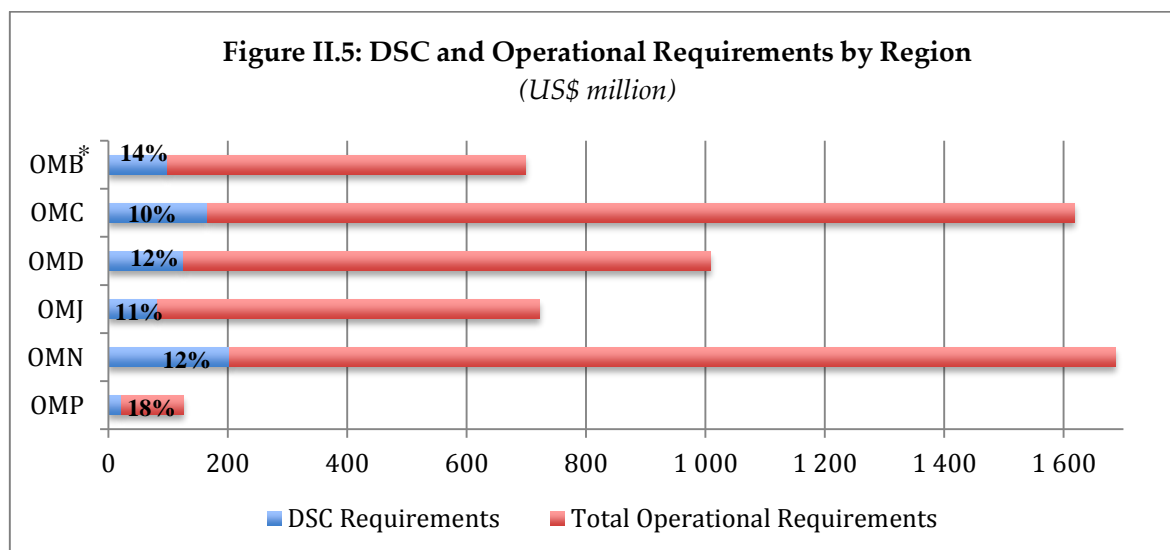
106. Direct support costs are estimated at US\$697 million in 2014 – 11.9 percent of operational requirements. Staff and staff-related costs account for 62 percent of DSC and recurring and capital costs account for the remaining 38 percent, which is comparable with previous years.

**TABLE II.6: DSC AS PERCENT OF OPERATIONAL REQUIREMENTS, BY YEAR**

2012 actual	2013 estimated	2014 projected
13.6	13.2	11.9

107. The DSC percentage of total operational costs varies according to programme category, reflecting the differences between food and non-food activities. In 2014, DSC is projected at 13 percent for DEVs/CPs and PRROs, 11 percent for SOs and 9 percent for EMOPs. The security situation and cooperating partners' capacities can influence the overall level of DSC. The lower DSC rate for EMOPs is primarily attributable to the scale of the Syrian operation and the fixed nature of staffing and recurrent costs.

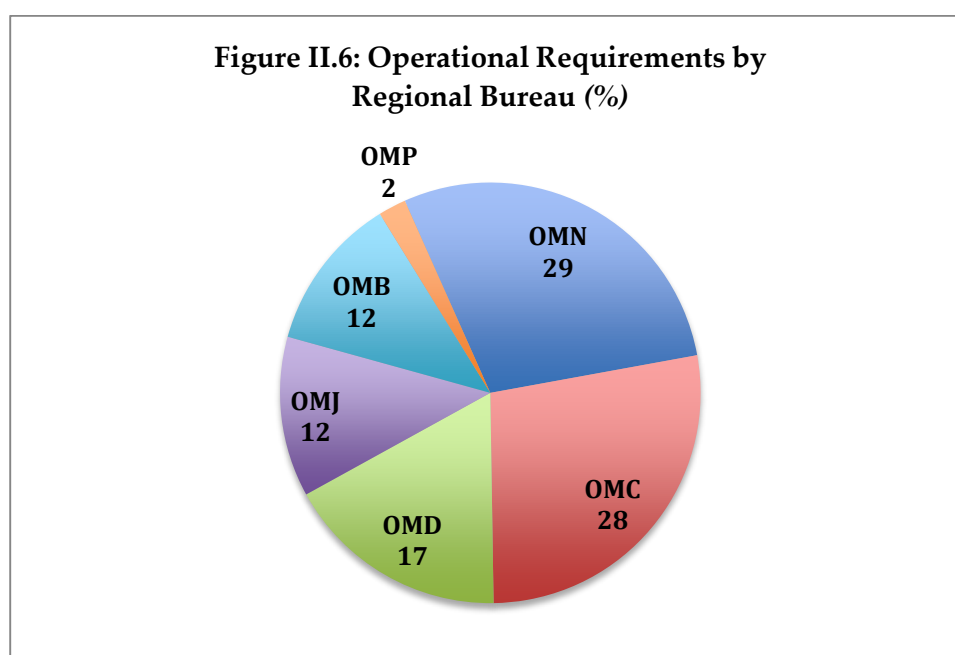
108. Figure II.5 shows DSC and projected operational requirements by region. The DSC percentages are largely in line with 2013 planning figures. The OMC region has the most significant decrease compared with the previous planning year, again because of the Syrian operation.



\* See acronym list

⇒ *Operational requirements by regional bureaux*

109. The following paragraphs outline projected operational requirements by region. Compared with 2013, these operational requirements are expected to increase in OMC and OMD, with little change in the other four regions compared with 2013 planning figures.



110. More information is given in Annex III on projected operational requirements by regional bureau, factors affecting ongoing programmes and regional proposals for supporting the Strategic Plan. There is also a regional breakdown of operational requirements by Strategic Objective, programme category and cost component.
111. For 2014, OMB is planning 17 operations in 12 countries for which the operational requirements amount to US\$697 million; of this, 70 percent is planned for PRROs in support of Strategic Objectives 1 and 3. WFP will also increase its capacity development work in the region to enhance government capacities to respond to hunger and malnutrition challenges.
112. The largest increase in operational requirements compared with 2013 planning figures is in OMC, which will require US\$1.62 billion to assist 18.8 million beneficiaries in 29 operations in 16 countries. Of these operational requirements, 75 percent will support Strategic Objective 1 and EMOPs. C&V interventions will account for US\$638 million – 40 percent. The Syrian crisis response is the first corporate emergency in which food will not be the main transfer mechanism.
113. Operational requirements for OMD are projected to increase by 50 percent compared with the original 2013 planning figures. In 2014, OMD will reach 12.5 million beneficiaries through 40 operations in 19 countries: the operational requirements amount to US\$1.01 billion. Strategic Objectives 1 and 4 remain the priorities in addressing food insecurity and acute malnutrition. Most of the operational requirements will support PRROs. WFP expects to expand its use of C&V in the region.
114. The operational requirements for OMJ amount to US\$722 million, a 14 percent increase over 2013 planning figures. WFP will assist 12.2 million beneficiaries in 22 operations in ten countries; 70 percent of the operational requirements are planned for PRROs. Most of the work of OMJ will support Strategic Objectives 1 and 4, with a focus on establishing best practices for addressing HIV, AIDS and malnutrition and enhancing government safety nets.
115. The largest share of operational requirements – US\$1.69 billion – is projected for OMN, which will assist 16 million beneficiaries through 29 operations in eight countries. Most of the operational requirements will support Strategic Objectives 1 and 4. Food assistance through community works, asset creation and training will feature prominently under Strategic Objectives 2 and 3.
116. Operational requirements in OMP are expected to remain stable in 2014. OMP will assist 2.5 million beneficiaries through 14 operations in nine countries. Of the projected operational requirements, 37 percent will support Strategic Objective 4 through social protection programmes and safety nets. WFP is committed to introducing C&V modalities in the region as an alternative to food.

## **Beneficiary-Related Metrics**

117. Projected beneficiary numbers for 2014 are 75.9 million, a 7 percent increase over 2013. The Syrian operation is the main driver of the increase.
118. WFP recognizes the need to continue to improve its reporting on beneficiaries and measurement of the cost of supporting them. An improved formula for calculating average costs per beneficiary has been established as a first step; further refinements, including a more complete definition of beneficiaries and broader measures of costs, are planned as described below.



⇒ *Refining the calculation of average cost per beneficiary*

119. WFP has improved its measurement of the average cost of assistance per beneficiary. In the past, annual average costs per beneficiary were calculated on the basis of projected operational requirements divided by the number of beneficiaries. But this calculation did not capture the duration of an individual operation.
120. The monthly cost per beneficiary per project can be produced by dividing operational requirements by the number of operational months and the number of beneficiaries. An overall average cost per beneficiary per month is then calculated from the average costs of each project.
121. If the duration of support in each project is factored in, the average monthly cost per beneficiary is projected to fall from US\$8.50 in 2013 to US\$8.10 in 2014. This excludes SOs and capacity-development activities, which have no direct recipients of food or cash.

⇒ *Improving the definition and measurement of beneficiaries*

122. At the output level, WFP defines beneficiaries as “targeted persons who are provided with WFP food assistance” regardless of the duration or type of programme. Output-level beneficiary reporting, typically based on monthly data provided by cooperating partners, is done at two levels: i) reporting by project or activity; and ii) reporting at the country level from aggregated project figures. Such data are disaggregated by age, sex, activity, category and special needs.

**Country Example: Iraq**

In Iraq, WFP implemented a DEV to reform the public distribution system and improve social safety nets for vulnerable groups. The overall aim was to help the Government to improve social protection for vulnerable groups; the objectives were to manage the supply chain and design and implement effective safety nets. Because the project aimed to increase government capacity, mainly through training and technical assistance, there were no direct food distributions and hence no “direct beneficiaries”. But “prospective beneficiaries” such as food-insecure and vulnerable populations who will receive improved social protection from the Government as a result of the project could amount to 6.4 million people.

123. WFP does not provide information about beneficiaries at the outcome level, but the need to distinguish between “direct beneficiaries” and “prospective beneficiaries” is recognized. The latter refers to people who are not reflected in output level planning and reporting. These include beneficiaries of capacity-development activities and the immediate benefits accruing to communities from assets built by WFP and from market-development and resilience-building activities. WFP understands the long-term developmental benefits derived from its food assistance interventions, as shown by the examples in this chapter.

**Country Example: Rwanda**

In Purchase for Progress (P4P) in Rwanda, 660 farmers in 25 farmers’ organizations were trained in agricultural production, post-harvest handling, quality assurance, marketing and finance. They then trained 24,000 additional farmers, who passed on the knowledge gained from P4P to neighbouring communities, thus doubling the number of beneficiaries.



124. Capacity-development and asset-creation interventions illustrate the development benefits for a much larger group that can be quantified in terms of “prospective beneficiaries”. P4P supports 832 farmers’ organizations with 1.1 million members, but the number of people benefiting is far larger than the targeted farmers. P4P is proving valuable to entire families and communities, a “cascade” effect of its capacity-development element.

**Country Example: South Sudan**

The food assistance project in South Sudan recorded 2.7 million people and their families as “direct beneficiaries”. The project focused on rural areas, which are home to 83 percent of the population and 3.8 million moderately or severely food-insecure people. Under the FFA activities, 13,064 ha of land were cleared, 435 km of roads and 251 classrooms were repaired and 1,728 community water ponds constructed; 3,780 households received fuel-efficient stoves. Under the emergency preparedness capacity-development activities, three food security monitoring systems were set up and 150 government staff were trained in their use. In view of the likely spill-over and multiplier effects, the number of “prospective beneficiaries” could be 7.8 million.

125. The examples show that the numbers of direct beneficiaries reported by WFP do not capture the wider effects of its programmes. They also show that WFP’s methods of calculating costs per beneficiary need to be extended to reflect its transition to food assistance. This will entail extending the concept of the direct transfer value of WFP’s assistance to include long-term development values and the secondary benefits of programmes such as school feeding, asset creation, capacity development and market development.
126. In 2014, WFP will therefore improve its definition and typology of beneficiaries and its counting and costing methods. This will include evaluation of the method used by comparable organizations and adopting best practices for quantifying “prospective beneficiaries” and the development and economic value of WFP’s food assistance activities.

## How WFP will Prioritize Resources to Address the Funding Gap

⇒ *A new planning prioritization exercise for 2014*

127. When reviewing the External Auditor’s report on the 2011 accounts, the Board asked the Secretariat to provide additional insight into WFP’s prioritization process and how managers address the gap between WFP’s projected operational requirements and forecast contributions. The Secretariat undertook to do this as part of the 2014–2016 Management Plan.
128. During the 2013 Financial Seminar, WFP outlined its global planning approach, the use of implementation scenarios and analysis of results by Strategic Objective, activity and programme category and the resulting impact on beneficiaries. This is the first year in which the Secretariat has carried out an exercise to prioritize operational requirements based on anticipated global funding levels.
129. The prioritization exercise was undertaken with the bottom-up collection of foreseen needs-based requirements. Data were collected for each project by activity, programme category and Strategic Objective. Country offices prioritized project requirements at the activity level in a scenario in which not all assessed needs could be met with the available resources under the assumption that contributions would be unearmarked, thus allowing maximum liberty to programme managers to make prioritized choices.

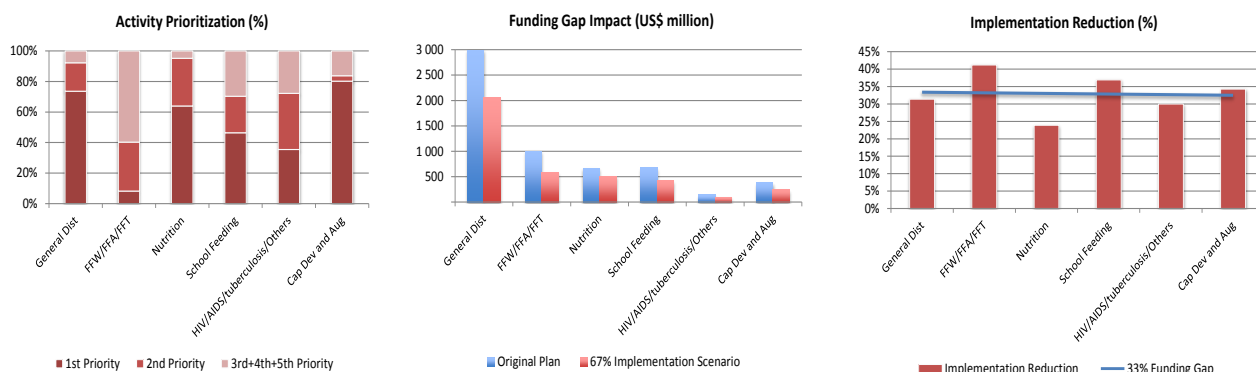
130. The exercise reflects the decisions that managers have to take when resources fall short: they may have to implement core activities at reduced funding levels, or reduce or terminate certain activities. It provides a useful insight into what may happen if a funding gap occurs, and will provide a basis for reviewing the actual prioritizations of resources described in the Annual Performance Report.

131. The Management Plan for 2014 shows a 33 percent difference between the 2014 forecast resources of US\$4.20 billion (US\$3.93 billion net of ISC) and the 2014 projected operational requirements of US\$5.86 billion.

⇒ *The potential impacts of resource shortfalls on activities*

132. The following graphics and paragraphs show the extent to which activities would be curtailed in a scenario where WFP’s funding level is 67 percent (US\$3.93 billion, net of ISC) of total projected operational requirements.

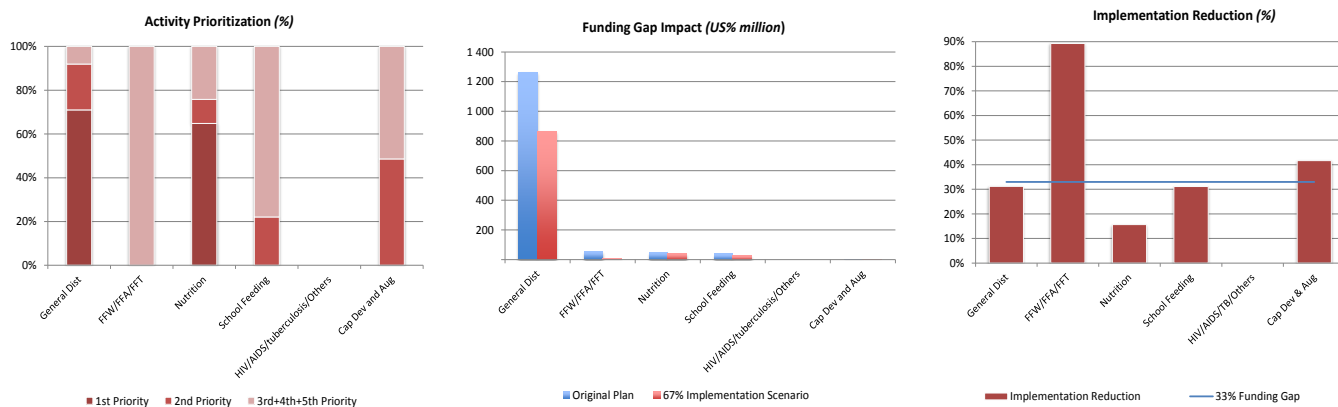
**Figure II.7: 2014 Global Activities**



133. Figure II.7 shows that in the case of a 67 percent implementation scenario (a 33 percent funding gap) the activities least affected in all programme categories are general distributions and nutrition interventions with less than a 33 percent reduction; FFW is particularly affected when implemented under EMOPs and PRROs but less so in DEVs and CPs where it is the second largest activity.

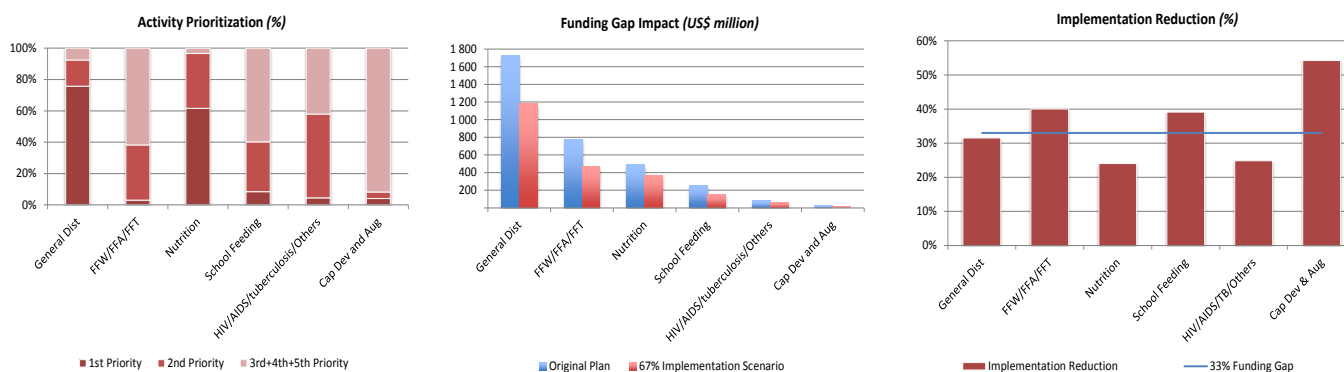
134. Figures II.8 to II.10 show WFP’s 2014 implementation plans by programme category and activity for a scenario with a 67 percent funding level.

**Figure II.8: 2014 EMOP Activities**



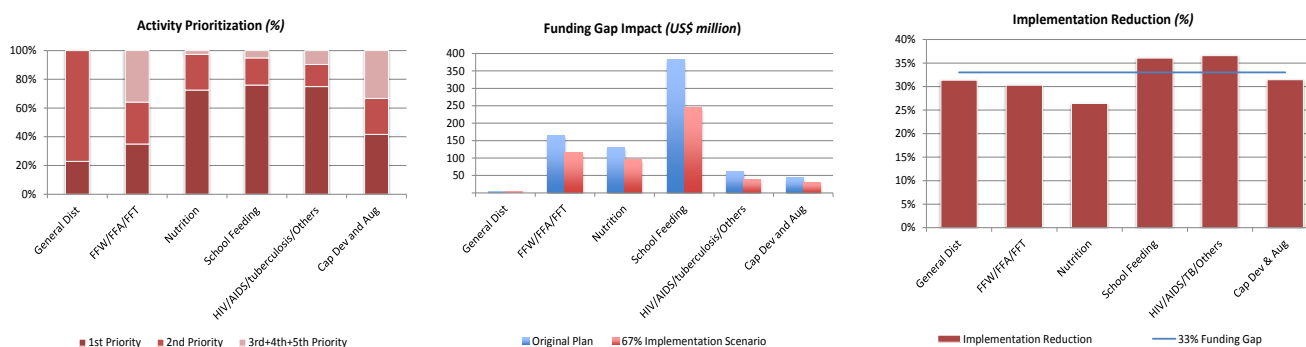
135. In EMOPs, general distributions and nutrition activities would be largely maintained by managers as priorities: the funding gap would be addressed by significant reductions to FFW, FFA, FFT and capacity development and augmentation programmes.

**Figure II.9: 2014 PRRO Activities**



136. In PRROs, general distributions and activities related to nutrition, HIV/AIDS and TB would be prioritized; FFW, FFA and FFT would be reduced first, followed if necessary by school feeding. Capacity development and augmentation interventions would also be reduced, but they constitute only a small percentage of PRRO activities.

**Figure II.10: 2014 DEV/CP Activities**

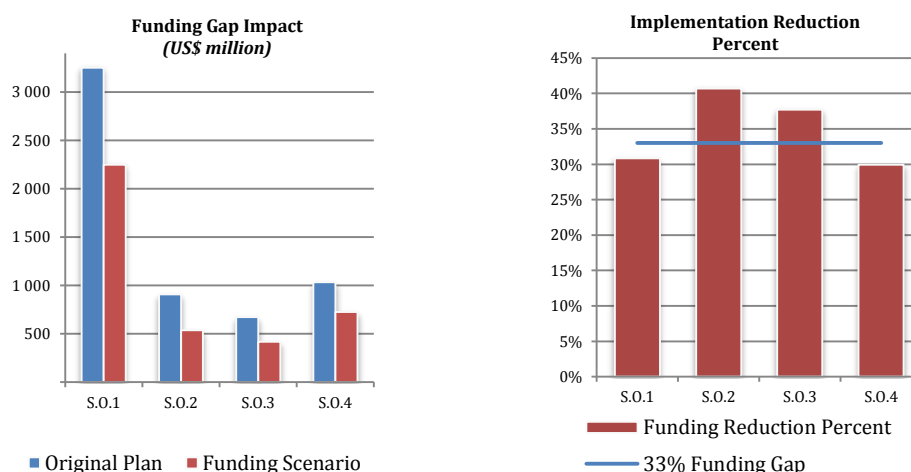


137. The most significant activities in DEVs are school feeding and interventions related to nutrition, HIV/AIDS and TB. In DEVs where managers prioritize activities such as nutrition interventions, relatively large decreases in school feeding are expected beyond the 33 percent level; in DEVs that prioritize school feeding, the reduction would be less than 33 percent. Overall, DEV activities related to nutrition and FFW, FFA and FFT tend to be preserved by managers, whereas school feeding and HIV/AIDS, TB and other activities are reduced.

⇒ *The potential impacts of resource shortfalls on the Strategic Objectives*

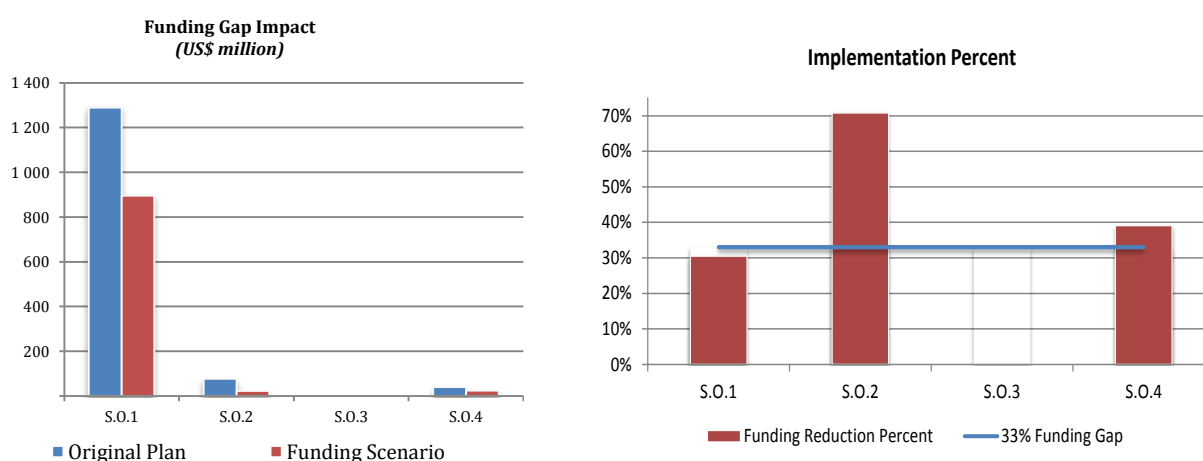
138. Figure II.11 shows the impact of a 33 percent funding gap by Strategic Objective. Overall, Strategic Objectives 1 and 4 are less affected than Strategic Objectives 2 and 3 because of the priority given to general distributions and nutrition interventions over FFW, FFA and FFT.

**Figure II.11: 2014 Global Strategic Objective**



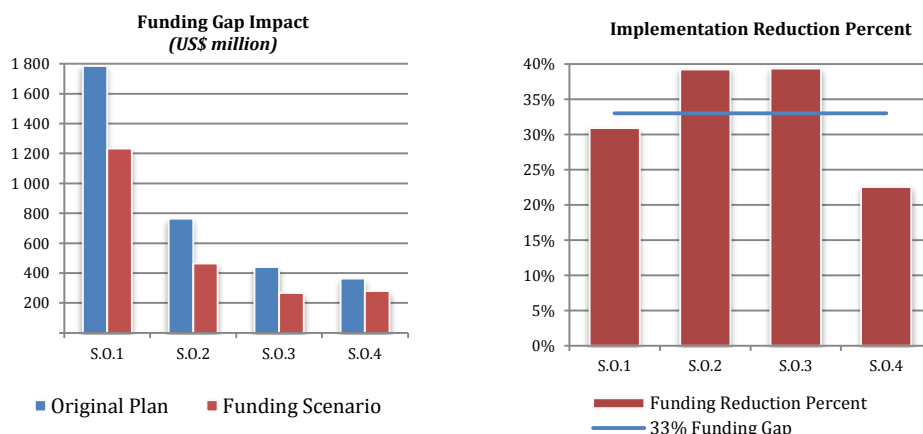
139. Figures II.12 to II.14 show WFP's 2014 implementation plans by programme category and Strategic Objective for the scenario with a 67 percent funding level.

**Figure II.12: 2014 EMOPs by Strategic Objective**



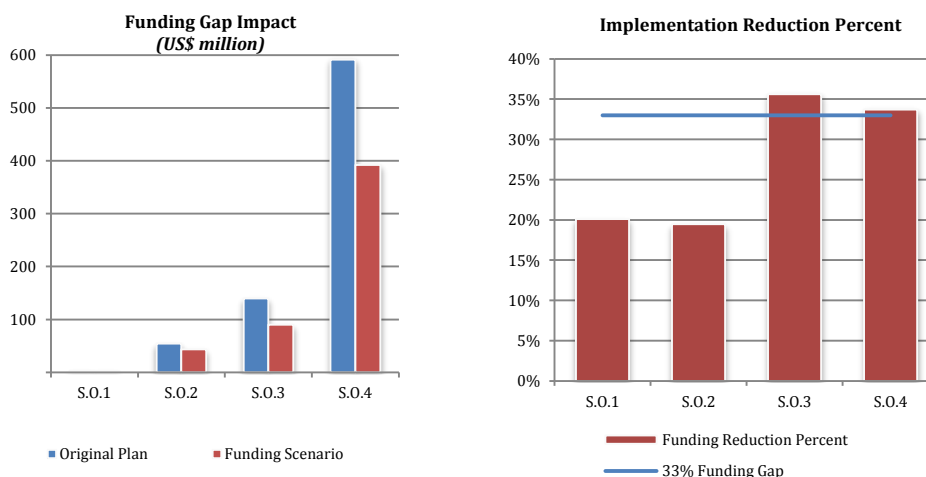
140. In EMOPs, Strategic Objectives 1 and 4 are the priorities. General distributions and nutrition interventions would be largely preserved and activities such as FFW related to Strategic Objective 2 would be cut in greater proportion to address the funding gap.

**Figure II.13: 2014 PRROs by Strategic Objective**



141. In PRROs, general distributions and other interventions under Strategic Objective 1 and Strategic Objective 4 would be largely maintained, whereas FFW, FFA and FFT activities related to Strategic Objectives 2 and 3 would be reduced to a greater extent.

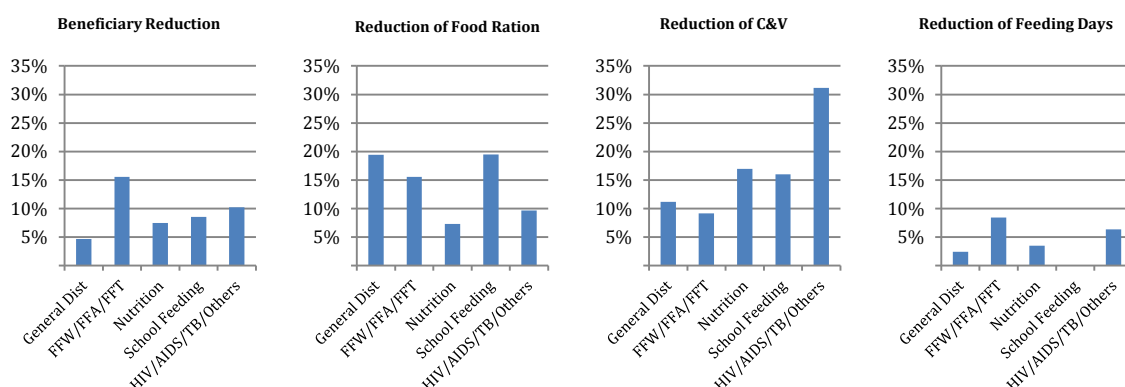
**Figure II.14: 2014 DEVs/CPs by Strategic Objective**



142. In DEVs, Strategic Objective 4 – the priority – would be affected in proportion to the funding gap. Strategic Objective 3, which primarily includes FFW, FFA and FFT, would be affected more than Strategic Objective 2, which includes these activities but also covers important capacity development and school feeding components. Strategic Objective 1 has marginal importance in DEVs.

143. Depending on context, prioritization would involve managers deciding whether to maintain the number of beneficiaries and reduce rations, or to reduce the number of beneficiaries and maintain the ration level; the latter may be critical in nutrition interventions.

**Figure II.15: Overall Impact of Implementation Scenario**



144. A 33 percent funding gap would affect all beneficiaries because the full amount of planned assistance would not be delivered. In such a scenario WFP would be unable to assist 6 million beneficiaries, 8 percent fewer than would be the case with full funding. The relatively small overall reduction in beneficiary numbers occurs because beneficiaries of general distribution activities are only reduced by 5 percent; the funding gap for general distribution would instead be dealt with primarily through a 19 percent reduction in food transfers and an 11 percent reduction in C&V transfers.

145. For nutrition and FFW, FFA and FFT activities, the reductions are more balanced between the number of beneficiaries and rations, and feeding days for FFW, FFA and FFT. For example, the number of beneficiaries and the ration level for nutrition activities decrease by 7 percent. For school feeding, rations are reduced in greater proportion with a view to maintaining the level of beneficiaries.

146. Overall, the tonnage of food delivered would be reduced by 33.4 percent to 2.7 million mt. C&V transfers would be reduced by 32 percent from US\$1,018 million to US\$690 million; the reductions in transfers of food and C&V would also reduce the nutritional benefits for recipients.

## 2015–2016 Outlook for Operational Requirements

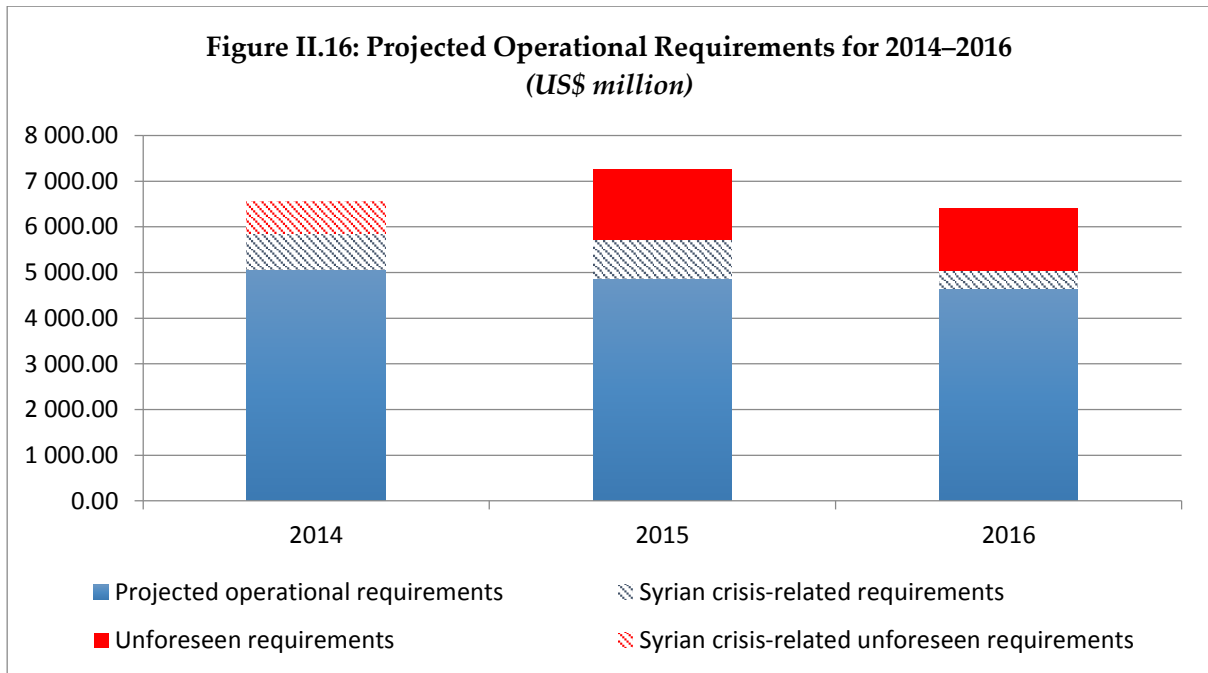
147. The high and low projections for operational requirements under the three-year rolling Management Plan are given for information. The low projections for 2015 and 2016 are based on estimates from country offices; the high projections, based on trends since 2004,<sup>15</sup> are estimated at 27 percent more than the low projection for 2014 and 2015.

148. The low projection for operational requirements for 2015 is US\$5.72 billion; the high is US\$7.27 billion. The low provides for assistance for 70 million beneficiaries with 3.8 million mt of food, C&V valued at US\$1 billion.

149. The low projection for 2016 is US\$5.04 billion; the high is US\$6.41 billion. The low projection provides for assistance for 60 million beneficiaries with 3.5 million mt of food, C&V valued at US\$814 million.

150. Operational requirements for the Syrian operation will be monitored throughout 2014; the amount required to reach the 6.6 million beneficiaries may be higher than the US\$780 million projected for the first six months of 2014. Future operational requirements are projected at US\$849 million for 4 million beneficiaries in 2015 and US\$395 million for 2 million beneficiaries in 2016.

<sup>15</sup> See Annex IV.







## SECTION III: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET

### Introduction and Overview

151. This section sets out the Programme Support and Administrative (PSA) budget for the financial year 2014 and the associated assumptions, methods and budget drivers. The PSA budget covers programme support costs for country offices, regional bureaux and Headquarters, and for management and administration in Headquarters.

152. The PSA budget is funded from ISC recoveries from contributions, in accordance with the full cost recovery policy. As in the past, the regular PSA budget proposal takes into account increases in programme support and administrative workload as a result of a higher level of forecast contributions and related operational activity. Table III.1 shows the changes between 2013 and 2014.

<b>2014 Estimated funding and proposed PSA</b>	<b>2014–2016 Management Plan, 2014 budget (US\$ million)</b>	<b>2013–2015 Management Plan, 2013 budget (US\$ million)</b>	<b>Increment 2014 vs 2013 (US\$ million)</b>	<b>% change</b>
<b>Estimated funding level</b>	<b>4 200.0</b>	<b>3 700.0</b>	<b>500.0</b>	<b>13.6</b>
Regular PSA budget	281.8	256.5*	25.2	9.8
Non-recurring PSA investments	9.2	20.0	(10.8)	(53.5)
<b>TOTAL</b>	<b>291.0</b>	<b>276.5</b>	<b>14.5</b>	<b>5.2</b>

\* The 2013 figure comprises the approved PSA of US\$249.1 million, and includes an adjustment of US\$7.4 million to mainstream private-sector work into the PSA (see paragraph 122).

153. With regard to the estimated funding level, the Management Plan (2013–2015) had forecast contributions of US\$3.70 billion; the forecast contributions for 2014 amount to US\$4.20 billion, a 13.6 percent increase.

154. Regarding expenditure, a regular PSA budget level of US\$256.5 million<sup>16</sup> was approved in the Management Plan (2013–2015); the corresponding proposal for 2014 is US\$281.8 million, a 9.8 percent increase.

155. The Secretariat is proposing a separate appropriation in 2014 of US\$9.2 million from the PSA Equalization Account for the non-recurring investments needed to achieve the goals of the Fit for Purpose process; the allocation in 2013 was US\$20.0 million.

156. Table III.2 shows the main areas of increase in the regular PSA budget for 2014; these are described in detail in this section. In brief:

- Non-discretionary increases in PSA costs amount to US\$9.5 million: they include cost adjustments arising from commitments over which WFP has little or no control such as increases in PSA staff costs, which are determined by the International Civil Service Commission and the United Nations General Assembly.

<sup>16</sup> Adjusted to reflect a change of accounting for private-sector fundraising.

- Investments amounting to US\$15.8 million ensure adequate funding to support WFP's growing operational activity. The Secretariat has reviewed the Fit for Purpose actions required in 2014 in the light of: i) the Strategic Plan 2014–2017; ii) the Framework for Action; iii) Board guidance; iv) the new Management Results Dimensions (MRDs) – People; Partnerships; Processes and Systems; Programmes; and Accountability and Funding; and v) prioritization criteria.<sup>17</sup>

<b>TABLE III.2: SUMMARY OF MAIN ADJUSTMENTS IN THE 2014 PSA BUDGET (US\$ million)</b>	
2013 approved appropriation	256.5
Non-discretionary increases in PSA costs	9.5
Recurring investments	15.8
Subtotal: increases for 2014	25.3
Proposed 2014 PSA appropriation	281.8

157. The proposals entail a net addition of 29 international professional positions situated in regional bureaux and country offices; new positions for Headquarters' programme support and administration will, as a result of their strategic importance, be met through reallocation of existing Headquarter positions.
158. The proposed regular and non-recurring PSA spending levels take into account resources available from current reserves and the need to retain a satisfactory PSA Equalization Account reserve at the end of 2014. The current year-end PSA Equalization Account balance is projected at US\$91.4 million, compared with US\$49.0 million in the Management Plan (2013–2015): this is because actual funding levels reached US\$4 billion compared with estimates of US\$3.75 billion in 2012 and US\$3.70 billion in 2013. The 31 December 2014 PSA Equalization Account balance is projected at US\$74.4 million, equivalent to three months of regular PSA expenditure.
159. Attention is drawn to the following proposals to improve financial management during the Management Plan period:
- WFP's current funding model relies on voluntary funding for fixed and variable indirect costs. This undermines its ability to make long-term investments in corporate services requiring significant immediate outlay that can be repaid through administrative savings or charges to operational projects. A Capital Budgeting Facility funded initially from the WCFE will be set up, with a ceiling of US\$20 million; the Logistics Execution Support System (LESS) is envisioned as a pilot project.
  - WFP needs to be in a position to provide an immediate food supply response in the event of an unforeseen escalation in demand. To meet such an eventuality, an increase in the Forward Purchase Facility from US\$300 million to US\$350 million is proposed. To mitigate the related risks of advance financing, and in accordance with the current risk management mechanisms and leverage ratio of 6:1, the Operational Reserve will be increased by US\$8.3 million.

<sup>17</sup> The proposals for non-recurring investments for 2014 follow a similar process for prioritization.

- The CBF and revolving inventory would be part of a broader financial framework review to be submitted to the Board at its 2014 First Regular Session as part of Fit for Purpose. Its objectives are to: i) enhance funding stability; ii) optimize the use of resources; iii) improve planning and cost management; and iv) enhance transparency to stakeholders
- WFP has not fully analysed its ISC costs since 2002, since when it has changed in terms of size, work programme, toolboxes, cost structure and financial framework. The review would be carried out in consultation with the Board with a view to incorporating an updated ISC rate in the Management Plan (2015–2017). This would be in line with the 2012 Quadrennial Comprehensive Policy Review and a study of ISC rates by UNDP, UNICEF, UNFPA and UN-Women.

### **Description of the PSA Budget Determination Process**

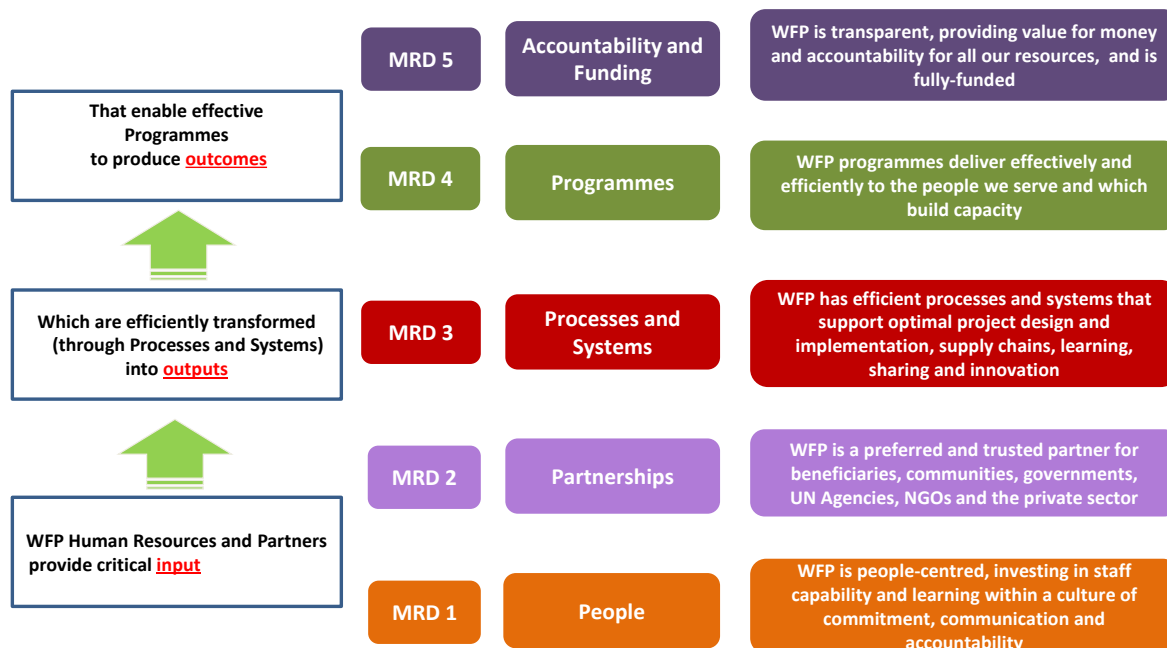
160. The 2014 budget takes the outcome of the Framework for Action completed in 2012 and the ensuing 2013 PSA budget as its starting point. Headquarters and field units presented their regular PSA budget requirements for 2014–2016 in three categories:

- i) priorities to be managed within the PSA budgetary envelope for 2013;
- ii) priorities over and above the 2013 baseline to be considered for PSA funding if available; and
- iii) initiatives that would have to be funded from corporate trust funds.

161. Senior management inputs into the review of PSA budget proposals and the establishment of priorities have focused on maximizing the effectiveness and efficiency of programme delivery. The initial step was a review of actions required in 2014 for Fit for Purpose in accordance with the Strategic Plan (2014–2017) and the discussions with the Board at its 2013 Annual Session.

162. All requirements were reviewed to identify those falling within WFP's corporate priorities for 2014–2016. The new MRF identifies the measurable results needed to give WFP the global capacity to reach hungry people effectively and efficiently in terms of the MRDs – People, Partnerships, Processes and Systems, Programmes, and Accountability and Funding (see Figure III.1). The assignment of initiatives in the framework facilitates the prioritization of recurring and non-recurring investments using PSA resources in 2014.

**Figure III.1: 2014–2017 Management Result Dimensions**



163. The prioritization criteria defined to help with the selection of investments for PSA resources are:

- the relative importance of an initiative in terms of the Strategic Plan (2014–2017) and Fit for Purpose;
- the extent to which proposals address specific corporate risks;
- the availability of funding sources other than PSA;
- the potential for increased efficiency; and
- the urgency of action required.

164. The proposed PSA budget is hence the result of quantification of the most pressing measures needed to operationalize the Strategic Plan (2014–2017) and to equip WFP to sustain a higher level of funded operations and a wider range of programmes.

### **Main Areas of Increase/Decrease in the PSA Budget**

165. The outcome of the budget process is shown in Table III.3. Starting from the approved 2013 PSA level, the appropriation is built up incrementally with adjustments for:

- mainstreaming private-sector work into PSA from 2014, in accordance with a Board decision in 2013;
- non-discretionary costs – cost adjustments arising from commitments over which WFP has little or no control, and central provisions for good financial management;
- investments to ensure incremental funding for core activities to support WFP’s growing operational portfolio; and
- additional non-recurring PSA investments to improve WFP’s effectiveness and efficiency.

<b>TABLE III.3: MAIN AREAS OF INCREASE/DECREASE IN THE PSA BUDGET COMPARED WITH 2013 (US\$ million)*</b>	
<b>2013 Baseline</b>	
2013 approved appropriations	249.1
Technical adjustment: private-sector fundraising	7.4
<b>Adjusted baseline</b>	<b>256.5</b>
<b>Adjustments for non-discretionary costs</b>	
Increases in staff-related costs	6.4
Central appropriations	3.2
<b>TOTAL</b>	<b>9.5</b>
<b>Adjustments to regular PSA for investments, by MRD</b>	
People	2.2
Partnerships	3.1
Processes and Systems	3.3
Programmes	4.3
Accountability and Funding	3.0
<b>TOTAL</b>	<b>15.8</b>
<b>Proposed regular PSA appropriation for 2014</b>	<b>281.8</b>
Non-recurring PSA investments	9.2
<b>2014 TOTAL PSA EXPENDITURE CEILING</b>	<b>291.0</b>

\* In some tables, totals do not add up exactly as a result of rounding.

### Technical Adjustment: Private-Sector Fundraising

166. Between 2008 and 2013, WFP accounted for the costs and the income related to private-sector fundraising in a special account separate from PSA.

167. From 2014, in line with the strategy approved by the Board (see WFP/EB.A/2013/5-B), the costs and staff positions associated with private-sector fundraising will be budgeted and accounted for under PSA. The Board's decision to mainstream private-sector fundraising increases PSA costs for 2014 by US\$7.4 million.<sup>18</sup>

<sup>18</sup> Comparison of the 2014 regular PSA budget with 2013 must reflect the changes in accounting treatment for the costs of private-sector fundraising in the 2013 figures: this gives an upward revision of US\$7.4 million in the 2013 figure from US\$249.1 million US\$256.5 million. WFP/EB.A/2013/5-B, paragraphs 47 and 48.

168. The strategy also stipulates that “WFP will continue to ensure that private-sector donors provide sufficient cash to cover the management and administrative costs related to their contributions”, that “the private-sector function continues to be a net positive contributor to PSA” and that “no cross-subsidies are made”.
169. No cross subsidies have been incurred: in fact the balance in the private-sector special account is projected to be enough to repay both loan tranches, totalling US\$7.7 million – US\$7.44 million received on start-up in 2008, and US\$220,000 outstanding from a second tranche. The outstanding balance will therefore be cleared by 31 December 2013.
170. Estimated income from private-sector fundraising is estimated at US\$100 million for 2014 and is included in the US\$4.20 billion forecast contributions for 2014. These contributions will generate ISC revenue at a minimum average rate of 12 percent.
171. WFP will continue to monitor private-sector income and costs as provided in the strategy with a view to ensuring that donations cover the related management and administration costs. The private sector provides capacity-development support in the form of technical expertise, market knowledge, contacts and relationships, business processes and training. The Annual Performance Report will summarize private-sector income and costs, and discuss the effectiveness of private-sector fundraising.

## Adjustments for Non-Discretionary Costs

⇒ *Increase in staff-related costs*

172. WFP uses standard rates to budget and account for PSA staff costs, which are re-calculated each year to reflect: i) the actual costs of employing a staff member in each grade and location; ii) anticipated exchange rates for Euro-based expenditure for Rome-based staff; and iii) provisions for other staff-related benefits and allowances.
173. In 2013, the Secretariat improved the monitoring of actual versus standard costs with a view to more accurate and timely reporting and forecasting, and reviewed the extent to which standard staff costs provided for terminations and expenditures for situations such as staff on medical or special leave.
174. Applying the new standard cost rates to staff in the Management Plan (2013–2015) increases the baseline salary cost by 3 percent – US\$6.4 million. This comprises:
- US\$3.5 million to reflect actual payroll cost increases and a small inflation factor for entitlement benefits such as post adjustments and promotions;
  - US\$1.4 million, 0.75 percent of staff costs, to cover future terminations: the Board approved the use of US\$15 million from the self-insurance fund to cover termination packages in June 2007 (see WFP/EBA./2007/6-B/1) and US\$10 million for an audit of skills and targeted separations in 2012; termination packages in 2013 connected with Fit for Purpose also had to be funded through a non-recurring allocation drawn from the US\$20 million supplementary PSA investments in the Management Plan (2013–2015); the provision provides for a minimal amount to fund the cost of terminations and to avoid the need for non-recurring allocations for this purpose in the future; and
  - US\$1.5 million, 0.8 percent of staff costs, to supplement the use of savings from vacant staff positions to fund exceptional situations such as long-term medical leave or special leave.

⇒ *Central appropriations*

175. Central appropriations include the cost of statutory requirements and other centrally controlled appropriations, which are budgeted under management and administration. The increase of US\$3.2 million from the 2013 level comprises:

- US\$1.2 million to cover WFP's share of the costs of the Resident Coordinator system; this comes into effect from 2014 in response to General Assembly resolution 67/226 for "concrete proposals on the modalities for the funding of the resident coordinator system"; the modalities for cost-sharing and WFP's estimated share were agreed by the UNDG Principals in April 2013;
- US\$1.1 million to fund the increased reassignment costs of PSA-related posts, in line with recently incurred costs and the higher proportion of PSA posts that are now based in the field;
- support for the Central Emergency Response Fund (CERF) and the Global Pulse initiative launched by the Secretary-General, and for existing inter-agency secondments; and
- US\$700,000 for potential unfavourable currency movements arising from information and communications technology (ICT) expenditure and building contracts and maintenance at Headquarters, which are incurred in Euros but budgeted in US dollars.

<b>TABLE III.4: STATUTORY REQUIREMENTS AND OTHER CENTRAL APPROPRIATIONS (US\$)</b>		
	<b>Estimated 2013</b>	<b>Proposal 2014</b>
Reassignment costs	1 900 000	3 000 000
Insurance fees	1 375 000	1 182 500
Joint Inspection Unit	1 000 000	870 000
International Civil Service Commission	510 000	600 000
External Audit	418 000	400 400
Chief Executives Board	310 000	315 000
Emergency medical evacuation	300 000	300 000
Audit Committee	231 000	194 000
Services from other agencies	1 447 000	1 635 000
Inter-agency support	772 000	1 051 700
Resident Coordinator contribution	-	1 234 000
Global Management Meeting	265 000	265 000
Provision for Euro/US\$ currency movements	-	700 000
Other	1 040 000	981 909
<b>TOTAL</b>	<b>9 568 000</b>	<b>12 729 509</b>



## Strategic Investments for Increased Efficiency and Effectiveness

176. Over the past five years, WFP has used trust funds to support the development of new food assistance tools and modalities such as the FPF with a view to testing their effectiveness and efficiency before scaling them up. But new modalities must eventually be mainstreamed, and PSA resources allocated to support them, because it would be imprudent to continue to rely on trust funds for core activities. A significant characteristic of the transition from food aid to food assistance is that new tools supplement rather than replace existing modalities, which in turn generates the need for additional support.
177. The approval of the Strategic Plan (2014–2017) is an appropriate time to increase the use of PSA resources to maintain operational effectiveness and efficiency. The expenditure required must come from PSA even though the benefits accrue in reduced operational expenditure or increased effectiveness: the benefits are seen in operations, but the costs fall on the PSA budget.
178. Building on the adjusted PSA baseline for 2014 and in line with the budgeting process described above, US\$25 million in investments – US\$15.8 million for recurring PSA investments and US\$9.2 million for non-recurring investments – were identified for 2014 under the new MRDs (see Table III.5).

MRD	Recurring investments			Non-recurring investments			Total investments
	HQ	Field	Total	HQ	Field	Total	
People	1.7	0.5	<b>2.2</b>	2.4	0.4	<b>2.8</b>	5.0
Partnerships	1.7	1.4	<b>3.1</b>	-	-	-	3.1
Processes and Systems	1.1	2.2	<b>3.3</b>	5.3	-	<b>5.3</b>	8.5
Programmes	0.2	4.1	<b>4.3</b>	-	-	-	4.3
Accountability and Funding	1.4	1.6	<b>3.0</b>	1.1	-	<b>1.1</b>	4.1
<b>TOTAL</b>	<b>6.0</b>	<b>9.8</b>	<b>15.8</b>	<b>8.8</b>	<b>0.4</b>	<b>9.2</b>	<b>25.0</b>

179. The breakdown of investments by MRD shows that the highest priority is given to supporting programmes – US\$4.3 million in recurring investments, of which US\$4.1 million is for the field.
180. Table III.6 shows the proposed 29 international professional PSA positions for 2014 which would be in regional bureaux and country offices, as part of the ongoing commitment to move people closer to the front lines. Twelve other professional positions for Headquarters programme support and administration will be met through reallocation of existing Headquarters positions, reflecting the strategic shift in required skills sets inherent in the Strategic Plan.



<b>TABLE III.6: PROPOSED NEW AND REALLOCATED INTERNATIONAL PROFESSIONAL POSITIONS BY MRD</b>			
<b>MRD</b>	<b>Posts</b>		<b>Total</b>
	<b>HQ</b>	<b>Field</b>	<b>HQ and field</b>
People	4	1	5
Partnerships	3	4	7
Processes and Systems	4	4	8
Programmes	-	15	15
Accountability and Funding	1	5	6
<b>Reduction (to be identified)</b>	<b>(12)</b>	<b>-</b>	<b>(12)</b>
<b>NET TOTAL</b>	<b>-</b>	<b>29</b>	<b>29</b>

181. The proposals reflect the need for secure PSA funding for core activities supporting the new Strategic Plan and for a sustainable shift to food assistance modalities. Of the US\$25 million in investments, US\$15.8 million – 63 percent – are recurring: this guarantees stable funding for 2014. In line with Fit for Purpose, two thirds of these recurring outlays are directed to the regional bureaux and country offices.

**Box 2. Examples of Improved Efficiency, Economy and Effectiveness in Investments:  
Support to Regional Bureaux – US\$8.4 million**

As part of the Fit for Purpose work to strengthen WFP field offices, US\$8.4 million will be used to address structural gaps at the regional bureau level. This additional recurring investment will focus on putting in place expertise in market analysis, VAM, cash and vouchers, emergency preparedness and other programme areas; and on improving functional management and support for human resources, resource management and similar areas.

The support for regional bureaux will strengthen quality assurance and support provided by regional bureaux to country offices, helping to improve operations through better project design and support for programming; increasing the efficiency of WFP's processes throughout the project cycle from planning to reporting; and clarifying accountability of WFP operations across all regional bureaux.

182. Table III.7 shows the proposed additional PSA positions by unit.

<b>TABLE III.7: PROPOSED ADDITIONAL AND REALLOCATED PSA POSITIONS BY UNIT</b>		
<b>Unit</b>	<b>2014 projected post count</b>	
	<b>Prof.</b>	<b>Total</b>
OMB	3	3
OMC	4	4
OMD	3	7
OMJ	5	8
OMN	4	5
OMP	4	7
Country offices	6	6
<b>Subtotal</b>	<b>29</b>	<b>40</b>
Operations Management	1	1
Legal Office	1	1
Office of the Ombudsman	-	1
Human Resources	3	3
Partnership and Governance Services	1	2
NGO Office	1	1
Dubai Office	1	1
Brussels Liaison Office	1	1
Washington, DC Liaison Office	1	1
Budget and Programming	2	4
<b>Reduction (to be identified)</b>	<b>(12)</b>	<b>(16)</b>
<b>Subtotal</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>29</b>	<b>40</b>

⇒ *People (US\$5.0 million)*

183. Transforming WFP into a people-centred organization is a multi-year process, and some human resources (HR) initiatives that began in 2013 must continue in order to maintain momentum. Of the investments in this MRD, US\$2.2 million are recurring, and US\$2.8 million are non-recurring.

184. The recurring investments comprise: i) US\$700,000 for mainstreaming posts to recruit talented people and increase support for field staffing reviews; ii) US\$500,000 for increasing human resources capacity in the regional bureaux; iii) US\$300,000 for aligning the personal performance and accountability tools in Headquarters with the Strategic Plan and the MRDs; iv) US\$300,000 for improved infrastructure to enhance staff well-being; v) US\$200,000 to upgrade internal communications tools; vi) US\$100,000 for increased training and learning opportunities for field-based staff; and vii) US\$100,000 for support for the Office of the Ombudsman.

185. Non-recurring investments comprise: i) US\$1.3 million for completion of the project begun in 2013 to improve payroll and benefits administration for locally recruited staff; ii) US\$1.4 million for improving knowledge management, learning and staff development; and iii) US\$100,000 for enhancing health and well-being programmes for staff.

⇒ *Partnerships (US\$3.1 million)*

186. Partnerships with governments, United Nations agencies and NGOs are a major feature of the new Strategic Plan. Recurring investments in this category include: i) US\$2.5 million to increase partnership-building capacity in regional bureaux, country offices, the Gulf region and WFP's offices elsewhere; ii) US\$200,000 for continued support for the REACH partnership; iii) US\$200,000 to fund a post at Headquarters dedicated to leading a team to develop NGO partnerships; and iv) US\$200,000 for additional informal consultations with the Board.

⇒ *Processes and Systems (US\$8.5 million)*

187. Recurring investments in processes and systems amount to US\$3.3 million; non-recurring investments total US\$5.3 million.

188. These recurring investments comprise: i) US\$1.7 million to fund positions and systems in the regional bureaux and support operational responsiveness to the recommendations of oversight bodies; and ii) US\$1.2 million for areas to be mainstreamed such as capacity to support FPF, WCFF and donor reporting. These activities create significant operational efficiencies, and mainstreaming the positions will ensure continued effectiveness. Other allocations are US\$200,000 to fund enhanced francophone capability in the Legal Office, and US\$200,000 to support compliance and oversight in operations.

189. Non-recurring investments primarily support Fit for Purpose. The Board approved a US\$20 million transition fund for 2013 to support a series of workstreams that require follow-on initiatives for 2014. The Business Process Review, for example, identified initiatives to improve WFP processes and systems (see Box 3) and require further investment of US\$4.1 million; US\$500,000 will enhance efficiencies in procurement services, US\$400,000 will fund project management, support and reporting on WFP's change management, and US\$300,000 will fund compliance support for the regional bureaux at Headquarters.

### **Box 3. WFP's Business Process Review**

In May 2013, WFP launched a Business Process Review as part of Fit for Purpose to identify bottlenecks and inefficiencies and ways in which they could be addressed, focusing on: i) programme cycle management; ii) resource management, allocation and utilization; iii) supply-chain management; and iv) monitoring, reporting and evaluation.

Over 12 weeks, 196 staff from Headquarters and the field were involved in regional and global workshops to identify and prioritize process issues and ideas for improvements. The review was driven by process owners and field practitioners, particularly in the regional bureaux and country offices.

The review identified 38 high-priority improvement proposals, with implementation plans and cost estimates, which were matched with effectiveness and efficiency criteria to ensure that they were complementary and aligned with the Strategic Plan in addressing corporate risk.

190. In the coming months, the proposals of the Business Process Review will be evaluated in detail. The incremental PSA allocation of US\$4.1 million will also be used to initiate reviews of the administration and transactional human resources functions, and to enable the Secretariat to implement the priority initiatives.



⇒ *Programmes (US\$4.3 million)*

191. With the shift to food assistance, the range of WFP's interventions has grown to include cash, voucher and nutrition programmes. All investments in this category are recurring.
192. In 2014, the Secretariat will invest: i) US\$3.1 million to mainstream expertise in the new modalities in the regional bureaux and country offices; ii) US\$1.0 million to increase staff capacities in country offices to support programme planning and implementation; and iii) US\$200,000 to develop skills in the strategic planning unit for the mid-term review and preparation of the next Strategic Plan.

⇒ *Accountability and Funding (US\$4.1 million)*

193. Investments totalling US\$4.1 million will enable WFP to broaden its funding base and improve the effectiveness of its accountability systems; of these investments, US\$3.0 million are recurring.
194. In view of the gap between operational requirements and projected resource levels, the Board has consistently encouraged the Secretariat to broaden WFP's funding base and invest in developing more effective partnerships. Recurring investments will comprise: i) US\$1.0 million to mainstream strategic staff posts and activities in Headquarters and the regions to secure additional resources; ii) US\$1.6 million to increase regional staff capacities in finance, reporting and donor relations; iii) US\$300,000 to mainstream staff capacity to support the Strategic Resource Allocation Committee (SRAC) with a view to enhancing transparency and rigour in allocating multilateral multi-year funding; iv) US\$100,000 to support the Office of the Inspector General and the Ethics Office.
195. Non-recurring expenditures include US\$1.0 million for new reporting tools to improve accountability and US\$100,000 to support the WFP office in Brussels.

**Box 4. Examples of Improved Efficiency, Economy and Effectiveness in Investments:  
Support for the Forward Purchase Facility – US\$500,000**

Forward purchase actions continue to transform WFP's supply chain, but the capacity to manage forward planning and purchasing processes has been funded exclusively from extra-budgetary funding. This investment in support for the FPF will allow WFP to mainstream the capacity for managing forward purchase and maintain it as an integral part of WFP's business processes.

The impact of the FPF on WFP is significant and focused on field operations. It has generated improvements in lead times of about 70 percent or 75 days in recent emergencies in South Sudan, and the Sahel and for the Syrian crisis. This improvement in timeliness has a direct benefit on the lives of beneficiaries, who are more likely to receive food assistance on time and in sufficient quantities.

⇒ *Value for money in PSA expenditure*

196. WFP has a track record of innovation and efficiency, of which numerous examples are recorded in the last two Annual Performance Reports:
- Use of the import-parity approach in procurement reduced the cost of delivered food by between US\$15 million (8 percent; 17 percent in 2011) and US\$65 million (34 percent; 28 percent in 2011).
  - In 2012, WFP procured 800,000 mt of food through forward purchasing, and the average lead time was reduced up to 70 percent: 95 percent of the food in South Sudan, for example, was delivered through forward purchasing, with average delivery time reduced from 106 days to 22 days.

- Supply chain efficiency was improved as more food was procured and shipped on time and cost savings were achieved in ocean transport.
- Advance financing increased significantly: in 2012, US\$1 billion – 42 percent of cash resources – was used in advance of receipt of contributions to meet emergency needs, fill pipelines or reduce delivery times. This was well above the target of having 25 percent of funds available for advances. On occasions when food purchases were made with a combination of advance financing and forward purchasing the average lead-time was cut by 85 percent.

197. Strategic investments were selected in line with the MRDs and prioritization criteria with a view to maximizing value for money in PSA expenditure. WFP will continue to track the effectiveness and efficiency of the investments noted above and will report on them in the Annual Performance Report under the new MRF.

**Box 5. Examples of Improved Efficiency, Economy and Effectiveness in Investments:  
Streamlining Goods and Services Procurement – US\$500,000**

The volume of goods and services purchased by WFP increased from US\$49 million in 2001 to US\$463 million in 2012. Together with other funding sources, this investment will streamline procurement processes using innovative online procurement platforms and an improved system for managing supplier relationships.

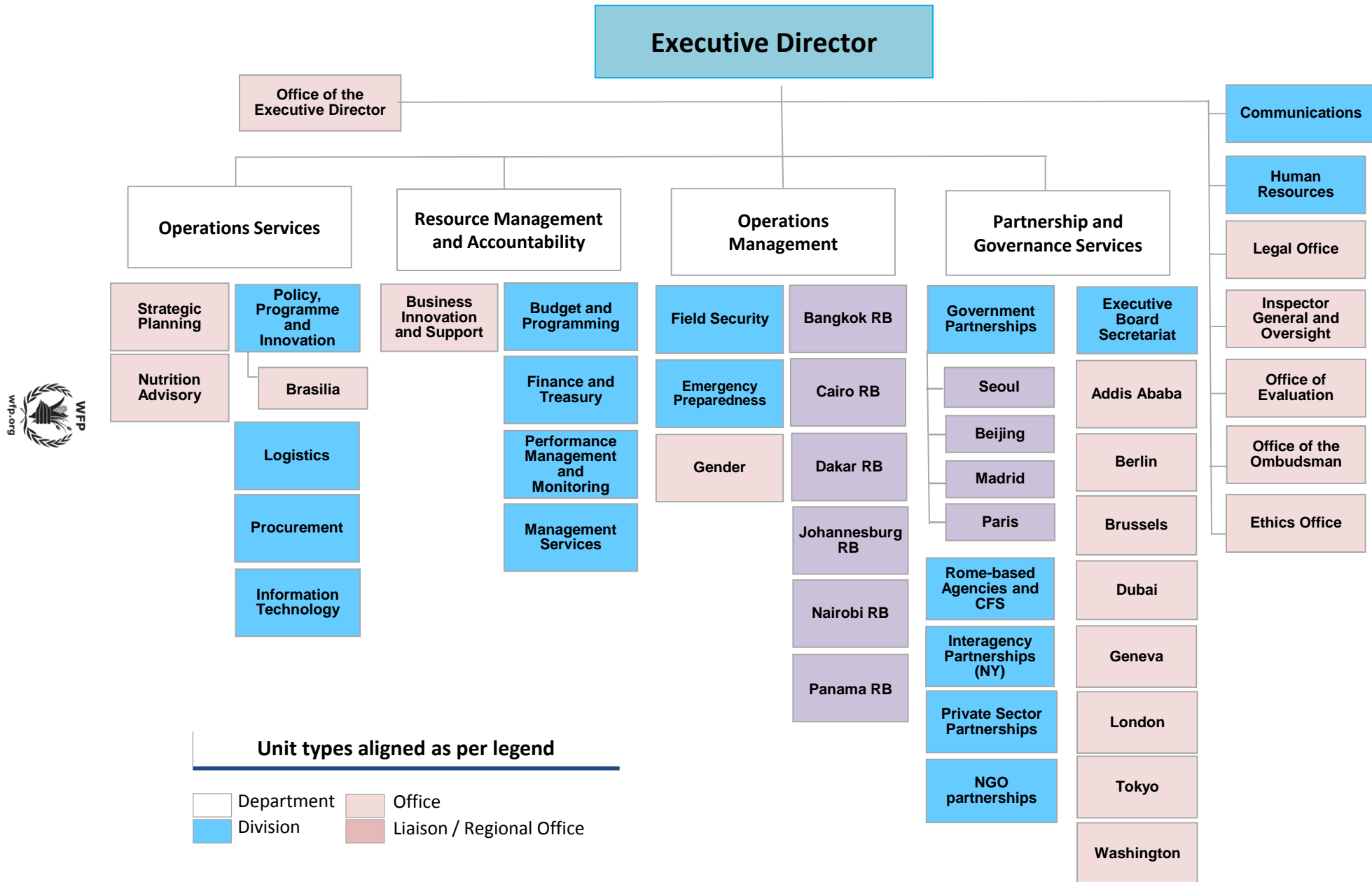
Savings are expected to begin immediately and to increase towards the target of 10 percent annually by the end of 2015. Redesigned processes will lead to efficiency gains by reducing process time by up to 40 percent over time. It will contribute to savings and efficiency gains across WFP and ensure that goods and services purchasing systems are fit for purpose.

### **Organizational Changes: Structure of the Secretariat**

198. Because the Management Plan (2013–2015) was based on the organizational design in the Framework for Action, only a few changes are being implemented at this time. In 2013, the Secretariat reviewed its liaison and other offices and classified Addis Ababa, Berlin, Brussels, Dubai, Geneva, London, New York, Tokyo and Washington as WFP offices reporting directly to the Assistant Executive Director for Partnership and Governance Services. The Seoul office, which previously reported to Communications, will now report to the Government Partnerships Division. The NGO office will move from Operations Services to the Partnership and Governance Services Department to reflect the place of civil society as partners.

199. The Secretariat is studying organizational arrangements for cross-cutting activities such as knowledge management and change management.

Figure III.2: WFP Organigram for 2014–2016



## PSA BUDGET PROPOSAL 2014

200. In accordance with Financial Regulation 9.3, the overall PSA budget is shown in three appropriation lines:

- i) Programme support – regional bureaux and country offices;
- ii) Programme support – Headquarters; and
- iii) Management and administration.

201. Table III.8 shows the evolution of the regular PSA budget by appropriation line from 2012 to the proposal for 2014.<sup>19</sup> The total cost column reflects staff and non-staff costs; the total post count includes national staff.

	2012 Expenditures			2013 estimated			2014 projected		
	Post count		Total cost	Post count		Total cost	Post count		Total cost
	Prof.	Total		Prof.	Total		Prof.	Total	
Programme support – regional bureaux and country offices	176	657	73.2	193	736	85.7	227	774	96.7
Programme support – Headquarters	169	322	70.3	166	276	54.7	161	276	55.5
Management and administration	266	489	103.4	254	515	108.8	286	548	129.6
<b>TOTAL</b>	<b>611</b>	<b>1 468</b>	<b>246.9</b>	<b>613</b>	<b>1 527</b>	<b>249.1</b>	<b>674</b>	<b>1 598</b>	<b>281.8</b>

202. The appropriation lines remain as they were in the previous Management Plan. The changes between 2012 and 2013 reflect the decreases in resources in Headquarters, with corresponding increases in country offices and regional bureaux, and changes arising from new management structures.<sup>20</sup> The main movements in the 2014 PSA budget are shown in Table III.9. The proposed increase in the post count is a result of mainstreaming private-sector work into the PSA budget and of the need for increased personnel to manage the incremental strategic investments described above.

<sup>19</sup> An additional US\$9.2 million has been included in the PSA budget proposal for 2014 for non-recurring investments.

<sup>20</sup> In 2012, the Policy, Planning and Strategy Division was included under the Management and Administration appropriation line. As a result of its merger with the Programme Division, the new Policy, Programme and Innovation Division is categorized under Programme Support: Headquarters from 2013; Management Services was moved to Administration from 2013 onwards to reflect its alignment with the Resource Management and Accountability Department.

<b>TABLE III.9: SUMMARY OF THE MAIN ADJUSTMENTS IN THE 2014 PSA BUDGET</b>		
	<b>US\$ million</b>	<b>Net additional professional posts</b>
2013 approved appropriation	249.1	
Technical adjustment: private-sector fundraising	7.4	28
Non-discretionary increases in PSA costs	9.5	0
Net additional professional posts at Headquarters and regional bureaux proposed in 2013 approved appropriation budget level	-	4
Recurring investments – Headquarters	6.0	-
Recurring investments – Field	9.8	29
<b>Proposed 2014 appropriation</b>	<b>281.8</b>	<b>61</b>

### Non-Recurring Investments

203. Non-recurring investments – described above by MRD – are distinct from the regular PSA budget in that they are proposed for funding by direct drawdown on the PSA Equalization Account. Table III.10 summarizes the proposed investments for 2014.

<b>TABLE III.10: NON-RECURRING INVESTMENTS 2014 (US\$ million)</b>	
People: Human resources talent management	2.8
Process: Business Process Review	4.1
Process: Procurement process streamlining	0.5
Process: Support for Fit for Purpose workstreams	0.4
Accountability: Corporate reporting	1.0
Process/Accountability: Operational support	0.4
<b>TOTAL</b>	<b>9.2</b>

### Summary of 2014 Regular PSA Budget and Non-recurring Investments by Management Result Dimension

204. The MRDs and the related result areas are used to ensure that regular PSA and non-recurring investments enhance particular areas. Increased attention has been given to enabling the regional bureaux to provide frontline support and management for the country offices. Capacities have been built for programme design, delivery, monitoring, and evaluation and reporting to empower country offices and ensure that all staff operate in accordance with WFP's policies.

205. The new MRF identifies the measurable results needed to support administration and programmes effectively and efficiently. The regular PSA budget proposal and non-recurring investments are accordingly presented by MRD to facilitate tracking of the PSA budget, accountability and reporting (see Table III.11).<sup>21</sup>

<sup>21</sup> Allocations have been made across the new MRDs, pending finalization of the MRF. Minor adjustments between MRDs may be necessary during 2014.



<b>TABLE III.11: PSA PROPOSALS BY MANAGEMENT RESULT DIMENSION (US\$ million)</b>					
<b>MRD</b>	<b>Recurring PSA (base)</b>	<b>Incremental recurring</b>	<b>Non- recurring</b>	<b>Total</b>	<b>% of total</b>
People	36.7	2.2	2.8	41.7	14.3
Partnerships	11.9	3.1	-	15.0	5.2
Processes and Systems	101.5	3.2	5.3	110.0	37.8
Programmes	25.4	4.3	-	29.7	10.2
Accountability and Funding	90.5	3.0	1.1	94.6	32.5
<b>TOTAL</b>	<b>266.0</b>	<b>15.8</b>	<b>9.2</b>	<b>291.00</b>	<b>100.0</b>

206. A significant proportion of PSA expenditure is devoted to the processes and systems and the accountability and funding MRDs because they cover WFP's main operational, financial and oversight systems.

⇒ *People: 14.3 percent*

207. WFP's greatest strength is its dedicated staff. The allocation supports all aspects of human resource management with a view to increasing investment in learning, building capabilities and enhancing performance in a people-centred culture of commitment, communication and mutual accountability.

⇒ *Partnerships: 5.2 percent*

208. WFP aims to be the preferred partner for beneficiaries, governments, United Nations agencies, NGOs, academic organizations, and the private sector. The allocation will enable WFP to build better relationships with its partners and promote coherence and effectiveness in the United Nations system.

⇒ *Processes and Systems: 37.8 percent*

209. Efficient systems for project design and implementation, supply chains, learning, sharing and innovation are essential for WFP. The allocation ensures sound project design and business processes, and will fund the establishment of platforms for learning and innovation.

⇒ *Programmes: 10.2 percent*

210. WFP focuses on delivering effective and efficient programmes that build capacities for our beneficiaries and partners. The allocation will support the move to food assistance modalities and will provide resources to continue the current improvements in reporting and advocacy.

⇒ *Accountability and Funding: 32.5 percent*

211. WFP must be transparent, accountable for all resources and fully funded; it must also provide value for money. The allocation ensures that predictable, timely and flexible resources are obtained and allocated, that accountability frameworks are in place and that resources can be seen to be managed effectively.

## Status of the PSA Equalization Account

212. The estimated funding of US\$4.20 billion for 2014 will generate ISC income of US\$274 million. For 2014 this includes management fees from private-sector fundraising, which were previously charged to a special account.
213. The 2014 opening balance of the PSA Equalization Account is estimated at US\$91.4 million. This is significantly above the US\$49.0 million in the Management Plan (2013–2015) because the actual funding level reached US\$4 billion compared with estimates of US\$3.75 billion in 2012 and US\$3.70 billion in 2013.
214. The 2014 closing balance is projected to be US\$74.4 million, equivalent to three months of regular PSA expenditure. It is below the target level of four months expenditure – US\$94 million – but is still significantly higher than the closing balance projected in the Management Plan (2013–2015).

Projected opening balance, 1 January 2014	91.4
2014 ISC revenue based on US\$4.20 billion revenue, including the private sector	274.0
2014 PSA expenditure	(281.8)
2014 non-recurring PSA investments	(9.2)
Projected closing balance, 31 December 2014	74.4

## 2015–2016 PSA Outlook

215. Income projections for 2015 and 2016 are set at US\$4 billion per annum. The PSA budget proposed for 2014 has been formulated to create a prudent structure that supports WFP's business at the same level for the rest of the current Management Plan period.

### ⇒ *Use of interest income*

216. Financial Regulation 11.3 enables WFP to credit interest income from its investment portfolios and bank and money market accounts to the General Fund. Interest income for 2014 is estimated at US\$6 million.

### ⇒ *Security costs*

217. The cost relating to mandatory United Nations Department of Safety and Security (UNDSS) costs and the WFP Security Emergency Fund (SEF) amounts to US\$18.8 million per annum. This includes WFP's estimated US\$11.5 million share of UNDSS costs, unchanged from 2013, and US\$7.3 million to cover the costs of SEF equipment related to security and safety.
218. In view of the importance of security in operations, WFP proposes to draw on the General Fund for up to US\$10 million to cover costs that cannot be funded by cost-sharing operations, particularly in small country offices. This is not a long-term solution to funding these costs: the Secretariat will identify a sustainable solution during 2014 that balances the needs of the field and defines a financial mechanism for sharing of the costs between projects and WFP's central financing.

⇒ *Hedging*

219. At its 2008 Annual Session, the Board approved a policy for hedging the Euro component of PSA expenses incurred at Headquarters to enhance funding stability for PSA.
220. The Secretariat accordingly made a forward purchase of the required monthly Euro amounts in line with the timeframe for preparation of the 2014 PSA budget. The hedging policy for 2014 was implemented in August 2013, when the average exchange rate was €1 = US\$1.33. The 2014 standard position costs incorporate this average exchange rate to provide certainty as to the US dollar value of Euro-denominated PSA expenditure. The Secretariat will continue to report regularly on the impact of hedging arrangements.

## Financial Management Initiatives

⇒ *Capital budgeting*

221. Capital budgeting is a process of allocating a significant short-term outlay in the expectation of economic benefits in the medium term or long term.
222. WFP does not have a funding model for capital projects. Its funding cycle requires annual approval of the PSA budget, which in turn is funded from ISC income from operations. In the past WFP has used other funding sources such as interest income in the General Fund for capital investments; an example was the upgrade of the WFP Information Network and Global System (WINGS). But these resources are dwindling and the problem is becoming more serious. The absence of a source of funding that can provide spending authority in the short term in return for long-term economic benefits is delaying viable initiatives that could benefit WFP.
223. The challenge is such that WFP has no financial means to fund a large outlay in 2014 even if it were guaranteed to generate major financial savings in 2015–2017. A private-sector institution would be able to make such an investment by borrowing money and repaying it in full in the ensuing period.

### Creation of a Capital Budgeting Facility

224. WFP will address this gap by creating a CBF on the same principles as other corporate services such as the Global Vehicle Leasing Programme (GVLP) to align WFP with best business practices. The facility would be a revolving fund like the FPF to be capitalized initially with seed funding from the WCFF. A ceiling would be included in the Management Plan each year, with new project proposals and a summary of the repayments for each capital project. A ceiling of US\$20 million is proposed for 2014.
225. The new facility will provide the capital for projects that can demonstrate quantifiable economic benefits and that have a repayment plan to replenish the facility, for example by charging operations, making administrative savings or charging third parties for services such as managing a WFP-constructed facility used by other United Nations personnel.
226. Because the capital budgeting facility will of necessity be limited, WFP will establish criteria for choosing between competing proposals for funding. Given the nature of WFP's activities, the criteria will include elements that are not purely financial, though all proposals must be able to generate a return on the investment. Projects competing for funding will be subject to an initial internal review to evaluate their support for corporate priorities.

227. As with all requests for WCFF funding, the SRAC will review each investment proposal and advise the Executive Director as to the projects to be funded from the capital budgeting facility within the available ceiling in the following Management Plan. The review will also ensure that any loan is repaid in accordance with the terms of the proposal.

#### Initial use of the Capital Budgeting Facility

228. WFP proposes to pilot the use of the CBF for LESS, with future plans including use of it to address housing and office security challenges in locations including Afghanistan, Iraq and South Sudan. The cost–benefit analysis of LESS was updated in 2013, and an independent review concluded that every US\$1 invested in LESS would yield a return of US\$1.35 and that the investment would generate quantifiable returns on full implementation. In 2012 and 2013, however, the Secretariat had to find ad hoc funding for the development of LESS.

229. The Secretariat will make the investment through the CBF with a view to completing LESS and rolling it out across WFP. The advance would be repaid through a tonnage-based landside transport, storage and handling charge for use of the system once it has been set up and the savings realized. This approach will ensure that the charges to projects will be matched by the savings, in line with the principle of charging projects only for costs that can be directly attributed to them.

230. The cost of the LESS project in 2014–2016 is estimated at US\$35 million. Because some countries will “go live” during the first year and will start making repayments, the proposed ceiling for LESS funding from the CBF for the period is US\$20 million.

#### Advance Financing Review

231. WFP continues to look for ways to improve its funding structure to bring greater stability and predictability to its operations. The present advance financing instruments have become crucial to implementing many of WFP’s interventions, particularly in response to emergency needs.

232. Advance financing tools have become a central part of WFP’s response capability through the WCFF, which has grown significantly since its inception in 2004 to the present ceiling of US\$557 million. The tools permit WFP to:

- fund the GVLP and the CBF for corporate services as described above;
- fund projects in advance of confirmed contributions, increasing on-time delivery of food to beneficiaries; and
- facilitate the purchase of food on the basis of aggregated regional demands and funding forecasts through the FPF, whose ceiling is US\$300 million: this enables WFP to make significant reductions in delivery lead times.

233. The FPF mechanism for procuring food enables WFP to maintain food inventories in continuous supply lines: it has enabled WFP to reduce delivery lead times in response to operational needs by up to 70 percent – two and a half months on average – compared with traditional financing methods. WFP has seen successes from its FPF with its corporate emergencies in Pakistan, the Horn of Africa, the Sahel and the Syrian Arab Republic as well as in many other operations. The FPF is currently utilizing all the US\$300 million of the allocated amounts, not leaving room for any additional allocations.

234. In view of the volatile situation in a number of regions, WFP must have the resources to meet escalating demands. Currently, US\$50 million – 57,700 mt of food – in FPF stocks is being consumed and revolved for Syrian operations alone. WFP must also be prepared for an escalation of the humanitarian crisis, which would require an immediate large-scale response. With a surge capacity in the supply chain of US\$40 million in corporate stocks and US\$10 million in associated costs, WFP would have the flexibility to scale up to address such an eventuality.
235. It is therefore proposed to raise the current US\$557 million ceiling of the WCFF by US\$50 million to US\$607 million to enable an increase in the FPF from US\$300 million to US\$350 million; this will be earmarked for surge capacity in the supply chain.
236. To mitigate the risks associated with advance financing, and in accordance with WFP's risk-management mechanisms and leverage ratio of 6:1, the Operational Reserve will be increased by US\$8.3 million.<sup>22</sup>

⇒ *Financial framework review*

237. The CBF and WCFF will be part of a financial framework review to be submitted to the Board at its 2014 First Regular Session as part of Fit for Purpose. Its objectives are to: i) enhance funding stability, particularly with respect to improving stability in contracting local staff; ii) optimize the use of resources; iii) improve planning and cost management; and iv) enhance transparency to stakeholders. The aim is to introduce a business model that maximizes WFP's impact on beneficiaries. Options being considered include increasing the size of the Operational Reserve and changing the leverage factor of the Operational Reserve, which is currently set at factor 6.

### Proposal to Review the Indirect Support Cost Rate

238. In line with WFP/EB.A/2006/6-C/1, which described a method for setting the ISC rate for the forthcoming financial period, the rate for 2014 was calculated as shown in Table III.13.

<b>TABLE III.13: ISC CALCULATION (%)</b>	
2013 baseline	7.07
Increase for higher indirect expenditures for 2014	+0.60
Decrease for higher funding forecast	-0.25
Increase for lower PSA Equalization Account balance	+0.66
Proposed ISC rate for 2014	8.08

239. The Secretariat nevertheless recommends that the current 7.0 percent ISC rate be maintained for 2014.
240. The Board last reviewed the ISC rate at its 2002 Third Regular Session. One of the outcomes of that review was approval for reduction of the ISC rate to 7.0 percent for 2003, a rate that has remained unchanged.

<sup>22</sup> WFP/EB.2/2010/5-B/1, paragraph 47.

241. The Secretariat proposes to review the ISC rate in 2014 on the basis of the following considerations:
- The 2002 rate was calculated at a time when WFP was a rather different organization: income levels were significantly lower, the concept of advance financing was limited to the Immediate Response Account and the move to food assistance was not on the horizon.
  - UNDP, UNFPA, UNICEF and UN-Women have recently reviewed their ISC rates, and in January 2013 they recommended a harmonized cost-recovery rate of 8 percent from 2014. This rate is being used for their 2014 budget proposals, which are being presented in September 2013.
  - The Quadrennial Comprehensive Policy Review (QCPR) is encouraging United Nations entities to adopt systems based on the principle that full cost recovery should draw proportionally from core and non-core resources, and should provide incentives for increasing core contributions and more predictable and flexible non-core funding.
242. The Secretariat proposes two stages for the review: i) identification of a method for calculating a new ISC rate; and ii) application of this method to WFP to generate an indicative ISC rate. The first stage could be discussed at the 2014 First Regular Session of the Board with a view to obtaining its approval; the results of the second stage would then be considered at the 2014 Annual Session with a view to incorporating the Board's recommendations in the Management Plan (2015–2017).

## SECTION IV: TRUST FUNDS AND SPECIAL ACCOUNTS

### Overview of Trust Funds and Special Accounts

243. This section of the Management Plan summarizes the resource requirements that may be funded through trust funds, and the activity levels in special accounts. In response to requests from the Board, this section outlines WFP's plans for the prioritization and use of such extra-budgetary resources in 2014–2016.

#### ⇒ *Trust funds*

244. Trust funds are contributions whose purpose, scope and reporting requirements are outside WFP's regular operational programmes, but that are in line with its objectives. They are approved by the Executive Director under Financial Regulation 5.1. Trust funds are of two types: i) corporate trust funds, which are established at the corporate level to develop WFP's institutional capacity and ii) country-specific trust funds, which are established at the country level to enable country offices to assist governments with the management and implementation of programmes aligned with WFP's Strategic Objectives.

245. WFP's estimate of trust fund requirements in 2014 is US\$258 million, of which US\$188 million relates to corporate trust funds and US\$70 million to country-specific trust funds (see Table IV.1). These estimates reflect: i) existing trust funds that are expected to continue into 2014 and beyond; and ii) additional requirements for such funding identified by WFP offices. Information relating to both these elements is collected as part of the budgeting process. The actual and potential extra-budgetary funding for future years also helps with the establishment of PSA funding levels by activity.

#### ⇒ *Special accounts*

246. These are accounts established by the Executive Director under Financial Regulation 5.1 to enable WFP to provide non-profit business services and support activities that do not fall into its programme categories; examples are aviation services, vehicle leasing, information technology and logistics. The level of activity in special accounts is estimated at US\$180 million in 2014 (see Table IV.1), the same as in 2013.

TABLE IV.1: TRUST FUNDS AND SPECIAL ACCOUNTS				
	2013		2014	
	<i>US\$ million</i>	%	<i>US\$ million</i>	%
<b>Trust funds</b>				
i) Corporate requirements	161	69	188	73
ii) Country-specific requirements	72	31	70	27
<b>Total trust funds</b>	<b>233</b>	<b>100</b>	<b>258</b>	<b>100</b>
<b>Special accounts</b>	<b>180</b>		<b>180</b>	



## Corporate Trust Funds

247. Corporate trust funds are a resource for developing, in a specific timeframe, WFP's institutional capacities and supplementing core PSA-funded activities.
248. WFP anticipates US\$188 million in corporate trust fund requirements in 2014: US\$95 million in forecast contributions – 51 percent – has been earmarked or allocated to specific activities; US\$93 million – 49 percent – will be allocated to priority areas to enhance WFP's organizational capacity. Although corporate trust funds are managed centrally, WFP expects that two thirds of the resources will be utilized in the field.
249. The Executive Director makes decisions as to the use of unearmarked or multilateral resources on the basis of recommendations from the SRAC, which bases its own recommendations on an inventory of prioritized unfunded requirements.
250. The requirements for funding by unearmarked corporate trust funds are prioritized by assessing relevance to the Strategic Objectives and WFP's management priorities. As with the prioritization of PSA, additional criteria are applied to ensure that specific activities are associated with areas requiring institutional strengthening.
251. Current priorities include emergency preparedness, C&V, capacity development, performance management, gender, food quality and safety and nutrition, and P4P.
252. The SRAC links the allocation of multilateral resources to particular time-bound outcomes, and establishes reporting and accountability mechanisms relating to the allocated multilateral funds.

## Use of Corporate Trust Funds in Line with Priority Areas

253. Table IV.2 gives examples of the way that resources have been used in the past to address priorities identified by the SRAC. It also identifies activities to be supported in 2014 and beyond against the same priorities.

TABLE IV.2: USE OF CORPORATE TRUST FUNDS		
Thematic area	Examples of past use and achievements	Future uses from 2014
Emergency preparedness	<ul style="list-style-type: none"> <li>✓ Raised level of awareness at the country office level through the Emergency Preparedness and Response package</li> <li>✓ WFP's systems adjusted to accommodate the corporate response roster</li> <li>✓ Training capability enhanced</li> <li>✓ Lessons-learned toolkit developed</li> <li>✓ Corporate-response exercise launched</li> </ul>	<ul style="list-style-type: none"> <li>✓ Continue support for the global food security cluster</li> <li>✓ Provide further support for early warning, analysis and crisis management</li> <li>✓ Improve WFP's ability to respond to large-scale emergencies at the corporate, regional and country levels</li> <li>✓ Enhance information management platform</li> </ul>



<b>TABLE IV.2: USE OF CORPORATE TRUST FUNDS</b>		
<b>Thematic area</b>	<b>Examples of past use and achievements</b>	<b>Future uses from 2014</b>
Cash and vouchers	<ul style="list-style-type: none"> <li>✓ C&amp;V manual and financial directives developed</li> <li>✓ Cash for Change website developed; Cash for Change knowledge-management webpage developed that provides field offices with access to WFP global experts</li> <li>✓ Innovative solutions identified for distributing funds to beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>✓ Integrate operational, information technology and finance components to support the scaling up of C&amp;V.</li> <li>✓ Cultivate partnerships to realize economies of scale in C&amp;V contracting and payment systems</li> <li>✓ Train field staff to embed processes and select optimum transfer modalities at the project design stage</li> <li>✓ Establish global-level service agreements with C&amp;V service providers</li> </ul>
Capacity development	<ul style="list-style-type: none"> <li>✓ Centre of Excellence established in partnership with the Government of Brazil</li> <li>✓ Cost of Hunger Study piloted</li> <li>✓ Partnership with African Risk Capacity established</li> </ul>	<ul style="list-style-type: none"> <li>✓ Facilitate and promote south-south cooperation and triangular cooperation on food security</li> <li>✓ New initiatives for staff development</li> </ul>
Performance management	<ul style="list-style-type: none"> <li>✓ PROMIS and COMET design module rolled out in OMJ and OMP (22 countries)</li> <li>✓ Monitoring and Evaluation (M&amp;E) advisers and officers deployed</li> <li>✓ On-site support for Syrian regional emergency in Jordan and Turkey</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establish a system and tools for country strategies</li> <li>✓ Establish systems for monitoring, performance and risk management</li> <li>✓ Roll out COMET and PROMIS systems across WFP</li> </ul>
Gender	<ul style="list-style-type: none"> <li>✓ New gender marker indicator introduced</li> <li>✓ New accountability framework established to hold staff and senior management accountable for gender mainstreaming</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide resources and training for country-led projects based on gender analysis</li> <li>✓ Strengthen gender mainstreaming accountability framework</li> </ul>
Food quality, safety and nutrition	<ul style="list-style-type: none"> <li>✓ Dialogue on nutrition enhanced through REACH and Scaling Up Nutrition (SUN) framework</li> <li>✓ Field level implementation of nutritional components tested and implemented</li> </ul>	<ul style="list-style-type: none"> <li>✓ Enhance global nutrition</li> <li>✓ Scale up food and nutrition activities in regional bureaux and country offices</li> </ul>
P4P	<ul style="list-style-type: none"> <li>✓ Implementation in 20 countries to bring together demand, supply, credit and policy actors to support smallholder-friendly market development</li> <li>✓ 262,000 farmers trained in improved agricultural production, post-harvesting handling and quality assurance</li> <li>✓ 312,000 mt of food contracted</li> </ul>	<ul style="list-style-type: none"> <li>✓ Optimize and expand procurement from smallholder farmers, enabling them to achieve their market potential</li> <li>✓ Investigate indicators reflecting innovative purchase modalities that will enhance livelihoods</li> </ul>

TABLE IV.2: USE OF CORPORATE TRUST FUNDS		
Thematic area	Examples of past use and achievements	Future uses from 2014
Others		<ul style="list-style-type: none"> <li>✓ Provide technical assistance for country offices to develop, test and evaluate innovative climate-risk management tools</li> <li>✓ Complete five-year partnership on rural resilience to develop innovative approaches that integrate FFW and cash for work (CFW) with community risk reduction</li> </ul>

### Analysis of Corporate Trust Funds by Management Dimension

254. Because corporate trust funds are intended to strengthen institutional capacities, clear links must be established with WFP's management priorities. Table IV.3 shows corporate trust fund requirements by MRD: of these, Processes and Systems and Partnerships account for two thirds, and 64 percent are field-based.

TABLE IV.3: CORPORATE TRUST FUNDS BY MANAGEMENT RESULT DIMENSION				
		WFP projections		Designated for regional bureaux/country offices
		US\$ million	%	US\$ million
MRD 1	People	15	8	5.6
MRD 2	Partnerships	50	27	32.3
MRD 3	Processes and Systems	75	40	59.6
MRD 4	Programmes	27	14	12.6
MRD 5	Accountability and Funding	21	11	10.9
<b>TOTAL</b>		<b>188</b>	<b>100</b>	<b>121.0</b>

#### ⇒ MRD 1 – People

255. This dimension accounts for US\$15 million – 8 percent of requirements for 2014 – of which US\$5.6 million is field-based. These resources will be used to enhance the acquisition and deployment of talent and career management, and to support improved medical services and counselling for employees working in challenging environments.

#### ⇒ MRD 2 – Partnerships

256. This accounts for US\$50 million – 27 percent of requirements for 2014 – of which US\$32.3 million is field-based. The resources will enhance WFP's partnerships with governments and other United Nations agencies, including:

- the partnership with the Government of Brazil to develop the capacities of governments in school feeding, food security and social protection;
- the Rome-based agencies Joint Programme on Rural Women's Economic Empowerment;
- the partnership of lead IASC members and government and military actors for advance planning for disasters in five high-risk countries in Asia; and

- technical assistance for the African Risk Capacity, an innovative insurance facility that provides participating states with readily available cash in the event of a natural disaster.

⇒ *MRD 3 – Processes and Systems*

257. This dimension accounts for US\$75 million – 40 percent of requirements for 2014 – of which US\$59.6 million is field-based. The resources will support improvements in processes such as supply-chain optimization, P4P and legal services related to C&V. Additional funding will enable the Human Resources Division to shift from a transactional and compliance role to a role that is proactive in delivering services for WFP managers and employees.

⇒ *MRD 4 – Programmes*

258. This accounts for US\$27 million – 14 percent of requirements for 2014 – of which US\$12.6 million is field-based. The resources will be used to:

- enhance the capacity of the Gender Unit and regional bureaux to support country offices in mainstreaming gender equality and the empowerment of women into all aspects of operations;
- establish programmes to develop community resilience; and
- support new initiatives such as developing a flexible multi-lingual WFP web platform.

⇒ *MRD 5 – Accountability and Funding*

259. This dimension accounts for US\$21 million – 11 percent of requirements for 2014 – of which 52 percent is field-based. The resources will be used to:

- improve financial management, risk management and internal controls;
- improve planning and reduce fragmentation of funding with a view to mitigating risk and increasing efficiency, ultimately reducing costs;
- enable WFP to meet the United Nations target of reducing CO<sub>2</sub> emissions; and
- optimize the processes and tools for monitoring and performance management.

## **Country-Specific Trust Funds**

260. These are funds received at the country level to enable country offices to assist governments with the management and implementation of programmes aligned with WFP's four new Strategic Objectives.

261. The level of country-specific trust funds is forecast at US\$70.1 million in 2014, a level similar to 2013. The main providers of country-specific resources are host governments, though governments of other countries and some private foundations may also contribute.

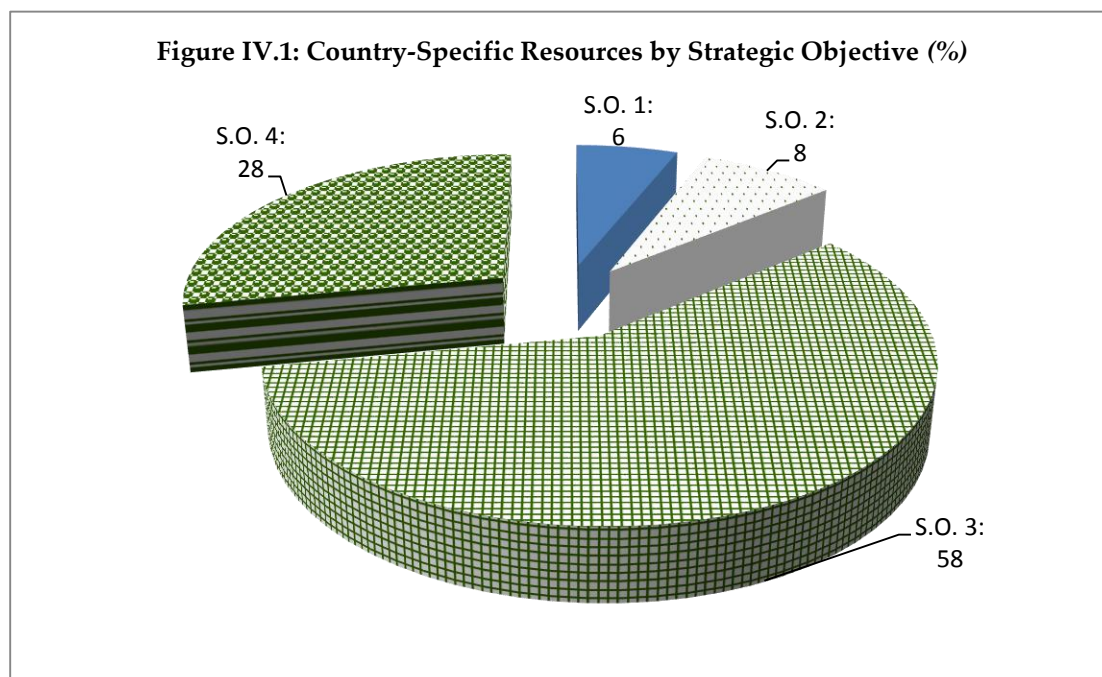
262. Table IV.4 shows a significant regional shift in the use of country-specific trust funds, which in 2013 were used almost exclusively in Latin America. WFP anticipates greater use of such trust funds in other regions in 2014, particularly Asia and southern Africa.

<b>TABLE IV.4: 2014 FORECAST – COUNTRY-SPECIFIC TRUST FUNDS BY REGION (US\$ million)</b>				
<b>Regional bureau</b>	<b>2014 forecast (US\$ million)</b>	<b>2013 (US\$ million)</b>	<b>2014 %</b>	<b>2013 %</b>
OMP: Latin America and the Caribbean	39.8	66.0	57	92
OMB: Asia	15.0	2.6	21	4
OMJ: Southern Africa	8.2	0.7	12	1
OMD: West Africa	3.0	0.5	4	1
OMC: Middle East, North Africa, Eastern Europe and Central Asia	2.1	0.2	3	0
OMN: East and Central Africa	2.0	1.7	3	2
<b>TOTAL</b>	<b>70.1</b>	<b>71.7</b>	<b>100</b>	<b>100</b>

263. The number of countries with trust funds is expected to increase to 23 in 2014, from 19 in 2013. The five largest trust fund country programmes account for US\$40.8 million, 58 percent of the projection for 2014 (see Table IV.5). In 2013, the major share of such funds was in OMP, mainly in Colombia, Cuba, El Salvador, Haiti and Honduras, accounting for 88 percent of the total. New trust funds have been projected for 2014 in eight additional countries, including the Plurinational State of Bolivia, Egypt, India and Mozambique.

<b>TABLE IV.5: FIVE LARGEST COUNTRY-SPECIFIC TRUST FUNDS</b>		
<b>Country</b>	<b>2014 forecast (US\$ million)</b>	<b>2013 Management Plan (US\$ million)</b>
Colombia (OMP)	10.6	10.5
India (OMB)	8.7	0
Mozambique (OMJ)	7.5	0
Ecuador (OMP)	7.2	1.0
Honduras (OMP)	6.8	24.4
<b>Subtotal</b>	<b>40.8</b>	<b>35.9</b>
Other countries	29.3	35.8
<b>TOTAL</b>	<b>70.1</b>	<b>71.7</b>

## Analysis of Country-Specific Trust Funds by Strategic Objective



264. Figure IV.1 shows that most trust funds will focus on Strategic Objective 3 to provide technical assistance and develop the capacities of host governments.

- In India, WFP will support work to improve the efficiency of the Government's programmes for food security such as the Targeted Public Distribution System.
- In Mozambique, WFP will provide procurement and logistics services for the Government's Nutrition Rehabilitation Programme.
- In the Plurinational State of Bolivia, Ecuador, El Salvador, Peru and Sri Lanka, trust funds will be used to enhance community resilience to climate change, improve food and nutrition security, and address gender issues.

265. Trust fund activities under Strategic Objective 1 will improve vulnerability analysis and mapping, for example through communications centres, and help to develop emergency preparedness and response capacities.

266. Trust fund activities under Strategic Objective 2 will provide analysis of food security monitoring.

267. Trust fund activities under Strategic Objective 4 will support school feeding programmes and food fortification for vulnerable groups.

### Special Accounts

268. The Executive Director may establish special accounts under Financial Regulation 5.1 to: i) manage special contributions or funds earmarked for programmatic, corporate or cost-recovery purposes; and ii) support long-term activities.

269. Special accounts enable WFP to provide services for the humanitarian community such as evacuation of personnel in emergencies and cargo airlifts in remote and insecure areas. They are also used to support self-insurance and other internal accounting arrangements such as global vehicle leasing.

270. Where income to special accounts relates to WFP activities, it is budgeted against operational projects – vehicle leasing costs or insurance charges are examples.

271. The five largest special accounts, which constitute 66 percent of the portfolio, are: i) the United Nations Humanitarian Response Depots (UNHRDs); ii) IT field-based recovery; iii) security; iv) the Global Vehicle Leasing Programme (GVLP); and v) aviation (see Figure IV.2).<sup>23</sup>

**Figure IV.2: Forecast Special Accounts in 2014**  
(US\$ million)



272. Special account activity will total US\$180 million in 2014, a level similar to 2013.

- The UNHRD special account was established in June 2000 to manage donors' contributions and revenue from services at UNHRD hubs. It supports stockpiling by United Nations and governmental and non-governmental organizations to reinforce the capacity of the humanitarian community to respond to emergencies.
- The IT field-based recovery process consolidates the management of WFP's basic software for estimating global volumes and negotiating prices centrally. It establishes a direct cost-recovery structure from field offices and is used for cost recovery for recurring operational costs related to WFP's basic IT infrastructure.
- The security special account was established in January 2012 to ensure: i) coordination of security with regional field-security offices; ii) response to all security incidents in the field; iii) deployment of security staff to the field to support designated officials; iv) investigation of the deaths of staff in malicious circumstances; and v) assistance in the management of hostage incidents or in the event of the arrest or detention of staff members.

<sup>23</sup> The Forward Purchase Facility special account is excluded because projected food purchases and associated costs are already embedded in the 2014 programme of work.

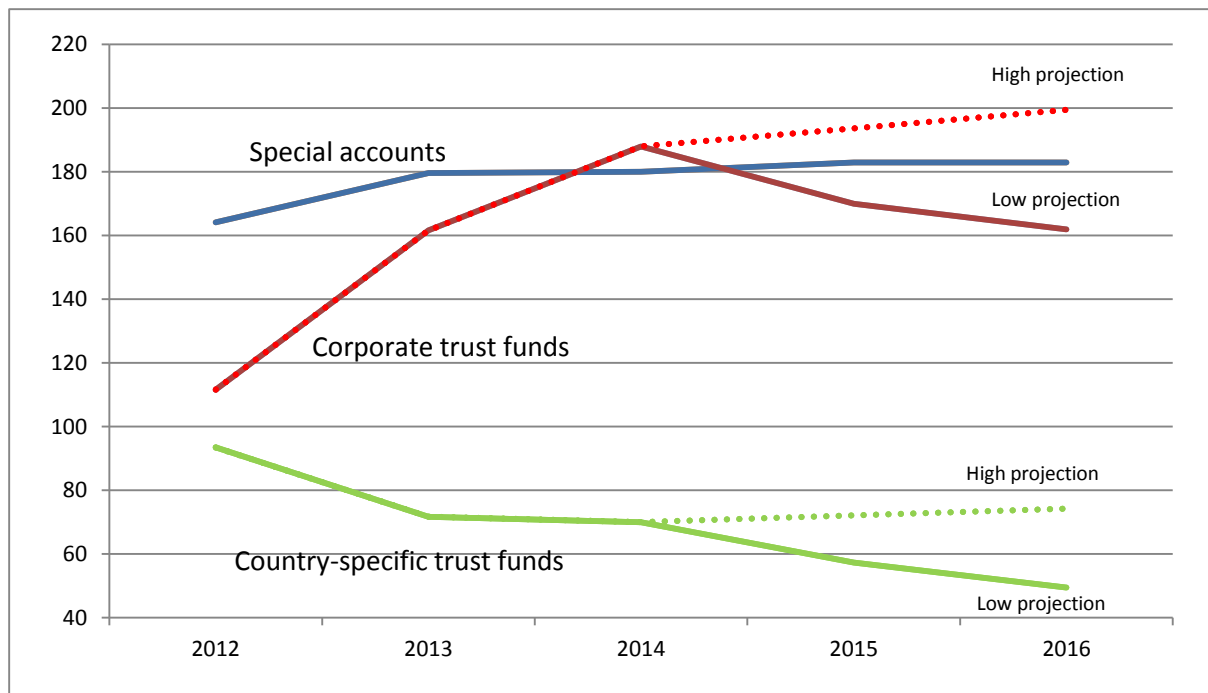
- The GVLP was established in 2006 to streamline WFP's vehicle procurement, reduce administration and country office costs, and provide flexibility in managing the vehicle fleet. It provides immediate availability of a standardized fleet of security-compliant vehicles, improved asset management and utilization, and centralization and simplification of procurement.
- The aviation special account was established in 2003 to provide resources for the financial management of WFP's aviation operations and for the enhancement of aviation standards and networks. The service provides airlifts and airdrops to ensure that food distribution continues uninterrupted by impediments such as blocked roads, poor infrastructure, conflict and natural disasters.
- Other special accounts provide for logistics, communications and food-security support for the international community, self-insurance and the Field Emergency Support Office.

### **Outlook for Trust Funds and Special Accounts, 2014–2016**

273. Under the three-year rolling Management Plan, the low and high projections for trust funds are shown in Figure IV.3. The low projections in 2015 and 2016 reflect the estimates from country offices and Headquarters divisions; the high projections are based on historical trends and outlooks since 2012, and are estimated at 24 percent above the low projection.
274. The low projection for corporate trust funds in 2015 is US\$170 million; the figure for 2016 is US\$162 million. The high projection for 2015 is US\$194 million; the figure for 2016 is US\$199 million. The low projection foresees lower investments, mainly in P4P and REACH. The high projection, a 3 percent increase from 2014, is based on the development of corporate capacity building.
275. The low projection for country-specific trust funds in 2015 is US\$57 million; the figure for 2016 is US\$50 million. The high projection for 2015 is US\$72 million; the figure for 2016 is US\$74 million. The high projection, a 3 percent increase over 2014, is based on current trends in support from host governments.
276. In 2015 and 2016, special accounts are expected to remain stable at the 2014 level of US\$180 million, in line with future business assessments made by special account administrators.



**Figure IV.3: Trends and Projections for Trust Funds and Special Accounts 2012–2016**  
(US\$ million)





ANNEX I

TABLE A.I.1: ORGANIZATIONAL STRUCTURE AND PSA POSITIONS DISTRIBUTION, 2013 AND 2014\*



\* Reallocation of existing Headquarters posts is not reflected in these figures.



TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>A. PROGRAMME SUPPORT – REGIONAL AND COUNTRY OFFICES</b>															
<b>REGIONAL BUREAUX</b>															
<b>Regional Bureau – Asia</b>															
2013	PSA	-	-	1	1	5	9	1	-	-	17	31	-	48	
2014	PSA	-	-	1	1	5	12	3	1	-	23	30	-	53	
<b>Regional Bureau – Middle East, North Africa, Eastern Europe and Central Asia</b>															
2013	PSA	-	-	1	1	5	6	4	-	-	17	40	-	57	
2014	PSA	-	-	1	1	5	9	7	-	-	23	40	-	63	
<b>Regional Bureau – West Africa</b>															
2013	PSA	-	-	1	1	4	11	5	-	-	22	34	1	57	
2014	PSA	-	-	1	1	4	12	7	-	-	25	39		64	
<b>Regional Bureau – East and Central Africa</b>															
2013	PSA	-	-	1	3	3	10	3	-	-	20	44	1	65	
2014	PSA	-	-	1	4	6	11	3	-	-	24	45	-	69	
<b>Regional Bureau – Southern Africa</b>															
2013	PSA	-	-	1	1	3	5	4	-	-	14	32	-	46	
2014	PSA	-	-	1	1	3	9	5	-	-	19	35	-	54	
<b>Regional Bureau – Latin America and the Caribbean</b>															
2013	PSA	-	-	1	1	4	5	1	-	-	12	31	-	43	
2014	PSA	-	-	1	1	4	8	2	-	-	16	35	-	51	
<b><u>Subtotal Regional Bureaux</u></b>															
<b>2013</b>	<b>PSA</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>8</b>	<b>24</b>	<b>46</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>102</b>	<b>212</b>	<b>2</b>	<b>316</b>	
<b>2014</b>	<b>PSA</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>9</b>	<b>27</b>	<b>61</b>	<b>27</b>	<b>1</b>	<b>-</b>	<b>130</b>	<b>224</b>	<b>-</b>	<b>354</b>	

TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>COUNTRY OFFICES</b>															
2013	PSA	-	-	11	30	29	5	16	-	-	91	329	-	420	
	DSC	-	-	-	15	79	218	449	138	-	899	5 552	-	6 451	
2014	PSA	-	-	11	30	28	1	27	-	-	97	323	-	420	
	DSC	-	-	1	15	91	236	514	101	6	964	6 190	-	7 154	
<b>TOTAL PROGRAMME SUPPORT – REGIONAL AND COUNTRY OFFICES</b>															
2013	PSA	-	-	17	38	53	51	34	-	-	193	541	2	736	
	DSC	-	-	-	15	79	218	449	138	-	899	5 552	-	6 451	
	<b>TOTAL 2013</b>	-	-	17	53	132	269	483	138	-	1 092	6 093	2	7 187	
2014	PSA	-	-	17	39	55	62	54	1	-	227	547	-	774	
	DSC	-	-	1	15	91	236	514	101	6	964	6 190	-	7 154	
	<b>TOTAL 2014</b>	-	-	18	54	146	298	568	102	6	1 191	6 737	-	7 928	
<b>B. PROGRAMME SUPPORT – HEADQUARTERS</b>															
<b>Operations – Office of the DED and COO</b>															
2013	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	
2014	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	
<b>Support Office of the DED and COO</b>															
2013	PSA	-	-	-	-	1	1	-	-	-	2	-	4	6	
2014	PSA	-	-	-	-	1	1	1	-	-	3	-	6	9	



TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>Gender</b>															
2013	PSA	-	-	-	1	-	2	-	-	-	3	-	1	4	
2014	PSA	-	-	-	1	-	2	-	-	-	3	-	1	4	
<b>Field Security</b>															
2013	PSA	-	-	-	1	1	1	-	1	-	4	-	1	5	
2014	PSA	-	-	-	1	1	1	-	1	-	4	-	1	5	
<b>Emergency Preparedness</b>															
2013	PSA	-	-	1	-	2	5	-	1	-	9	-	2	11	
2014	PSA	-	-	1	-	2	5	-	1	-	9	-	2	11	
<b>Operations Services – Office of the AED</b>															
2013	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	
2014	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	
<b>Strategic Planning</b>															
2013	PSA	-	-	-	2	-	-	1	-	-	3	-	-	3	
2014	PSA	-	-	-	2	-	1	-	-	-	3	-	1	4	
<b>Nutrition (Senior Advisor)</b>															
2013	PSA	-	-	1	-	-	-	-	-	-	1	-	1	2	
2014	PSA	-	-	-	1	-	-	-	-	-	1	-	1	2	
<b>NGO Partnerships</b>															
2013	PSA	-	-	-	-	-	1	-	-	-	1	-	-	1	
2014	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	

TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>Policy, Programme and Innovation</b>															
2013	PSA	-	-	1	3	9	11	9	1	-	34	-	12	46	
2014	PSA	-	-	1	3	9	11	9	1	-	34	-	12	46	
<b>Logistics</b>															
2013	PSA	-	-	1	4	7	13	13	2	1	41	-	38	79	
2014	PSA	-	-	1	4	7	14	12	2	1	41	-	38	79	
<b>Procurement</b>															
2013	PSA	-	-	1	1	3	6	3	2	-	16	-	12	28	
2014	PSA	-	-	1	1	3	5	3	2	-	15	-	13	28	
<b>Information Technology</b>															
2013	PSA	-	-	1	1	5	12	18	10	-	47	18	17	82	
2014	PSA	-	-	1	1	5	12	17	9	-	45	19	17	81	
<b>Dubai Office</b>															
2013	PSA	-	-	1	-	-	-	-	-	-	1	-	-	1	
2014	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Reduction (to be identified)</b>															
2013	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	PSA	-	-	-	-	-	-	(1)	-	-	(1)	-	-	(1)	
<b>TOTAL PROGRAMME SUPPORT – HEADQUARTERS</b>															
2013	PSA	-	2	7	13	28	54	44	17	1	166	18	92	276	
2014	PSA	-	2	5	14	28	54	41	16	1	161	19	96	276	



TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>C. MANAGEMENT AND ADMINISTRATION</b>															
<b>MANAGEMENT</b>															
<b>Office of the Executive Director</b>															
2013	PSA	1	-	1	1	-	2	3	-	-	8	-	9	17	
2014	PSA	1	-	1	1	-	3	2	-	-	8	-	8	16	
<b>Communications</b>															
2013	PSA	-	-	1	1	8	7	3	2	-	22	1	11	34	
2014	PSA	-	-	1	1	8	7	3	2	-	22	-	11	33	
<b>Human Resources</b>															
2013	PSA	-	-	1	2	6	5	21	10	-	45	-	52	97	
2014	PSA	-	-	1	2	7	7	21	10	-	48	-	52	100	
<b>Legal Office</b>															
2013	PSA	-	-	1	1	-	5	2	4	-	13	-	5	18	
2014	PSA	-	-	1	1	1	4	4	3	-	14	-	5	19	
<b>Inspector General and Oversight</b>															
2013	PSA	-	-	1	2	4	8	9	4	1	29	-	8	37	
2014	PSA	-	-	1	2	4	8	9	4	1	29	-	8	37	
<b>Office of Evaluation</b>															
2013	PSA	-	-	1	-	4	4	-	-	-	9	-	3	12	
2014	PSA	-	-	1	-	4	4	-	-	-	9	-	3	12	
<b>Office of the Ombudsman</b>															
2013	PSA	-	-	-	1	-	-	-	-	-	1	-	1	2	
2014	PSA	-	-	-	1	-	-	-	-	-	1	-	2	3	

TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>Ethics Office</b>															
2013	PSA	-	-	-	1	-	-	-	-	-	1	-	1	2	
2014	PSA	-	-	-	1	-	-	-	-	-	1	-	1	2	
<b>Partnership and Governance Services – Office of the AED</b>															
2013	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	
2014	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	
<b>Partnership and Governance Services – Office of the AED – Support Office</b>															
2013	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	PSA	-	-	-	-	1	-	-	-	-	1	-	1	2	
<b>Rome-based Agencies</b>															
2013	PSA	-	-	-	1	1	-	1	-	-	3	-	1	4	
2014	PSA	-	-	-	1	1	-	1	-	-	3	-	1	4	
<b>NGO Partnerships</b>															
2013	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	PSA	-	-	-	-	-	1	1	-	-	2	-	-	2	
<b>Dubai Office</b>															
2013	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	PSA	-	-	-	1	-	1	-	-	-	2	-	-	2	
<b>WFP Offices (Addis Ababa, Berlin, Brussels, Geneva, Tokyo, Washington)</b>															
2013	PSA	-	-	-	5	4	2	6	-	-	17	2	12	31	
2014	PSA	-	-	-	5	4	4	6	-	-	19	2	12	33	



TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>Private Sector Partnerships</b>															
2013	PSA	-	-	-	1	1	1	-	-	-	3	-	1	4	
2014	PSA	-	-	1	1	2	4	13	11	-	31	-	5	36	
<b>Interagency Partnerships New York</b>															
2013	PSA	-	-	1	1	1	2	-	-	-	5	-	3	8	
2014	PSA	-	-	1	1	1	2	-	-	-	5	-	3	8	
<b>Government Partnerships (including Rome, Beijing, Paris)</b>															
2013	PSA	-	-	1	1	4	3	6	2	-	17	5	12	34	
2014	PSA	-	-	1	1	4	3	6	2	-	17	5	12	34	
<b>Executive Board Secretariat</b>															
2013	PSA	-	-	-	1	2	5	-	-	-	8	-	16	24	
2014	PSA	-	-	-	1	2	5	-	-	-	8	-	16	24	
<b>Reduction (to be identified)</b>															
2013	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	PSA	-	-	-	-	(2)	(5)	(2)	-	-	(9)	-	(2)	(11)	
<b><u>Subtotal, Management</u></b>															
<b>2013</b>	<b>PSA</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>19</b>	<b>35</b>	<b>45</b>	<b>51</b>	<b>22</b>	<b>1</b>	<b>182</b>	<b>8</b>	<b>137</b>	<b>327</b>	
<b>2014</b>	<b>PSA</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>20</b>	<b>37</b>	<b>49</b>	<b>64</b>	<b>32</b>	<b>1</b>	<b>213</b>	<b>7</b>	<b>140</b>	<b>359</b>	
<b>ADMINISTRATION</b>															
<b>Resource Management and Accountability – Office of the AED and CFO</b>															
2013	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	
2014	PSA	-	1	-	-	-	1	-	-	-	2	-	2	4	



TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>Business Innovation and Support</b>															
2013	PSA	-	-	-	1	1	1	1	1	-	5	-	2	7	
2014	PSA	-	-	-	1	1	-	3	-	-	5	-	2	7	
<b>Budget and Programming</b>															
2013	PSA	-	-	1	2	4	3	8	-	-	18	-	26	43	
2014	PSA	-	-	1	2	3	3	9	-	-	18	-	30	48	
<b>Finance and Treasury</b>															
2013	PSA	-	-	1	1	4	4	9	3	-	22	3	29	54	
2014	PSA	-	-	1	1	4	4	10	2	-	22	3	27	52	
<b>Performance Management and Monitoring</b>															
2013	PSA	-	-	-	1	3	3	5	-	-	12	-	5	17	
2014	PSA	-	-	-	1	3	3	4	-	-	11	-	5	16	
<b>Management Services</b>															
2013	PSA	-	-	-	1	3	2	3	1	-	10	5	46	61	
2014	PSA	-	-	-	1	3	3	6	1	-	14	5	44	63	
<b>Reduction (to be identified)</b>															
2013	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	PSA	-	-	-	-	-	-	(2)	-	-	(2)	-	(2)	(4)	



TABLE A.I.2: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2013 AND 2014

		International professional category and above											Others		
		USG	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ and LO GS	Grand Total	
<b>Subtotal, Administration</b>															
2013	PSA	-	1	2	6	15	14	26	5	-	69	8	109	185	
2014	PSA	-	1	2	6	14	14	30	3	-	70	8	108	186	
<b>Central Appropriations</b>															
2013	PSA	-	-	-	-	3	-	-	-	-	3	-	-	3	
2014	PSA	-	-	-	1	2	-	-	-	-	3	-	-	3	
<b>TOTAL MANAGEMENT AND ADMINISTRATION</b>															
2013	PSA	1	2	10	25	53	59	77	27	1	254	16	245	515	
2014	PSA	1	2	11	27	53	63	94	35	1	286	15	247	548	
<b>GRAND TOTAL</b>															
2013	PSA	1	4	34	76	134	164	155	44	2	613	575	339	1 527	
	DSC	-	-	-	15	79	218	449	138	-	899	5 552	-	6 451	
	<b>TOTAL 2013</b>	<b>1</b>	<b>4</b>	<b>34</b>	<b>91</b>	<b>213</b>	<b>382</b>	<b>604</b>	<b>182</b>	<b>2</b>	<b>1 512</b>	<b>6 127</b>	<b>339</b>	<b>7 978</b>	
2014	PSA	1	4	33	80	135	179	189	52	2	674	581	343	1598	
	DSC	-	-	1	15	91	236	514	101	6	964	6 190	-	7 154	
	<b>TOTAL 2014</b>	<b>1</b>	<b>4</b>	<b>34</b>	<b>95</b>	<b>226</b>	<b>415</b>	<b>703</b>	<b>153</b>	<b>8</b>	<b>1 638</b>	<b>6 771</b>	<b>343</b>	<b>8 752</b>	

TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>A. PROGRAMME SUPPORT - REGIONAL and COUNTRY OFFICES</b>																					
<b>REGIONAL BUREAUX</b>																					
<b>Regional Bureau – Asia</b>																					
2013	4 164	2 220	606	2	8	336	79	354	37	18	1 182	2	9	2	45	6	0	0	1	4 905	9 069
2014	5 419	2 106	758	138	4	672	219	338	100	28	1 059	3	7	2	38	6	0	0	16	5 492	10 911
<b>Regional Bureau – Middle East, North Africa, Eastern Europe and Central Asia</b>																					
2013	4 046	927	148	241	8	250	98	126	39	101	760	0	39	5	10	0	0	0	0	2 751	6 797
2014	5 374	1 174	353	308	8	237	159	139	41	117	1 049	0	45	5	5	0	0	0	0	3 640	9 014
<b>Regional Bureau – West Africa</b>																					
2013	5 181	1 391	0	0	10	440	50	0	105	235	1 143	21	35	6	45	0	0	0	0	3 480	8 661
2014	5 825	1 710	50	88	10	523	30	360	128	236	1 107	28	39	8	45	0	0	0	0	4 363	10 188
<b>Regional Bureau – East and Central Africa</b>																					
2013	4 882	1 310	420	0	10	700	50	510	45	100	1 240	10	50	0	75	0	0	0	0	4 520	9 402
2014	6 023	1 836	400	73	20	750	50	250	47	171	1 161	10	50	0	75	0	0	0	20	4 915	10 937
<b>Regional Bureau – Southern Africa</b>																					
2013	3 299	1 666	0	24	8	150	20	636	26	154	943	11	45	0	0	12	0	0	0	3 696	6 995
2014	4 484	1 904	0	83	8	210	20	625	56	159	862	11	54	0	0	12	0	0	10	4 015	8 500
<b>Regional Bureau – Latin America and the Caribbean</b>																					
2013	3 015	1 171	0	0	4	250	0	24	121	20	621	5	16	0	9	0	0	0	0	2 242	5 257
2014	3 929	1 592	0	73	4	250	0	99	121	20	543	5	16	8	9	0	0	0	0	2 742	6 671



TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>Subtotal Regional Bureaux</b>																					
2013	24 587	8 686	1 173	266	48	2 126	297	1 649	374	628	5 888	49	195	13	184	18	0	0	1	21 594	46 181
2014	31 054	10 322	1 562	763	54	2 642	478	1 811	493	733	5 782	57	211	23	172	18	0	0	46	25 167	56 221
<b>Country Offices</b>																					
2013	27 817	5 079	475	605	13	822	30	686	247	647	1 603	0	518	7	406	312	0	0	201	11 653	39 470
2014	28 430	5 524	575	650	15	937	0	650	250	550	1 353	0	550	10	450	350	0	0	175	12 039	40 470
<b>TOTAL PROGRAMME SUPPORT – REGIONAL AND COUNTRY OFFICES</b>																					
2013	52 404	13 765	1 648	871	61	2 948	327	2 336	621	1 275	7 492	49	713	20	590	330	0	0	202	33 247	85 651
2014	59 485	15 846	2 137	1 413	69	3 579	478	2 461	743	1 283	7 135	57	761	33	622	368	0	0	221	37 206	96 691
<b>B. PROGRAMME SUPPORT – HEADQUARTERS</b>																					
<b>Office of the DED and COO</b>																					
2013	1 422	0	80	0	7	81	0	0	0	24	74	0	0	2	0	0	0	0	25	294	1 716
2014	1 989	0	90	3	10	103	0	0	0	34	84	0	0	3	0	0	0	0	23	350	2 340
<b>Gender</b>																					
2013	779	0	21	0	0	50	3	0	0	5	19	0	0	0	0	0	0	0	0	98	877
2014	811	0	21	0	0	50	3	0	0	5	19	0	0	0	0	0	0	0	0	98	909
<b>Field Security</b>																					
2013	957	0	0	0	0	40	0	0	0	4	11	0	0	10	0	0	0	0	0	66	1 023
2014	995	0	0	0	0	40	0	0	0	4	21	0	0	0	0	0	0	0	0	66	1 060

TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>Emergency Preparedness</b>																					
2013	2 132	5	12	1	0	0	0	0	6	18	53	0	0	4	0	0	0	0	2	101	2 234
2014	2 222	5	12	1	0	0	0	0	6	18	53	0	0	4	0	0	0	0	2	101	2 324
<b>Operations Services – Office of the AED</b>																					
2013	736	0	40	0	4	62	0	0	0	9	54	0	0	2	0	0	0	0	0	171	907
2014	766	0	40	0	4	62	0	0	0	9	54	0	0	2	0	0	0	0	0	171	938
<b>Strategic Planning</b>																					
2013	781	0	97	0	0	20	0	0	0	80	7	0	0	0	0	0	0	0	0	203	984
2014	899	0	234	0	0	40	0	0	0	20	15	0	0	0	0	0	0	0	0	309	1 209
<b>Nutrition (Senior Advisor)</b>																					
2013	421	0	36	2	0	7	0	0	0	16	18	0	0	0	0	0	0	0	0	80	501
2014	396	0	48	5	0	29	0	0	0	17	18	0	0	0	0	0	0	0	0	117	513
<b>NGO Partnerships</b>																					
2013	198	0	50	0	0	10	2	0	0	2	4	0	0	0	0	0	0	0	11	79	277
2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Policy, Programme and Innovation</b>																					
2013	8 160	0	208	50	6	160	10	0	0	75	179	0	0	0	0	0	0	0	7	694	8 854
2014	8 501	0	150	50	5	200	10	0	0	75	179	0	0	0	0	0	0	0	26	694	9 195
<b>Logistics</b>																					
2013	11 541	0	0	0	25	213	0	0	0	54	395	0	0	0	0	0	0	0	0	687	12 227
2014	12 200	0	32	0	5	214	0	0	0	50	393	0	0	0	0	0	0	0	0	695	12 894



**TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)**

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>Procurement</b>																					
2013	4 358	0	23	108	0	34	0	1	0	32	191	0	0	0	56	0	0	0	0	445	4 803
2014	4 390	0	100	217	0	60	20	0	0	45	200	0	0	0	0	0	0	0	10	652	5 042
<b>Information Technology</b>																					
2013	10 009	0	939	974	40	436	346	0	0	10	1 826	0	0	0	4 282	742	0	0	0	9 595	19 604
2014	10 107	300	1 132	1 360	40	690	260	192	0	10	1 762	0	0	0	3 250	0	0	0	0	8 996	19 103
<b>Dubai Office</b>																					
2013	395	0	0	0	0	0	0	0	0	250	14	0	0	0	0	0	0	0	0	264	658
2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Reduction (to be identified)</b>																					
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	-166	0	166	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	166	0
<b>TOTAL PROGRAMME SUPPORT – HEADQUARTERS</b>																					
2013	41 888	5	1 505	1 136	82	1 114	361	1	6	579	2 843	0	0	18	4 338	742	0	0	46	12 776	54 665
2014	43 110	305	2026	1 636	64	1 488	293	192	6	287	2 797	0	0	9	3 250	0	0	0	61	12 415	55 526
<b>C. MANAGEMENT AND ADMINISTRATION</b>																					
<b>MANAGEMENT</b>																					
<b>Office of Executive Director</b>																					
2013	2 829	0	80	0	70	500	50	0	0	120	183	0	0	80	0	0	0	0	69	1 152	3 981
2014	3 026	0	80	0	70	500	40	0	0	120	180	0	0	66	0	0	0	0	75	1 131	4 157

TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL	
<b>Communications</b>																						
2013	5 807	50	951	0	8	85	12	139	0	168	632	0	0	8	0	0	0	0	0	304	2 357	8 164
2014	5 976	0	988	200	8	149	12	185	4	168	716	0	0	8	0	0	0	0	0	320	2 757	8 733
<b>Human Resources</b>																						
2013	12 486	0	759	99	0	198	90	0	0	20	354	0	0	0	0	0	0	0	0	0	1 520	14 006
2014	13 923	0	287	0	0	134	665	8	0	40	698	0	0	0	0	0	0	0	0	54	1 885	15 808
<b>Legal Office</b>																						
2013	2 851	0	272	130	0	35	0	0	0	25	83	0	0	0	0	0	0	0	0	66	610	3 461
2014	3 195	0	100	269	0	35	0	0	0	25	83	0	0	0	0	0	0	0	0	17	530	3 724
<b>Inspector General and Oversight Office</b>																						
2013	6 301	0	306	5	2	681	70	0	0	28	146	0	0	1	0	0	0	0	0	98	1 337	7 638
2014	6 576	0	406	10	2	704	70	0	0	33	153	0	0	5	0	0	0	0	0	20	1 403	7 979
<b>Office of Evaluation</b>																						
2013	2 266	0	2 347	0	0	550	40	0	0	10	46	0	0	0	0	15	3	0	0	0	3 011	5 277
2014	2 387	0	2 625	0	0	265	46	0	0	10	46	0	0	0	0	15	4	0	0	0	3 011	5 397
<b>Office of the Ombudsman</b>																						
2013	418	0	15	0	2	92	20	0	0	2	10	0	0	0	0	0	0	0	0	10	150	568
2014	522	0	15	0	2	92	20	0	0	2	16	0	0	0	0	0	0	0	0	10	156	678
<b>Ethics Office</b>																						
2013	418	0	40	0	0	31	0	0	0	0	40	0	0	0	3	0	0	0	0	7	121	540
2014	434	0	54	0	0	40	0	0	0	11	41	0	0	0	3	0	0	0	0	7	155	590



**TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)**

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>Partnership and Governance Services – Office of the AED</b>																					
2013	736	0	0	0	15	85	6	0	0	6	31	0	0	7	0	0	0	0	20	170	906
2014	766	0	0	0	15	85	6	0	0	6	31	0	0	7	0	0	0	0	20	170	937
<b>Partnership and Governance Services – Support Office</b>																					
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	345	0	100	70	10	80	2	0	0	70	60	0	0	0	0	0	0	0	20	412	756
<b>Dubai Office</b>																					
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	546	162	35	12	7	21	17	0	20	23	21	5	21	12	0	0	0	0	0	354	900
<b>Rome-based Agencies</b>																					
2013	785	0	44	0	0	13	0	0	0	3	12	0	0	0	0	0	0	0	0	72	857
2014	819	0	45	0	0	12	0	0	0	3	12	0	0	0	0	0	0	0	0	72	891
<b>NGO Partnerships</b>																					
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	373	0	50	32	0	20	2	0	0	2	8	0	0	0	0	0	0	0	0	113	486
<b>Private Sector Partnerships</b>																					
2013	871	0	0	0	0	0	0	0	0	80	9	0	0	0	0	0	0	0	0	89	960
2014	6 020	400	400	300	10	400	30	250	25	300	234	0	0	2	2	0	0	0	30	2 382	8 402
<b>Government Partnerships (including Rome, Beijing, Paris)</b>																					
2013	4 508	168	148	33	7	248	6	63	3	54	148	2	4	6	1	0	0	0	149	1 039	5 547
2014	4 706	168	196	125	7	245	12	63	3	96	160	2	4	7	1	0	0	0	150	1 236	5 943



TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>Interagency Partnerships New York</b>																					
2013	1 681	0	162	0	0	10	0	321	41	6	99	0	0	3	0	0	0	0	0	641	2 322
2014	1 603	0	245	0	0	84	30	297	59	11	78	1	0	3	0	0	0	0	0	809	2 412
<b>WFP Offices (Addis Ababa, Berlin, Brussels, Geneva, Tokyo, Washington)</b>																					
2013	5 506	111	161	16	5	181	26	604	66	129	281	6	7	11	46	10	0	0	62	1 721	7 227
2014	5 644	81	237	164	12	347	47	651	68	122	328	8	9	6	46	10	0	0	17	2 152	7 796
<b>Executive Board Secretariat</b>																					
2013	3 251	0	0	679	46	1	10	0	0	114	69	0	0	36	1	0	194	0	610	1 760	5 011
2014	3 513	0	58	660	60	6	10	0	0	38	120	0	0	20	0	0	329	0	700	2 000	5 513
<b>Reduction (to be identified)</b>																					
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	-2 085	0	1 908	177	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2 085	0
<b>Subtotal Management</b>																					
2013	50 715	329	5 285	962	155	2 710	329	1 126	109	765	2 144	7	11	152	51	25	197	0	1 395	15 751	66 466
2014	58 290	811	7 829	2 019	202	3 218	1 009	1 454	179	1 078	2 982	15	34	135	51	25	332	0	1 440	22 813	81 103
<b>ADMINISTRATION</b>																					
<b>Resource Management and Accountability – Office of the AED and CFO</b>																					
2013	767	0	20	0	3	70	0	0	0	6	34	0	0	2	0	0	0	0	5	140	907
2014	800	0	20	0	8	70	0	0	0	6	34	0	0	2	0	0	0	0	0	140	940
<b>Business Innovation and Support</b>																					
2013	1 172	0	0	10	0	40	0	0	0	0	46	0	0	0	0	0	0	0	2	97	1 269
2014	1 223	0	0	10	0	30	0	0	0	5	46	0	0	0	0	0	0	0	2	93	1 316



**TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)**

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>Budget and Programming</b>																					
2013	5 974	0	38	160	10	26	0	0	0	40	112	0	0	0	0	0	0	0	0	386	6 361
2014	6 714	0	400	250	50	70	0	0	0	80	180	0	0	0	0	0	0	0	0	1 030	7 743
<b>Finance and Treasury</b>																					
2013	6 805	172	39	31	53	119	34	0	11	0	141	0	0	0	3	0	0	0	0	603	7 408
2014	7 117	200	50	31	35	110	30	7	12	50	180	0	0	0	3	0	0	0	0	708	7 825
<b>Performance Management and Monitoring</b>																					
2013	2 848	0	150	0	0	53	0	0	0	0	38	0	0	0	0	0	0	0	39	281	3 128
2014	2 837	0	200	30	8	88	21	0	0	40	60	0	0	0	0	0	0	0	0	446	3 284
<b>Management Services</b>																					
2013	5 382	124	1 095	240	107	254	285	0	3 009	1 520	1 277	150	167	2	70	0	0	0	0	8 297	13 679
2014	6 555	124	530	240	101	254	285	0	3 158	1 500	1 401	250	167	0	70	0	0	0	0	8 079	14 634
<b>Reduction (to be identified)</b>																					
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	-542	0	332	210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	542	0
<b>Subtotal Administration</b>																					
2013	22 947	296	1 342	441	172	563	318	0	3 020	1 566	1 648	150	167	4	73	0	0	0	45	9 804	32 751
2014	24 705	324	1 532	771	201	621	335	7	3 170	1 682	1 901	250	167	2	73	0	0	0	2	11 038	35 742
<b>Central Appropriations</b>																					
2013	2 715	0	2	0	5	580	0	0	0	200	7	1 375	0	1	1 317	2 500	0	70	795	6 852	9 568
2014	3 808	0	483	0	0	170	0	0	0	605	0	1 183	0	0	1 502	3 202	0	100	1 676	8 921	12 730

TABLE A.I.3: PSA BUDGET BY ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2013 AND 2014 (US\$ thousand)

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies and Other Office Expenses	Comm/IT Services and equipment	Insurance	Vehicle Leasing and Running Costs	Hospitality	Services from other agencies	Contribution UN bodies	Governing Body	Legal Services	Other	Total Non-Staff Cost	TOTAL
<b>TOTAL MANAGEMENT AND ADMINISTRATION</b>																					
2013	76 377	625	6 628	1 403	332	3 853	647	1 126	3 129	2 531	3 798	1 532	178	157	1 441	2 525	197	70	2 235	32 408	108 785
2014	86,804	1 134	9 844	2 790	403	4 009	1 344	1 461	3 350	3 365	4 883	1 448	201	137	1 626	3 227	332	100	3 118	42 771	129 575
<b>GRAND TOTAL</b>																					
2013	170 669	14 395	9 781	3 410	475	7 914	1 335	3 463	3 756	4 385	14 133	1 582	891	195	6 369	3 597	197	70	2 483	78 431	249 100
2014	189 399	17 285	14 006	5 839	536	9 077	2 115	4 113	4 099	4 935	14 814	1 505	962	179	5 499	3 595	332	100	3 400	92 393	281 792

## ANNEX II

## DETAILS OF PSA BUDGET PROPOSAL FOR 2014 BY APPROPRIATION LINE

1. Table A.II.1 shows the PSA budget by appropriation line for 2012, 2013 (estimated) and 2014 (projected). The “Total cost” columns include staff and non-staff costs. The “Total” columns under “Post counts” include international professional and national staff.

	2012 expenditures			2013 estimated			2014 projected		
	Post counts		Total cost (US\$ mill.)	Post counts		Total cost (US\$ mill.)	Post counts		Total cost (US\$ mill.)
	Prof.	Total		Prof.	Total		Prof.	Total	
Programme support — Regional bureaux and country offices	176	657	73.2	193	736	85.7	227	774	96.7
Programme support — Headquarters	169	322	70.3	166	276	54.7	161	276	55.5
Management and administration	266	489	103.4	254	515	108.8	286	548	129.6
<b>TOTAL</b>	<b>611</b>	<b>1 468</b>	<b>246.9</b>	<b>613</b>	<b>1 527</b>	<b>249.1</b>	<b>674</b>	<b>1598</b>	<b>281.8</b>

### Programme Support – Regional Bureaux and Country Offices

⇒ *Regional bureaux*

2. The regional bureaux are the first line of support for country offices and provide a voice for Country Directors. As part of WFP Global Headquarters they carry forward WFP’s commitment to the decentralization of responsibility and decision-making authority by enhancing management effectiveness, partnerships, operational oversight and coherence at the regional and country levels and by ensuring that WFP’s strategy and policies are implemented.
3. Their main functions are to:
- provide guidance, policy support and direction for WFP operations;
  - support management and supervise country offices’ programme of work;
  - monitor country office programme performance;
  - provide oversight on management and budgetary matters; and
  - provide functional support to country offices so that they have the technical and operational capacities they need, and facilitate sharing of technical resources among country offices.

4. Table A.II.2 shows the distribution of PSA posts and costs by regional bureau and for the country offices as a whole. In accordance with Fit for Purpose, most of the increase in recurring investments – US\$9.8 million or 62 percent – is for regional bureaux and country offices, which will receive 34 percent of the US\$281.8 million projected PSA budget for 2014.
5. As in Table A.II.1, the “Total cost” columns include staff and non-staff costs and the total post counts include international professional and national staff.

<b>TABLE A.II.2: PROGRAMME SUPPORT — REGIONAL BUREAUX AND COUNTRY OFFICES</b>									
	2012 expenditures			2013 estimated			2014 projected		
	Post counts		Total cost (US mill.)	Post counts		Total cost (US mill.)	Post counts		Total cost (US mill.)
	Prof.	Total		Prof.	Total		Prof.	Total	
OMB	15	39	7.9	17	48	9.1	23	53	10.9
OMC	17	41	6.2	17	57	6.8	23	63	9.0
OMD	20	49	8.1	22	57	8.7	25	64	10.2
OMJ	11	38	6.1	14	46	7.0	19	54	8.5
OMN	14	41	7.5	20	65	9.4	24	69	10.9
OMP	10	33	5.0	12	43	5.3	16	51	6.7
Country offices	87	416	32.4	91	420	39.5	97	420	40.5
<b>TOTAL</b>	<b>176</b>	<b>657</b>	<b>73.2</b>	<b>193</b>	<b>736</b>	<b>85.7</b>	<b>227</b>	<b>774</b>	<b>96.7</b>

⇒ *Country offices*

6. Country offices are the centre of gravity for WFP. Their main responsibilities are to:
- design and implement projects and programmes in accordance with the WFP Strategic Plan and WFP policies, and to deliver, monitor and demonstrate results while ensuring alignment with the United Nations country team;
  - assume full accountability for the management of country office resources, including human resources, and for the coordination of staff safety and security;
  - develop partnerships with national authorities, NGOs, civil-society groups, donors, the private sector, and financial and research institutions to increase programme effectiveness; and
  - plan and implement initiatives and use new tools.

7. The PSA is allocated according to country office size, as shown in Table A.II.3.

<b>TABLE A.II.3: STANDARD STRUCTURE OF COUNTRY OFFICES</b>		
<b>Size of office</b>	<b>PSA allocation</b>	<b>Number of offices</b>
Very Large	1 Country Director	12
Large	1 Country Director	11
Medium	1 Country Director plus US\$150,000 for operating costs, including for national PSA-funded staff	18
Small	1 Country Director plus US\$200,000 for operating costs, including for national PSA-funded staff	22
Very small	1 Country Director plus US\$250,000 for operating costs, including for national PSA-funded staff	15
<b>TOTAL</b>		<b>78</b>

\* In addition, a total of 27 P-3 positions are allocated to country offices to provide strategic and targeted support to field operations.

### **Programme Support – Headquarters**

8. Table A.II.4 shows the PSA budget for programme support at Rome Headquarters for 2012, 2013 (estimated) and 2014 (projected).
9. As in Table A.II.1, the “Total cost” columns include staff and non-staff costs and the total post counts include international professional and national staff.

<b>TABLE A.II.4: PROGRAMME SUPPORT—ROME HEADQUARTERS</b>									
	2012 expenditures			2013 estimated			2014 projected		
	Post counts		Total cost* (US\$ mill.)	Post counts		Total cost* (US\$ mill.)	Post counts		Total cost* (US\$ mill.)
	Prof.	Total		Prof.	Total		Prof.	Total	
<b>Operations Management</b>									
Office of the DED and COO	5	8	1.9	4	10	1.7	5	13	2.3
Gender Office**	-	-	-	3	4	0.9	3	4	0.9
Field Security Division	4	5	1.0	4	5	1.0	4	5	1.1
Emergency Preparedness Division	8	11	2.2	9	11	2.2	9	11	2.3
<b>Operations Services</b>									
Office of the AED	-	-	-	2	4	0.9	2	4	0.9
Strategic Planning Office	-	-	-	3	3	1.0	3	4	1.2
Nutrition Advisory Office	6	6	1.5	1	2	0.5	1	2	0.5
NGO Partnerships Office	-	-	-	1	1	0.3	-	-	-
Policy, Programme and Innovation Division**	-	-	-	34	46	8.9	34	46	9.2
Programme Division**	33	44	8.3	-	-	-	-	-	-
Logistics Division	44	84	13.3	41	79	12.2	41	79	12.9
Procurement Division	12	23	4.3	16	28	4.8	15	28	5.0
Information Technology Division	47	76	23.0	47	82	19.6	45	81	19.1
Dubai Office	-	-	-	1	1	0.7	-	-	-
Management Services Division**	10	65	14.8	-	-	-	-	-	-
<b>Reduction (to be identified)</b>	-	-	-	-	-	-	(1)	(1)	-
<b>TOTAL</b>	169	322	70.3	166	276	54.7	161	276	55.5

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

\*\* 2013 reflects the new organizational structure. For 2012, the Policy, Planning and Strategy Division and Gender were included under the Management appropriation line. In 2013 the Policy, Planning and Strategy Division has been merged with the Programme Division into the Policy, Programme and Innovation Division. The Management Services Division was moved to Administration (see Table A.II.5) to reflect the Division's alignment with the Resource Management and Accountability Department. The NGO Partnerships Office, previously reported under the Multilateral and NGO Relations Division in 2012, in 2013 was moved to Operational Services and in 2014 is included under Partnership and Governance Services Department.

## Management and Administration

10. Table A.II.5 provides a breakdown of management and administration costs and the staff count for 2012, 2013 (estimated) and 2014 (projected).

<b>TABLE A.II.5: MANAGEMENT AND ADMINISTRATION</b>									
	<b>2012 expenditures</b>			<b>2013 estimated</b>			<b>2014 projected</b>		
	<b>Post counts</b>		<b>Total cost* (US\$ million)</b>	<b>Post counts</b>		<b>Total cost* (US\$ million)</b>	<b>Post counts</b>		<b>Total cost* (US\$ million)</b>
	<b>Prof.</b>	<b>Total</b>		<b>Prof.</b>	<b>Total</b>		<b>Prof.</b>	<b>Total</b>	
<b>MANAGEMENT</b>									
Office of the Executive Director	8	17	<b>4.0</b>	8	17	<b>4.0</b>	8	16	<b>4.2</b>
Policy, Planning and Strategy Division	15	20	<b>4.7</b>	-	-	-	-	-	-
Gender Office**	2	2	<b>0.5</b>	-	-	-	-	-	-
Communications Division	26	40	<b>9.9</b>	22	34	<b>8.2</b>	22	33	<b>8.7</b>
Human Resources Division	45	96	<b>13.7</b>	45	97	<b>14.0</b>	48	100	<b>15.8</b>
Legal Office	13	18	<b>3.2</b>	13	18	<b>3.5</b>	14	19	<b>3.7</b>
Inspector General and Oversight Office	28	37	<b>6.8</b>	29	36	<b>7.6</b>	29	37	<b>8.0</b>
Office of Evaluation	8	11	<b>4.9</b>	8	11	<b>5.3</b>	9	12	<b>5.4</b>
Office of the Ombudsman	1	2	<b>0.5</b>	1	2	<b>0.6</b>	1	3	<b>0.7</b>
Ethics Office	1	2	<b>0.5</b>	1	2	<b>0.5</b>	1	2	<b>0.6</b>
Office of Hunger Solutions **	1	3	<b>0.7</b>	-	-	-	-	-	-
<b>Partnership and Governance Services Department</b>									
Office of the AED	2	4	<b>1.0</b>	2	4	<b>0.9</b>	3	6	<b>1.7</b>
Dubai Office	-	-	-	-	-	-	2	2	<b>0.9</b>
Rome-based Agencies	-	-	-	3	4	<b>0.9</b>	3	4	<b>0.9</b>
NGO Partnerships Office	-	-	-	-	-	-	2	2	<b>0.5</b>
Private Sector Partnerships Division	3	4	<b>1.1</b>	3	4	<b>1.0</b>	31	36	<b>8.4</b>
Government Partnerships Division	18	37	<b>6.2</b>	17	34	<b>5.5</b>	17	34	<b>5.9</b>
Interagency Partnerships Division (NY)	5	8	<b>2.4</b>	5	8	<b>2.3</b>	5	8	<b>2.4</b>



<b>TABLE A.II.5: MANAGEMENT AND ADMINISTRATION</b>									
	<b>2012 expenditures</b>			<b>2013 estimated</b>			<b>2014 projected</b>		
	<b>Post counts</b>		<b>Total cost* (US\$ million)</b>	<b>Post counts</b>		<b>Total cost* (US\$ million)</b>	<b>Post counts</b>		<b>Total cost* (US\$ million)</b>
	<b>Prof.</b>	<b>Total</b>		<b>Prof.</b>	<b>Total</b>		<b>Prof.</b>	<b>Total</b>	
WFP Offices	18	32	<b>7.2</b>	17	31	<b>7.2</b>	19	33	<b>7.8</b>
Executive Board Secretariat	8	24	<b>5.0</b>	8	24	<b>5.0</b>	8	24	<b>5.5</b>
Multilateral and NGO Relations Division**	7	10	<b>1.6</b>	-	-	-	-	-	-
<b>Reduction (to be identified)</b>	-	-	-	-	-	-	(9)	(11)	-
<b>Subtotal Management</b>	<b>209</b>	<b>367</b>	<b>74.0</b>	<b>182</b>	<b>326</b>	<b>66.5</b>	<b>213</b>	<b>359</b>	<b>81.1</b>
<b>ADMINISTRATION</b>									
<b>Resources Management and Accountability Department</b>									
Office of the AED and CFO	2	3	<b>0.8</b>	2	4	<b>0.9</b>	2	4	<b>0.9</b>
Business Innovation and Support Office	6	9	<b>1.5</b>	5	7	<b>1.3</b>	5	7	<b>1.3</b>
Budget and Programming Division	18	43	<b>6.1</b>	18	43	<b>6.4</b>	18	48	<b>7.7</b>
Finance and Treasury Division	23	54	<b>7.8</b>	22	54	<b>7.4</b>	22	52	<b>7.8</b>
Performance Management and Monitoring Division	8	12	<b>2.0</b>	12	17	<b>3.1</b>	11	16	<b>3.3</b>
Management Services Division**	-	-	-	10	61	<b>13.7</b>	14	63	<b>14.6</b>
<b>Reduction (to be identified)</b>	-	-	-	-	-	-	(2)	(4)	-
<b>Subtotal Administration</b>	<b>57</b>	<b>122</b>	<b>18.3</b>	<b>69</b>	<b>185</b>	<b>32.8</b>	<b>70</b>	<b>186</b>	<b>35.7</b>
Central appropriations	-	-	<b>11.1</b>	3	3	<b>9.6</b>	3	3	<b>12.7</b>
<b>TOTAL</b>	<b>266</b>	<b>489</b>	<b>103.4</b>	<b>254</b>	<b>515</b>	<b>108.8</b>	<b>286</b>	<b>548</b>	<b>129.6</b>

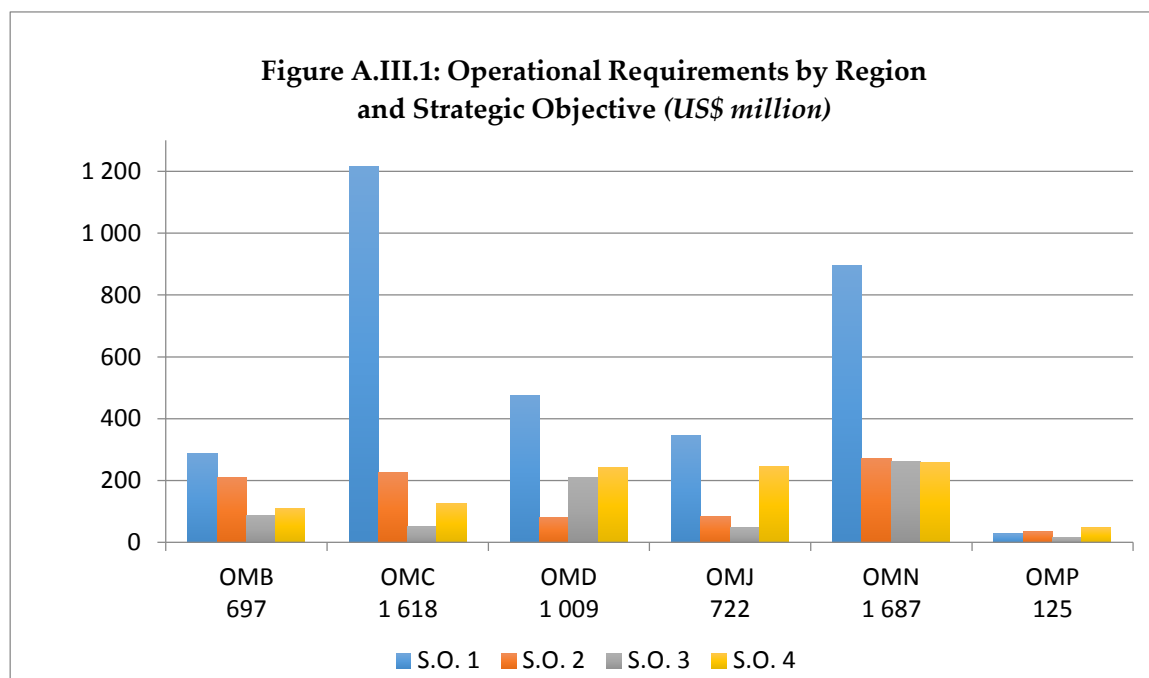
\* Total cost column reflects both staff and non-staff costs

\*\* 2013 reflects the new organizational structure. For 2012, the Policy, Planning and Strategy Division and Gender were included under the Management appropriation line. In 2013 the Policy, Planning and Strategy Division has been merged with the Programme Division into the Policy, Programme and Innovation Division. The Management Services Division was moved to Administration to reflect the Division's alignment with the Resource Management and Accountability Department. The NGO Partnerships Office, previously reported under the Multilateral and NGO Relations Division in 2012, in 2013 was moved to Operational Services and in 2014 is included under Partnership and Governance Services Department.

## ANNEX III

## OPERATIONAL REQUIREMENTS – REGIONAL OVERVIEWS

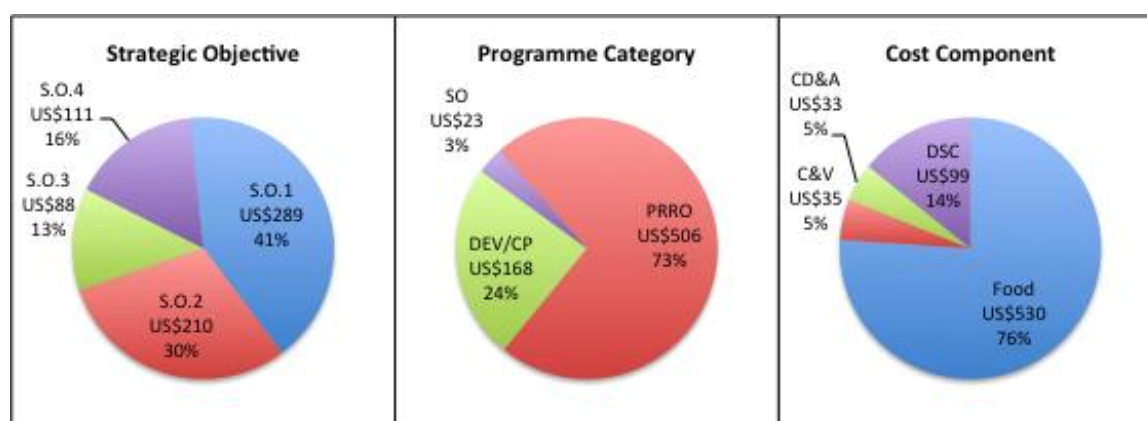
1. The following regional narratives outline projected operational requirements, the effect of the current context on programmes and implementation, and regional plans for supporting the Strategic Plan.
2. Requirements by region and Strategic Objective are shown in Figure A.III.1.



## Bangkok Regional Bureau

TABLE A.III.1: OMB OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$697 million
Number of beneficiaries	13.9 million
Tonnage of food	0.6 million mt
Number of operations	17
Countries with planned operations	12: Afghanistan, Bangladesh, Bhutan, Cambodia, the Democratic People's Republic of Korea, Indonesia, the Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka

Figure A.III.2: OMB Operational Requirements (US\$ million)



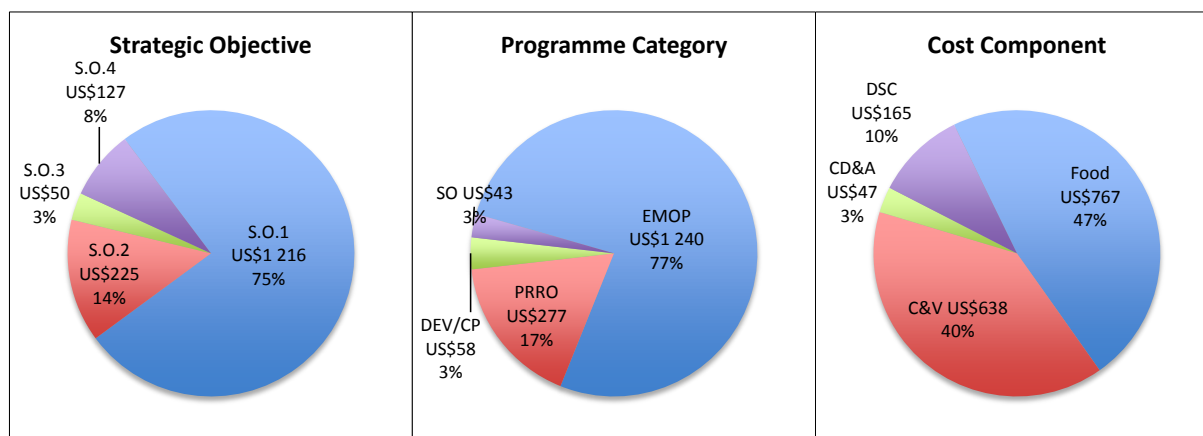
- The Asia region faces complex economic, political, social and environmental challenges exacerbated by food insecurity and alarming nutrition indicators. But the region includes several emerging middle-income countries and areas of rapid economic growth.
- Most of WFP's work in 2014–2016 will be in protracted relief situations in support of Strategic Objectives 1 and 3. The two largest interventions will be PRROs in Afghanistan and Pakistan: these have been refocused to reflect increasing restrictions on humanitarian access, security challenges and fluctuating funding. In both countries, WFP is seeking to reduce malnutrition, increase school attendance, address renewed displacement and reduce the risks to communities from natural disasters. The role of WFP's assistance in promoting stability is significant.
- WFP's work under Strategic Objective 4 will address the causes of long-term food insecurity in the region. CPs in Bangladesh, Cambodia, Indonesia, the Lao People's Democratic Republic and Nepal will continue the transition from direct implementation to enhancement of government capacities to address hunger and malnutrition. The largest increases in capacity development are in Cambodia, Indonesia and the Lao People's Democratic Republic: WFP will support these governments through school feeding, emergency preparedness and response, and disaster risk management. In Bhutan, WFP plans to work towards a full hand over of management and implementation of the national school feeding programme to the Government in 2018. In India, it will help the Government to scale up biometric technology to identify beneficiaries of the public distribution system and eliminate duplications and inconsistencies. WFP's final CP in India will end in 2013; a bilateral technical assistance programme will start in 2014.

6. Nutrition and preparedness are regional priorities. A joint initiative with UNICEF will be launched in 2014 to reduce stunting in two pilot countries through a multi-sectorial approach. Rice fortification projects featuring nutritious locally produced foods promote nutrition, with a focus on the 1,000-day window of opportunity: the long-term plan is for these products to be adopted by external aid projects and government healthcare, nutrition and safety net programmes, with eventual commercial sales at affordable prices.
7. WFP's joint plans for high-risk, high-impact scenarios will include governments, humanitarian organizations and military forces. The plans will feature capacity development for national disaster-management offices, particularly in logistics and emergency response. WFP will increase its collaboration with the Office for the Coordination of Humanitarian Affairs (OCHA) in preparedness for natural disasters, particularly in Bangladesh, Indonesia, Myanmar, Nepal and the Philippines.
8. Where C&V are the most effective form of transfer, WFP will distribute them alongside food as a tool for relief, asset creation and the promotion of sustainable livelihoods. C&V transfers will increase by 40 percent to US\$42 million between 2014 and 2016, with the largest increases in Afghanistan, the Lao People's Democratic Republic and Myanmar.
9. In the next three years, WFP will assist food-insecure and undernourished populations, internally displaced persons (IDPs) affected by conflict and disasters, returnees and other vulnerable communities. The most significant activities will be general distributions, school feeding, nutrition and asset creation: these enable WFP to save lives and protect livelihoods in the short term and to reduce risk and enable people to meet their own food and nutrition needs in the long term. The 2014 portfolio positions WFP to respond to wide-ranging needs in a complex and evolving region.

### Cairo Regional Bureau

TABLE A.III.2: OMC OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$1.62 billion
Number of beneficiaries	18.8 million
Tonnage of food	0.8 million mt
Number of operations	29
Countries with planned operations	16: Algeria, Armenia, Egypt, Iran (Islamic Republic of), Iraq, Jordan, the Kyrgyz Republic, Lebanon, Morocco, Palestine, the Sudan, the Syrian Arab Republic, Tajikistan, Tunisia, Turkey, Yemen

Figure A.III.3: OMC Operational Requirements (US\$ million)



10. The Cairo Regional Bureau includes many middle-income countries with fully functional markets. WFP's transition to food assistance modalities helps countries to shift away from direct food assistance to cash-based modalities. The Syrian crisis response is WFP's first major emergency in which food is not the main transfer mechanism; C&V modalities are also being implemented in Egypt, Iraq, Jordan, Lebanon, Palestine, the Sudan, Tunisia and Turkey.
11. Conflict and political instability have increased the numbers of vulnerable people, IDPs and refugees. WFP will continue to address short-term food insecurity and malnutrition and will focus on building the resilience of vulnerable people in line with Strategic Objectives 1 and 2. Security concerns will continue to be a challenge, particularly in Iraq, the Sudan, the Syrian Arab Republic and Yemen.
12. A priority under Strategic Objective 2 is to enhance risk-management capacities by combining risk reduction, emergency preparedness and resilience-building with a view to supporting country offices.
13. The number of IDPs in the Syrian Arab Republic doubled in the first half of 2013 to 4 million; the situation is not expected to improve as refugees seek shelter in neighbouring countries. The in-country and regional EMOP will be extended into 2014. Projected operational requirements are based on 4 million IDPs in the Syrian Arab Republic and 2.5 million refugees in neighbouring countries in the first half of 2014. Food assistance under the regional EMOP will be provided primarily through electronic vouchers so that beneficiaries can purchase preferred foods, thereby increasing dietary diversity and supporting local markets. The situation may improve by 2015, but the scale of destruction in the Syrian Arab Republic means that prolonged assistance will be needed for IDPs and refugees: in 2015, therefore, the operations will become two-year PRROs envisaging a gradual reduction in beneficiary numbers in 2015 and 2016.
14. WFP will continue to assist refugees in Algeria, Iran, Palestine, the Sudan and Yemen under Strategic Objectives 1 and 2 and to support vulnerable and displaced people in conflict and post-conflict countries such as Iraq and the Kyrgyz Republic.
15. The operational environment in the Sudan is complex. Since 2009, WFP has been restructuring its assistance while continuing its large-scale emergency assistance with a view to stabilizing livelihoods, building resilience, reducing dependence on food aid and building government and civil capacities to the point where WFP's assistance will no longer be required. This approach will be reflected in the 2014 EMOP and the PRRO in 2015 and beyond. WFP will continue to provide food assistance for people affected by conflict and shocks in Darfur, the Central, East and Three Areas states, South Kordofan and Blue Nile, where it is the only United Nations agency that has access.
16. WFP is changing its Yemen portfolio to focus on resilience and restructuring of the EMOP in response to alarming food and nutrition insecurity. The Yemen operations will include the region's largest proportion of special nutritious products in 2014.
17. Under Strategic Objectives 3 and 4, WFP will support national food-subsidy systems, enhancement of supply chain management and national food security monitoring systems, improvement of social protection and safety net systems, school feeding and adaptation to climate change. In partnership with governments and other partners, WFP will invest in capacity development in line with national plans to achieve sustainable impact.
18. WFP will maintain and scale up school feeding programmes in line with Strategic Objectives 3 and 4; new projects will be introduced in Jordan and the Kyrgyz Republic. WFP plans to assist the governments of Morocco and Tunisia with

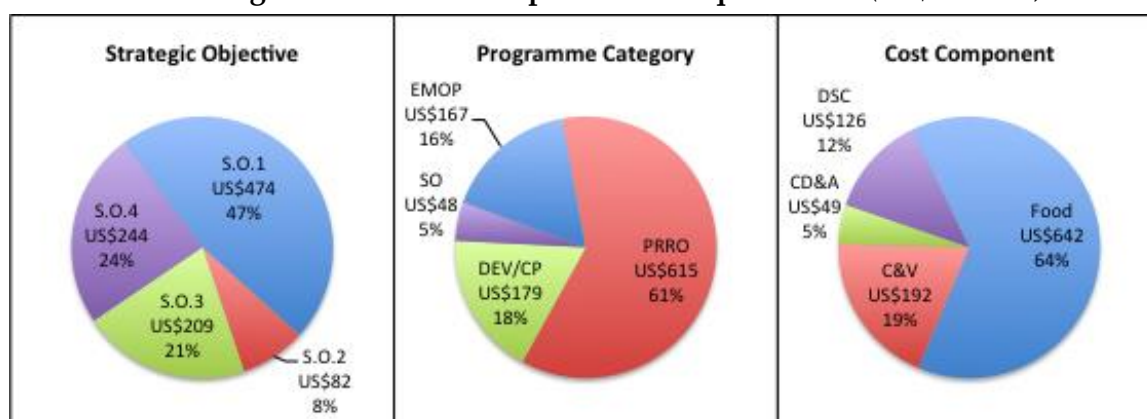
capacity development with a view to improving school feeding programmes as part of their safety-net and social-protection systems.

19. Under Strategic Objective 4, WFP will address nutrient deficiencies by augmenting the capacities of national authorities to address nutrition challenges. OMC has a double burden of malnutrition – stunting from chronic malnutrition and obesity from over-nutrition; in middle-income countries micronutrient deficiencies are still being reported, especially among children under 5 and women of childbearing age. In partnership with other stakeholders, WFP will enhance its capacity to support the design and implementation of nutrition responses according to national priorities.
20. WFP works with other United Nations agencies to draft country-specific United Nations Development Assistance Frameworks (UNDAFs), regional response strategies and frameworks for action in the context of transformational change with a view to achieving sustainable development outcomes.

### Dakar Regional Bureau

TABLE A.III.3: OMD OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$1.01 billion
Number of beneficiaries	12.5 million
Tonnage of food	0.6 million mt
Number of operations	40
Countries with planned operations	19: Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, the Niger, Sao Tome and Principe, Senegal, Sierra Leone, Togo

Figure A.III.4: OMD Operational Requirements (US\$ million)



21. The West Africa region faces high levels of food insecurity and malnutrition, compounded by chronic poverty, political instability, large-scale displacements, price volatility and natural disasters. Insecurity in Central African Republic, northern Mali and Nigeria exacerbate existing vulnerabilities.
22. Through its food and cash distributions under Strategic Objective 1, WFP will support beneficiaries identified in food security and nutrition assessments. The region's needs call for a balance between addressing acute needs and building long-term resilience. Life-saving,



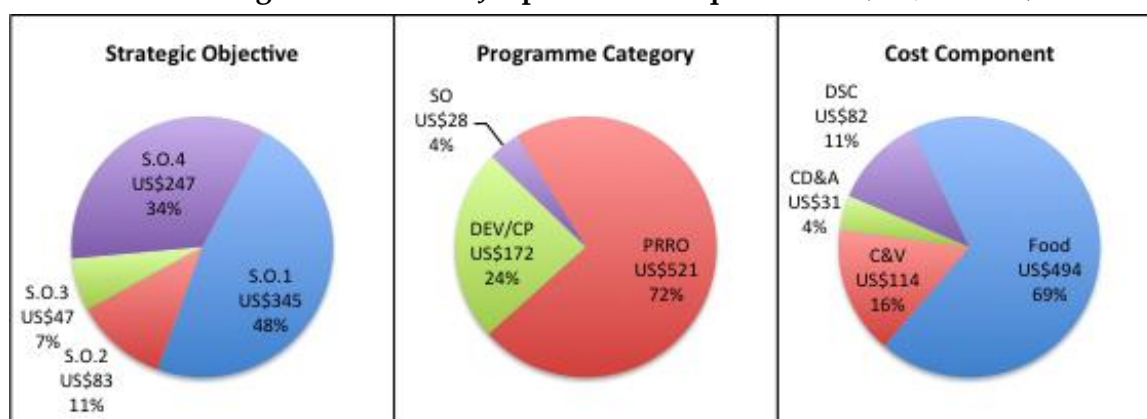
recovery and development activities must be mutually reinforcing, and resilience-building and capacity development must be mainstreamed into all programmes.

23. Tackling undernutrition is a priority: under Strategic Objective 4, Ghana, Mali, Mauritania, the Niger and Sierra Leone are investing in prevention of undernutrition by focusing on the first 1,000 days of life. WFP will implement targeted and blanket supplementary feeding programmes, and will support vulnerable people living with HIV and TB.
24. Under Strategic Objectives 2 and 3, WFP is committed to mitigating the impact of shocks and to strengthening resilience to future shocks. Asset-creation to promote resilience to shocks will be implemented with the participation of able-bodied community members. School feeding is implemented in most countries in the region, primarily in support of Strategic Objective 4.
25. The use of C&V interventions is expected to expand three-fold from 2013 planning levels; capacity development in the coming years will double the planned level for 2013. This reflects high levels of government ownership and capacity to implement programmes to reduce food insecurity and malnutrition. WFP provides capacity-development programmes, for example in Togo and Cape Verde, and a combination of technical and food assistance programmes with a view to gradual hand-over in Côte d'Ivoire, the Gambia, and Sao Tome and Principe.
26. WFP is focusing increasingly on resilience-building, recovery and other long-term activities, which will be implemented with partners such as governments and the Economic Community of West African States in a multi-sector integrated response in the 19 countries of the region. In Senegal, the R4 Rural Resilience Initiative to mobilize communities to build agricultural assets and to establish insurance, credit and savings systems is jointly piloted with Oxfam, building on established livelihood and safety-net programmes.
27. WFP and its partners will continue to address challenges related to small-scale farming – a significant sector for African countries – by supporting the Comprehensive Africa Agriculture Development Programme (CAADP), which offers an excellent opportunity for countries to increase agricultural productivity and reduce hunger in the long term; phase II of a P4P pilot is planned in Burkina Faso and Mali.
28. Partnerships with governments and stakeholders such as the Permanent Inter-State Committee on Drought Control in the Sahel, the Food and Agriculture Organization of the United Nations (FAO), Famine Early Warning System Network (FEWS NET), the International Fund for Agricultural Development (IFAD), the Office of the United Nation High Commissioner for Refugees (UNHCR), and UNICEF are fundamental to the food security, nutrition and market assessments that underpin WFP's interventions.

## Johannesburg Regional Bureau

TABLE A.III.4: OMJ OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$722 million
Number of beneficiaries	12.2 million
Tonnage of food	0.6 million mt
Number of operations	22
Countries with planned operations	10: The Congo, the Democratic Republic of the Congo (DRC), Lesotho, Madagascar, Malawi, Mozambique, Swaziland, the United Republic of Tanzania, Zambia, Zimbabwe

Figure A.III.5: OMJ Operational Requirements (US\$ million)



29. Countries in southern Africa are facing new challenges arising from environmental and social pressures. Apart from protracted humanitarian situations, 47 international humanitarian emergencies were identified between 2000 and 2012, and 14 million people required humanitarian assistance after floods. Conflict in Angola and DRC and political unrest in Madagascar, Mozambique and Zimbabwe has increased the number of vulnerable people. There are now 3 million people of concern in the region: DRC alone hosts 2.6 million IDPs and 140,000 refugees.
30. The region has a significant proportion of the world's worst levels of stunting and child mortality: of the 36 countries with significant numbers of stunted children, eight are in southern Africa with 11.8 million such children. OMJ also includes seven of the ten countries with the highest levels of HIV/AIDS: 8 million people are living with HIV, and each year 625,000 people become infected and 415,000 die.
31. Under Strategic Objective 1, WFP plans to reduce the impact of disasters through VAM, scenario planning and logistics expertise: it will work with the Southern African Development Community (SADC), revitalized regional and national vulnerability assessment committees and the new Africa Risk Capacity project.
32. WFP will address Strategic Objective 2 by initiating or improving disaster risk profiling in countries with recurrent emergencies, and by working with FAO on a joint disaster risk reduction roadmap that is being piloted in Mozambique, Zambia and Zimbabwe. WFP will continue to invest in preparedness in non-operational countries in collaboration with OCHA. Through FFW and FFA projects, WFP will help communities and governments to build resilience to shocks and develop effective responses.



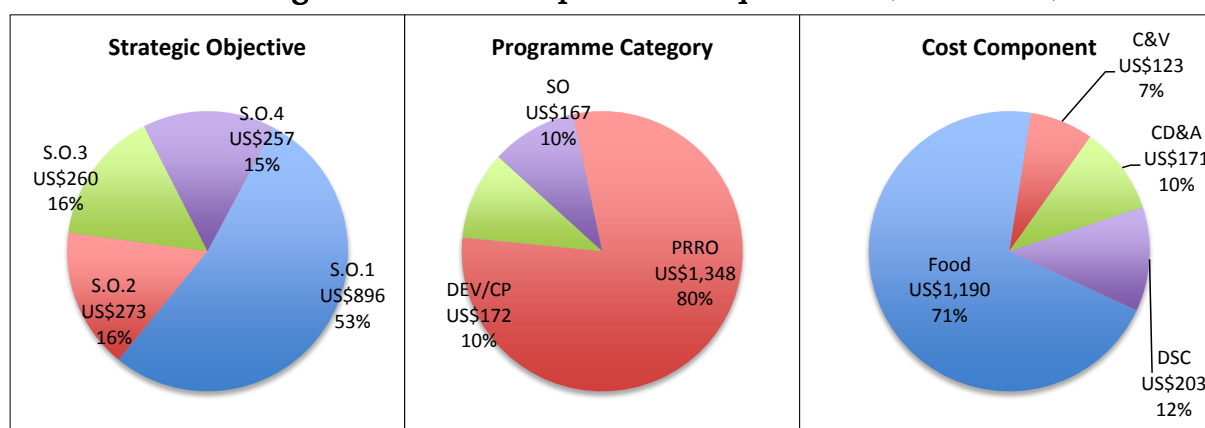
33. Strategic Objective 3 will be supported through school feeding, supplementary feeding and nutrition programmes for women, children and people living with HIV. Cash- and food-for-assets activities such as building dikes and roads will help to develop community resilience. The potential for expanding C&V transfers in 2014 will be explored in DRC, Malawi, Mozambique and Zimbabwe.
34. In support of Strategic Objective 4, WFP will address chronic hunger and undernutrition in accordance with its nutrition policy and the SUN framework; child undernutrition will be addressed by targeting adolescent girls and the 1,000 days from conception to age 2 and lactating women. Alignment with the United Nations Renewed Efforts Against Child Hunger and Undernutrition (initiative) (REACH) and memoranda of understanding with UNICEF and SADC will help to coordinate nutrition activities. WFP will continue to work on commercial and home fortification of food with NGOs and public-private partnerships such as the Global Alliance for Improved Nutrition; it will also provide technical and financial support for local industries with a view to enhancing local capacity for the production of affordable complementary foods for young children, ready-to-use foods and lipid-based nutrient supplements.
35. School feeding will target primary school aged children, especially orphans and other vulnerable children. In collaboration with UNFPA, WFP will pilot nutrition projects for adolescent girls in schools. Initiatives involving small-holder farmers will, where possible, be linked to school meals and home-grown school feeding to increase incomes. UNICEF, FAO, the World Health Organization (WHO) and WFP will continue to provide the essential package for schoolchildren, and will, with the Centre of Excellence in Brazil, increase national ownership and improve local management of school meals programmes in Lesotho, Malawi, Mozambique and Zambia.
36. Given the extraordinarily high prevalence of HIV, TB and undernutrition, WFP will accelerate the adoption of best practices for interventions addressing HIV, AIDS and nutrition, for example by enhancing HIV and nutrition-specific government safety nets as part of social protection systems.
37. Procurement in the region will rely on local and regional purchases when conditions are favourable. Initiatives such as P4P, which rely on partnerships with FAO, IFAD, the Alliance for a Green Revolution in Africa and the private sector, will target smallholder farmers, with an emphasis on women. The Forward Purchase Facility will enable WFP to optimize its timing and approaches for purchasing food in the region; this includes buying from Mozambique, the United Republic of Tanzania and Zambia as appropriate. OMJ will prioritize regional supply-chain management to minimize pipeline breaks and enable proactive responses to identified needs.
38. Gender inequality is a major issue, which is exacerbated by various forms of gender-based violence. Given the high rates of HIV prevalence, the burden on women has increased, and income generation and human development have been affected: WFP has therefore accelerated its mainstreaming of gender and created a joint action plan with UN-Women.
39. In alignment with its 2012 humanitarian protection policy, WFP has increased the protection element in food assistance activities, for example by monitoring potentially harmful practices in the field, providing training in protection issues, sensitizing stakeholders to gender-based violence and promoting safe firewood collection.
40. Work with inter-governmental organizations such as the Common Market for Eastern and Southern Africa and the Alliance for Commodity Trade in Eastern and Southern Africa will help to create an enabling policy environment to promote regional trade and enhance food and nutrition security. WFP will continue to help to develop CAADP agriculture and food

security investment plans with United Nations partners, governments, non-state actors, SADC, the African Union (AU) and NEPAD. Other partners for food security and related objectives include the Regional Inter-Agency Coordination Support Office and the regional UNDG.

## Nairobi Regional Bureau

TABLE A.III.5: OMN REGIONAL OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$1.69 billion
Number of beneficiaries	16.0 million
Tonnage of food	1.3 million mt
Number of operations	29
Countries with planned operations	8: Burundi, Djibouti, Ethiopia, Kenya, Rwanda, Somalia, South Sudan, Uganda

Figure A.III.6: OMN Operational Requirements (US\$ million)



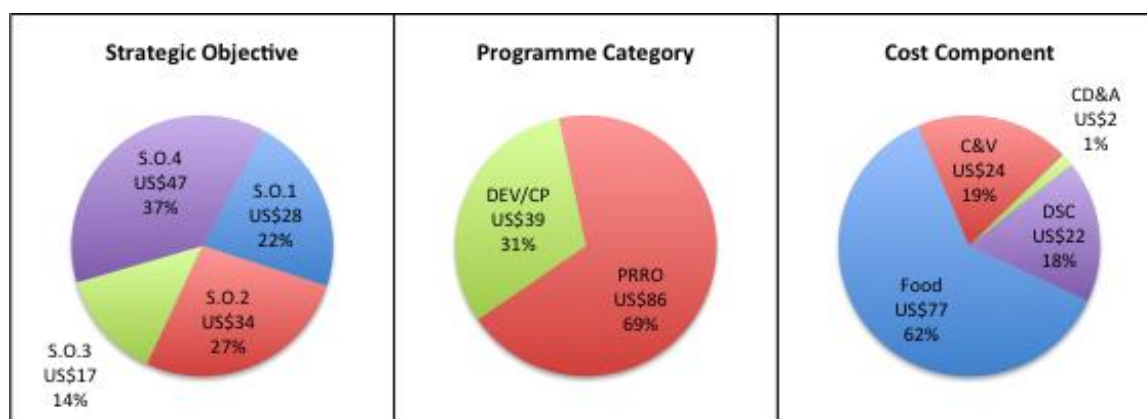
41. Political, environmental, economic and social challenges drive poverty and hunger in the East and Central Africa region, which has four of WFP's largest and most complex operations. The main issues shaping WFP's operations are vulnerability to conflict and recurrent shocks that often cause major population displacements. Addressing food insecurity and hunger requires building resilience, improving markets, reducing undernutrition and enhancing emergency response capacities. Partnerships with a variety of actors are essential, as is a commitment to enabling people, communities and countries to meet their food and nutrition needs.
42. Emergency response accounts for the largest proportion of requirements in the region. Under Strategic Objective 1, WFP will continue to support country-led efforts to save lives and protect livelihoods in emergencies by providing life-saving food assistance for people in need.
43. With partners such as FAO and UNICEF, WFP will support community resilience to shocks through safety nets, asset creation and C&V programmes. Food assistance supporting community asset creation and training accounts for 18 percent of operational needs, mainly under Strategic Objectives 2 and 3. Countries will also be helped in developing systems for early-warning, preparedness planning and disaster risk reduction.

44. The Nairobi Regional Bureau hosts more refugees than any other region. WFP will continue to support UNHCR in meeting the acute needs of refugees and building refugees' livelihoods and self-reliance: this will include the piloting of new approaches to achieve durable solutions in South Sudan and Uganda. Partnerships with governments, United Nations agencies and NGOs to support IDPs will draw on the full range of food assistance tools and will constitute a significant segment of operational requirements under Strategic Objectives 1, 2 and 4.
45. Reducing child and adult undernutrition is a regional priority. Recent studies highlight the economic cost of undernutrition: the 2013 Cost of Hunger in Africa study, for example, estimates that Uganda loses 5.6 percent of its annual gross domestic product as a result of malnutrition and that Ethiopia loses 16.5 percent. WFP will work with governments and partners such as UNICEF to address high rates of malnutrition through targeted food and nutrition assistance programming under Strategic Objectives 2 and 4, and in line with the AU nutrition strategy, the REACH and SUN initiatives and the 1,000 Days Partnership. Regional suppliers are making new nutritional products available as part of the Forward Purchase Facility, thereby improving WFP's nutrition response capacity.
46. The enhancement of national capacities to address food insecurity and hunger accounts for 11 percent of OMN's planned operations for 2014. Country offices will work with governments, FAO, the World Bank and regional organizations to support regional food purchases, develop market infrastructure and link farmers to markets.
47. A 15 percent increase in the use of C&V is planned for 2014–2016 with a view to increasing cost efficiency, dietary diversity, support for markets and beneficiary decision-making. WFP will continue to prioritize gender analysis and mainstreaming and ensure that projects meet the needs of women, men, girls and boys.
48. WFP will extend its partnerships with FAO, UNICEF, UNHCR, OCHA, UNDP, the World Bank, NGOs, the private sector and research institutions, and will continue to engage with the AU, the East African Community, the Intergovernmental Authority on Development and the Common Market for Eastern and Southern Africa (COMESA) to promote food security and resilience in the region.

## Panama Regional Bureau

<b>TABLE A.III.6: OMP OPERATIONAL REQUIREMENTS</b>	
Total operational requirements	US\$125 million
Number of beneficiaries	2.5 million
Tonnage of food	0.08 million mt
Number of operations	14
Countries with planned operations	10: Bolivia (Plurinational State of), Colombia, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Peru

Figure A.III.7: OMP Operational Requirements (US\$ million)



49. Poverty, inequality, natural disasters, economic shocks, volatile food prices, unemployment and migration drive food and nutrition insecurity, which affect vulnerable people disproportionately and reduce resilience to shocks.
50. To address food and nutrition security, WFP has adopted an integrated programming approach based on:
- supporting governments in improving social-protection networks;
  - supporting governments and communities in increasing resilience to natural disasters; and
  - improving marketing opportunities and agricultural production by small-scale farmers.
51. WFP supports governments in implementing more effective social safety nets to reduce hunger and undernutrition under Strategic Objective 4, which accounts for most of its operational requirements, for example through school feeding and nutrition programmes.
52. Emergency response, relief and recovery operations under Strategic Objective 1 help to improve food and nutrition security and hence help to maintain peace and stability. Emergency preparedness and response capacities are improving, but the impact of the investments will not be felt for some time.
53. A three-year emergency preparedness and response PRRO under Strategic Objectives 2 and 3 will support El Salvador, Guatemala, Honduras and Nicaragua in mitigating the effects of natural disasters. A new PRRO for Haiti in 2014 will aim to build resilience through activities such as FFW and FFA. Development programmes will continue in the Plurinational State of Bolivia, Cuba, Guatemala, Honduras and Nicaragua.
54. Cash and voucher modalities will be increased as alternatives to food: cash transfers could reach US\$21 million in 2014 compared with the 2013 target of US\$5.9 million.
55. WFP is well placed to provide technical assistance, capacity development and services for governments through country-specific trust funds. These are expected to amount to US\$40 million in 2014, compared with the 2013 forecast of US\$66 million, largely because Cuba's support for safety nets will end in 2013 and the Honduras school feeding trust fund will close in 2014. New interventions through trust funds are being developed, however, to support small-scale farmers in Cuba and El Salvador and promote food security and nutrition policies in Colombia.

56. Social protection schemes are opportunities for WFP to facilitate South–South cooperation and knowledge-sharing on food and nutrition security. WFP is the partner of choice in many countries for supporting plans for the eradication of hunger and under-nutrition: its cooperation agreements with several governments account for much of the regional portfolio in terms of beneficiaries reached and the size of programmes.

## ANNEX IV

## UNFORESEEN REQUIREMENTS, 2014

1. WFP's 2014 projected operational requirements are based on the foreseen needs of current operations and their logical extensions; the figures do not include unforeseen requirements that may arise during the year. Table A.IV.1 compares unforeseen requirements with the original programme of work.<sup>1</sup>

	<b>Original programme of work</b>	<b>Unforeseen requirements</b>	<b>Final programme of work</b>	<b>% increase</b>
2004–2005	4 784	1 076	5 860	22
2006–2007	6 198	252	6 450	4
2008–2009	5 792	5 987	11 779	103
2010	4 606	2 241	6 848	49
2011	4 347	1 764	6 111	41
2012	5 162	1 634	6 796	32
2013	5 317	1 356*	6 673*	26
Average (excl. 2008–2009)	3 801	1 041	4 842	27

\* Mid-year figures.

2. In view of inherent uncertainties in socio-political, environmental and economic factors, it is likely that WFP's 2014 Programme of Work will increase, but the magnitude of change is unknown. Excluding the 2008–2009 biennium, increases to the programme of work have varied from 4 percent to 49 percent, averaging 27 percent per year. The related contextual risks are included in the corporate risk register and summarized below.

### Socio-Political Factors

3. Socio-political instability, conflict, unemployment among young people, economic uncertainty and unstable food prices will continue to threaten food security in many areas where WFP operates. Interventions to address food insecurity, for example, are often hampered by security and access issues.
4. As noted in Section II, the fluid nature of the Syrian crisis calls for short-term planning up to June 2014; requirements until then are in line with 2013 estimates. It is premature to forecast and quantify unforeseen requirements and determine the appropriate mix of tools for the entire duration of the 2014 planning period. UNHCR and OCHA have adopted a similar planning approach.

<sup>1</sup> The Programme of Work comprises operational requirements and indirect support costs.

5. Prolonged conflict will affect the Syrian Arab Republic's economic infrastructure and could affect regional stability. A joint FAO/WFP crop and food security assessment in May and June showed the impact of declining agricultural production in terms of food insecurity and lost livelihoods. If the crisis remains unresolved, these conditions are expected to worsen.
6. WFP will continually assess and update its response plans to ensure an appropriate mix of transfer modalities and alignment with implementation capacity for large-scale C&V interventions. Preliminary indications for the latter half of 2014 range from US\$700 million to US\$800 million because trends in 2013 indicate continued increases in the number of beneficiaries.

### **Environmental Factors**

7. Unforeseen requirements may arise from natural disasters that affect food security; WFP's access to beneficiaries may be limited because national emergency response capacities and infrastructure are often inadequate.

### **Economic Factors**

8. Volatile food and fuel prices and currency fluctuations have a disproportionate impact on vulnerable groups and can reduce WFP's ability to implement programmes.
9. The FAO Food Price Index rose by 5 percent between June 2012 and June 2013. A decline of 1 percent in May 2013 was attributed to a drop in sugar and dairy prices.

### **WFP Cereal Index**

10. International food prices have a significant impact on WFP's food budget. WFP monitors prices through a cereal index and periodically compares prices used in budget planning with actual procurement rates.
11. Prices for wheat, maize, sorghum and rice are projected to remain stable or decline slightly in 2014 as a result of strong global production and increased stocks.

### **Fuel Index**

12. WFP monitors fuel price changes through a crude oil index by tracking Brent oil futures. Transport costs constitute a significant portion of WFP's direct operational costs; increased costs can limit WFP's ability to reach beneficiaries.
13. The index currently indicates a 5 percent decrease in oil futures compared with the 2013 planning period.



## ANNEX V

### REVIEW OF THE MANAGEMENT PLAN (2013–2015)

1. This section outlines changes affecting the Management Plan (2013–2015)<sup>1</sup> based on data available from August 2013.
2. The approved budget – including operational requirements, the PSA budget, special accounts and trust funds – was US\$5.66 billion. Income for the year was estimated at US\$3.70 billion.

### Programme of Work

3. As of August 2013, the estimated programme of work<sup>2</sup> for 2013 totalled US\$6.67 billion, an increase of 26 percent over the original projection of US\$5.32 billion. The programme of work increased in 43 countries, by a total of US\$1.54 billion, and decreased in 29 countries by a total of US\$178 million, resulting in a net increase of US\$1.36 billion, as shown in Table A.V.1.

<b>TABLE A.V.1: UNFORESEEN REQUIREMENTS BY PROGRAMME CATEGORY (2013) (US\$ million)</b>				
	<b>Original Management Plan</b>	<b>Unforeseen requirements*</b>	<b>Mid-year programme of work*</b>	<b>% change</b>
DEV/CP	898	-108	790	-12
EMOP	1 149	1 346	2 495	117
PRRO	2 996	79	3 075	3
SO	275	39	314	14
<b>TOTAL</b>	<b>5 317</b>	<b>1 356</b>	<b>6 673</b>	<b>26</b>

\* Unforeseen requirements and mid-year programme of work for 2013 are based on project budgets approved or submitted for approval by 25 August 2013.

4. Table A.V.2 provides a breakdown of the programme of work by cost component. In 2013, the proportion of cash and voucher interventions to total operational requirements increased from 10 to 14 percent. Most of this change is attributable to an increase of US\$405 million in the cash and voucher transfer value in the Syrian regional EMOP.

<sup>1</sup> WFP/EB.2/2013/5-A/1

<sup>2</sup> The term “programme of work” denotes operational requirements plus ISC.



	<b>Original Management Plan (US\$ million)</b>	<b>% of operational requirements</b>	<b>Mid-year programme of work* (US\$ million)</b>	<b>% of operational requirements</b>
Food	3 544	71	4 295	69
C&V	464	10	892	14
Capacity development and augmentation	304	6	305	5
DSC	657	13	744	12
Total operational requirements	4 969	100	6 236	100
ISC	348	-	437	-
<b>Total programme of work</b>	<b>5 317</b>	<b>-</b>	<b>6 673</b>	<b>-</b>

\* Unforeseen requirements and mid-year programme of work for 2013 are based on project budgets approved or submitted for approval by 25 August 2013.

5. Table A.V.3 presents the largest unforeseen requirements in 2013.

	<b>Original Management Plan (US\$ million)</b>	<b>Unforeseen requirements* (US\$ million)</b>	<b>Mid-year programme of work* (US\$ million)</b>	<b>% increase</b>
Syrian crisis**	156	949	1 105	608
Mali-related***	77	136	213	176
Malawi	56	51	107	92
South Sudan	422	40	462	9
Pakistan	193	37	230	19

\* Unforeseen requirements and mid-year programme of work for 2013 are based on project budgets approved or submitted for approval by 25 August 2013.

\*\* Egypt, Iraq, Jordan, Lebanon, Syrian Arab Republic and Turkey.

\*\*\* Burkina Faso, Mali, Mauritania and the Niger.

6. The worsening situation in the Syrian Arab Republic and the increasing numbers of Syrian refugees in Egypt, Iraq, Jordan, Lebanon and Turkey has resulted in the highest unforeseen requirements in 2013. The latest budget revisions for the Syrian EMOP reflect WFP plans to: i) increase the number of targeted beneficiaries to 4 million; ii) increase the number of children receiving blanket supplementary feeding and extend the intervention from 90 to 180 days; and iii) include ready-to-eat rations to sustain people during the initial days of their displacement. An approved budget increase has extended the regional EMOP to December 2013, scaled-up beneficiary planning figures and significantly expanded the use of cash and vouchers.

7. WFP's emergency food assistance in Mali was consolidated into a single EMOP to address the urgent needs of food-insecure and vulnerable people in northern Mali, and displaced households and fragile host families affected by the drought in the south. Most of the additional requirements are for the increase in targeted food and cash assistance and for supplementary feeding. The Mali regional EMOP has been extended to December 2013 to provide essential assistance to Malian refugees and vulnerable host communities in Burkina Faso, Mauritania and the Niger. Increased requirements are for targeted food and cash assistance, nutrition interventions and emergency school feeding.
8. Operational requirements in Malawi are expected to increase from the start of the lean season in October 2013; an emergency food security assessment in June 2013 estimated that up to 1.93 million people will experience shortfalls in household food availability. WFP is preparing an emergency response.
9. Operational requirements in South Sudan have increased because the continued food security and nutrition crisis has resulted in a scale-up of market-based interventions and an increase in food requirements.
10. An approved budget revision to Pakistan's PRRO enables WFP to meet the emergency food needs of individuals affected by law and order operations in the Federally Administered Tribal Areas; people still suffering the effects of the 2012 monsoon floods also have significant needs. Overall, an additional 1.04 million beneficiaries will be reached.

### Projected Income

11. The Management Plan (2013–2015) was based on forecasted income of US\$3.70 billion in 2013, generating US\$236 million of ISC income. The latest income projections for 2013 indicate a level of US\$4.0 billion, which would generate approximately US\$255 million of ISC income. This forecast is in line with past trends: the contributions through mid-September of 2013 are 5.2 percent higher than those mobilized in the corresponding period in 2012; and WFP has reached an income level of US\$4.0 billion in four of the last five years.

### PSA Budget

12. A regular PSA budget of US\$249.1 million was approved for 2013 – US\$86.3 million for programme support in regional bureaux and country offices, US\$54.0 million for programme support at Headquarters, and US\$108.8 million for management and administration.<sup>3</sup>
13. A supplementary PSA investment of US\$20.0 million was approved in 2013 to support the changes outlined in the Framework for Action and Fit for Purpose documents. This allocation enabled WFP to make the staff changes necessary for the new organizational structure and to introduce several new workstreams to strengthen operations in line with the Fit for Purpose shift. Annex VI provides additional information on the actions undertaken or planned to manage these changes.

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<sup>3</sup> Following Board approval of the private-sector partnerships and fundraising strategy (WFP/EB.A/2013/5-B), an adjustment of US\$7.4 million for mainstreaming private-sector work into the PSA resulted in a 2013 PSA baseline of US\$256.5 million.

14. Several expenditures were approved from the unearmarked portion of the General Fund. The security special account established in 2012 was used for UNDSS payments and field security costs, and the General Fund will provide up to US\$10.0 million to cover security expenditures that cannot be charged to projects. The US\$400,000 from the General Fund approved for finalizing the treasury management system brings the total investment in this system to US\$2.0 million. The system will be implemented from 2013 and is expected to result in cost savings of at least US\$2.5 million per year.

### Trust Funds and Special Accounts

15. Table A.V.4 compares the revised forecast for the 2013 trust funds and special accounts budget with the forecast in the Management Plan (2013–2015). While the budget for trust funds is expected to remain as forecast, the special accounts budget is expected to decrease by 11 percent, mainly because of reduced needs for the aviation, GVLP and ICT special accounts.
16. In 2013, corporate trust funds have supported the enhancement of WFP's organizational capacity and effectiveness, mainly by funding activities such as P4P; C&V; food quality, food safety and nutrition; emergency preparedness and response; gender; capacity development; and performance management.

<b>Table A.V.4: REVISED 2013 FORECAST OF SPECIAL ACCOUNTS AND TRUST FUNDS</b>			
	<b>Management Plan (2013)</b>	<b>2013 revised forecast</b>	<b>Increase/decrease as % of Management Plan</b>
Trust funds	233.3	232.7	0
Special accounts	179.6	160.1	-11
<b>TOTAL</b>	<b>412.9</b>	<b>392.8</b>	<b>-5</b>

17. Country-specific trust funds are received at country level. Most are from host governments, and enable country offices to work with governments to manage and implement programmes aligned with WFP's Strategic Objectives. During 2013, most country-specific trust funds continued to be for the Latin America and Caribbean region, which accounted for 92 percent of the total, particularly for school feeding in Cuba, El Salvador and Honduras, and capacity development in Colombia.
18. In 2013, special accounts continued to support such initiatives as aviation, UNHRD, ICT, GVLP and logistics.

## ANNEX VI

### OVERVIEW OF SUPPLEMENTARY PSA APPROPRIATIONS

1. In July 2012, the Executive Director launched a process of organizational strengthening. The Framework of Action and Fit for Purpose documents charted a new direction for WFP. The 2013–2015 Management Plan reflected this direction and introduced a realigned structure for WFP, which was put into place in February 2013.
2. To start the change management process, which is expected to take at least two years, the 2013–2015 Management Plan contained a provision for US\$20 million supplementary allocation from the PSA. These supplementary PSA investments were required to establish: i) a fund to provide flexibility in managing staff changes; and ii) a change management package focusing on implementation of the Framework for Action.
3. This annex provides information on the actions undertaken and planned as part of the change management package.

#### Funding for Flexibility in Staff Changes

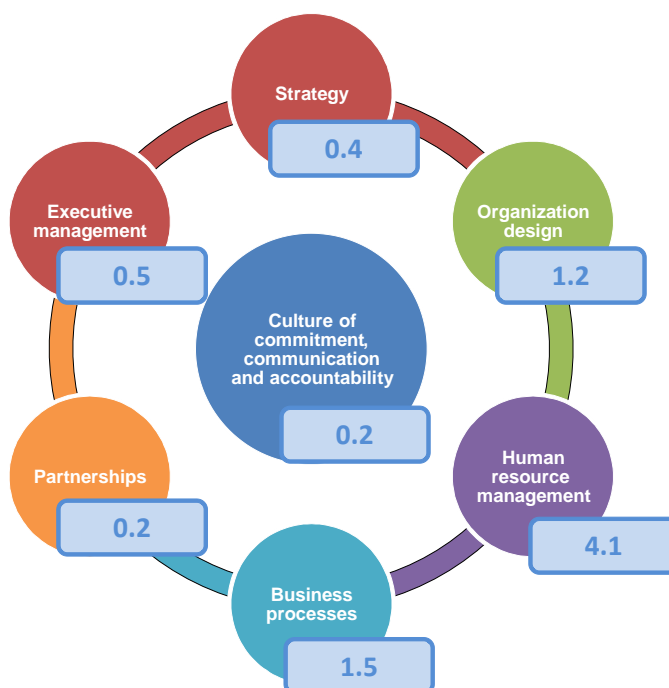
4. About half – US\$10.1 million – of the supplementary PSA allocation was devoted to the costs of managing staff changes resulting from the Fit for Purpose organizational design and realignment. These funds were used to ensure that WFP has the right staff in the right positions through: i) implementation of a special reassignment exercise associated with the organizational restructuring under Fit for Purpose principles; and ii) an agreed separation programme offered to WFP staff.
5. The special reassignment exercise involving both senior and other professional staff: was implemented in support of the new organizational design. More than 100 senior professional posts and 450 other professional posts were considered in the special reassignment process, which was intended to ensure that WFP's leadership and professional positions were realigned to the changed organizational structure following the Fit for Purpose exercise. The process required US\$3.4 million in costs to cover the increased number of international reassignments as well as staff costs incurred while positions were moved and reassignments were taking place.
6. The remaining US\$6.7 million of the transition costs were related to the agreed separation programme taking place in 2013. This programme was open to directors and international professional staff, along with general service staff at Headquarters and liaison offices. The 2013 programme included separations of 12 directors (US\$2.1 million), 28 international professionals (US\$3.2 million) and 11 general service staff (US\$1.3 million).<sup>1</sup> The preponderance of staff in higher-grade positions – Director, P5, P4, G6 – participating in the programme has provided management with more flexibility to manage staff changes, as identified in the 2013–2015 Management Plan and, when combined with the special senior reassignment, allowed many competent staff members with proven abilities to assume leadership roles.

<sup>1</sup> In addition to the 2013 exercise, in 2012, the Board also approved the use of up to US\$10 million from the Self-Insurance Fund for a targeted separation programme. Of this allocation, US\$9.998 million was utilized for 154 agreed separations: 8 directors, 28 international professionals, 21 general service staff and 97 national staff.

## Organizational Strengthening Themes and Workstreams

7. The Framework for Action identified seven inter-related themes: strategy; organizational design; human resource management; business processes; partnerships; executive management; and culture of commitment, communication and accountability.
8. Within these themes, management identified several workstreams where actions were needed to strengthen the organization of WFP. While some workstreams focused on implementing transformational improvements, others required further analysis to diagnose the improvements needed prior to implementation.
9. The Chief of Staff was assigned to lead the change process, supported by a small change management team from the Business Innovation and Support Office in the Resource Management and Accountability Department. The responsibility for managing each workstream and accountability for its successful implementation were assigned to individual senior managers. A steering group chaired by the Chief of Staff managed the inter-relationships among workstreams.
10. Of the remaining US\$9.9 million available, US\$8.0 million has been allocated to activities associated with change management (see Figure A.VI.1).
11. Total projected expenditures of the US\$20 million supplementary PSA are expected to be between US\$16 and US\$18 million.

**Figure A.VI.1: Supplementary PSA allocations by organizational strengthening theme (all figures in US\$ million)**



## Details Relating to Individual Workstreams

12. Details of the objectives, rationale and progress of individual workstreams are outlined in Table.A.VI.1

**TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS**

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Strategy	1.1 Operationalizing the Strategic Plan  (completed)	Identify and remove the obstacles that prevent WFP from fully implementing the Strategic Plan <b>Rationale.</b> WFP experienced a proliferation of new initiatives for developing new tools in line with the strategic shift from food aid to food assistance. These initiatives have not always been synchronized with the needs identified in the field and are not consistently integrated into core business processes	<b>Phase 1:</b> Analysis and development of recommendations through a workshop for Regional Directors and consultations with Country Directors to analyse and develop recommendations for investments needed at the regional and country levels. Presentation of findings to the Executive Management Group (EMG) for approval <b>Phase 2:</b> Support to the transition, in coordination with other change processes in WFP. Consideration of approved recommendations during preparation of the Management Plan (2014–2016) and establishment of a QCPR Reference Group document	<ul style="list-style-type: none"> <li>Gaps in meeting the Strategic Objectives assessed</li> <li>Recommendations aligned with further actions, including the necessary investments</li> <li>Inputs to the Management Plan (2014–2016) made as necessary</li> <li>Lessons learned to assist implementation of the new Strategic Plan gathered</li> </ul>	Assistant Executive Director for Operations Services
Organization design	2.1 Organization design transition  (completed)	Ensure the effective transition of the new organization design <b>Rationale.</b> Implementation of the new organization design requires coordination to ensure a smooth and effective transition	<b>Phase 1:</b> Preparation and implementation of the special reassignment process <b>Phase 2:</b> Support the transition, by defining requirements, establishing a transition support unit and developing hand-over/transition checklists <b>Phase 3:</b> Institutionalization of the organizational changes, ensuring effective hand-over	<ul style="list-style-type: none"> <li>New organization design implemented as planned in February 2013</li> <li>Learning and feedback from the reassignment and transition processes used to inform and improve the regular reassignment and other human resources processes</li> </ul>	Chief of Staff



**TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS**

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Organization design	2.2 Regional bureaux organization design implementation  (in progress)	Ensure an effective and coordinated transition to the redefined role for regional bureaux <b>Rationale.</b> The new organizational design empowers regional bureaux to provide more support to WFP operations and activities in their regions. The transition of regional bureaux to their redefined roles and accountabilities requires review and possible adaptation of operational and organizational structures, taking into consideration regional strategies and specific country office support needs	<b>Phase 1:</b> Review of new regional bureau roles and accountabilities to assess the required changes in operations and to propose a standardized, basic organizational structure and functions for regional bureaux <b>Phase 2:</b> Assist the regional bureau transition planning through analysis of the gaps between current and target states, at workshops for Deputy Regional Directors. Presentation of findings, including an action plan for the transition <b>Phase 3:</b> Implementation through the integration of regional bureau requirements into the Management Plan (2014–2017)	<ul style="list-style-type: none"> <li>Standardized basic template for the organizational structure and functions of regional bureaux developed</li> <li>Regional bureau transition plans prepared</li> <li>All relevant functions transferred from Headquarter to the regional bureaux</li> <li>Regional bureau support to country offices provided in line with targets</li> </ul>	Deputy Executive Director and Chief Operating Officer
Organization design	2.3 Country presence review  (in progress)	Evaluate WFP’s country presence against the overarching organizational objectives stated in the 2014–2017 Strategic Plan, hunger and malnutrition trend lines and strategic partnership opportunities <b>Rationale.</b> WFP’s field presence allows it to reach beneficiaries and respond effectively to emergency and protracted relief food needs, support economic and social development and promote world food security. Global footprint and reach must match the needs of WFP’s beneficiaries, to facilitate the efficient and effective achievement of WFP’s Strategic Objectives	<b>Phase 1:</b> Gathering of an initial fact base on WFP’s country presence, and baseline data for individual countries <b>Phase 2:</b> Analysis and development of country assessment criteria, in consultation with key stakeholders <b>Phase 3:</b> Development of options for WFP’s country presence, and guidelines for resource allocation	<ul style="list-style-type: none"> <li>Set of country criteria and a framework prepared</li> <li>Options for changes to WFP’s presence identified</li> <li>Input to the Management Plan (2015–2017) provided</li> </ul>	Deputy Executive Director and Chief Operating Officer





**TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS**

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Organization design	2.4 Strengthening country office resource management  (in progress)	Strengthen the resource management of WFP's country offices in support of the efficient and effective achievement of strategic objectives  <b>Rationale.</b> Their proximity to beneficiaries makes country offices the centre of gravity for WFP. An integral part of empowering country offices is to ensure efficient and effective utilization of resources	<b>Phase 1:</b> Gathering of baseline country data and initial development of the country office benchmarking tool <b>Phase 2:</b> Refinement of a methodology and tool for resource efficiency reviews to facilitate strategically aligned resource management across the largest country offices <b>Phase 3:</b> Implementation of pilot projects in selected country offices, support to country directors in compiling action plans, and development of a roadmap for future resource management reviews	<ul style="list-style-type: none"> <li>Methodology and toolkit for reviewing strategic resource management developed</li> <li>First pilot projects completed in selected country offices</li> <li>Roadmap for further projects in large country offices drawn up</li> </ul>	Assistant Executive Director for Resource Management and Accountability and Chief Financial Officer
Organization design	2.5 Liaison office presence review  (completed)	Review the coverage of WFP's liaison and communication offices and develop a framework for guiding the structure and presence of offices to ensure that they bring the best possible value to WFP  <b>Rationale.</b> WFP's liaison offices have many roles – donor relations, interagency relations, communications, etc. – which have evolved in response to requirements. There is need to review the basic terms of reference and structure of these offices	<b>Phase 1:</b> Development of a framework of criteria for assessing the current coverage of WFP's liaison offices, and assessment and benchmarking of the offices according to this framework <b>Phase 2:</b> Identification and implementation of changes	<ul style="list-style-type: none"> <li>Assessment criteria for liaison offices developed</li> <li>Changes to the structure of liaison offices made in accordance with the new terms of reference</li> </ul>	Assistant Executive Director for Partnership and Governance Services





**TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS**

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Human resources management	3.1 Human resources core processes review and improvements identification  (in progress)	Undertake a comprehensive review of the recruitment, reassignment and promotion processes, as well as systems related to performance management, learning and development, and benefits and entitlements. The workstream will identify quick wins and longer-term improvements that will enhance WFP's people management and development processes  <b>Rationale.</b> The Fit for Purpose exercise identified a range of issues related to WFP's management of people, its key resource.	<b>Phase 1:</b> Development of a fact base for assessing human resources processes based on past assessments and the collection of data on those processes. Presentation of initial findings <b>Phase 2:</b> Assessment and prioritization of improvements, focusing on quick wins. Assessment of the time needed to implement improvements and the potential impacts <b>Phase 3:</b> Finalization of recommendations and development of a high-level implementation plan <b>Phase 4:</b> Implementation of recommendations	<ul style="list-style-type: none"> <li>• Report on human resources core processes assessment and recommendations for improvements prepared</li> <li>• Implementation plan, including prioritized improvements and potential impacts</li> <li>• Quick wins being implemented in several areas, including promotion, job evaluation and reclassification and strategy for career development. Recommendations for longer-term improvements provide an input to the human resources strategy</li> <li>• Recommendations for longer-term improvements provide an input to the human resources strategy</li> </ul>	Director, Human Resources Division



**TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS**

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Human resources management	3.2 Locally recruited staff transfer project  (in progress)	<p>Establish contractual modalities, administrative infrastructure and information systems for transferring locally recruited staff from UNDP to WFP/FAO rules and regulations</p> <p><b>Rationale</b> The Executive Director has decided that national staff should be brought into a common human resources system based on WFP/FAO rules and regulations</p>	<p><b>Phase 1:</b> Preparation and analysis to identify the issues that need to be addressed, the implementation options available and the detailed project planning required</p> <p><b>Phase 2:</b> Development of new system requirements, policies and procedures, including the necessary administrative, legal and policy frameworks</p> <p><b>Phase 3:</b> Examine different scenarios to affect the transfer for cost-effectiveness. This will include examination of options to transfer all fixed term staff to FAO contracts while outsourcing the services of payroll, payment of benefits and entitlements to the UNDP service centre in Copenhagen which runs on a cost-recovery basis</p> <p><b>Phase 4:</b> Implementation of core transition actions – such as ensuring that the human resources data in WINGS is complete, correct and up to date – to ensure an effective transition, and issuance of new contracts to all national staff</p>	<ul style="list-style-type: none"> <li>All national staff brought into a common human resources system based on WFP/FAO rules and regulations</li> <li>New manual, information technology (IT) systems and processes for the transfer, and input of national staff data</li> </ul>	Director, Human Resources Division



TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Human resources management	3.3 Strategy for managing and developing human resources  (in progress)	Develop a multi-year strategy for managing and developing WFP's workforce in line with the new organizational design and strategic priorities  <b>Rationale.</b> WFP's human resources strategy requires updating to reflect both fit for purpose principles and the new WFP strategic plan	<b>Phase 1:</b> Review of past assessments and recommendations – the final report from the corporate skills audit and recommendations from the human resources process review – and key findings of the Global Staff Survey <b>Phase 2:</b> Definition of initiatives for achieving strategic goals <b>Phase 3:</b> Implementation of learning and organizational development initiatives	<ul style="list-style-type: none"> <li>• Strategy for managing and developing WFP's workforce</li> <li>• Initial steps towards implementation of the defined measures</li> <li>• New human resources strategy developed</li> </ul>	Director, Human Resources Division
	4.1 Scoping business process review  (in progress)	Review core business processes to ensure that they are in line with the new organizational design and WFP's strategic priorities  <b>Rationale.</b> Analysis of current processes will reveal gaps and misalignments, providing an opportunity to develop actions for making improvements	<b>Phase 1:</b> Investigation of issues and identification of potential areas for improvement – both quick wins and those requiring further study – through consultative process optimization workshops <b>Phase 2:</b> Support to the further study of areas requiring it, and extension of the process review to cover more areas of WFP activity – administration and human resources processes <b>Phase 3:</b> Implementation of prioritized process improvements	<ul style="list-style-type: none"> <li>• High-level description of key processes provided</li> <li>• Improvement options quantified and prioritized</li> <li>• Business cases made for prioritized options</li> <li>• "Quick wins" implemented</li> </ul>	Assistant Executive Director for Operations Services



**TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS**

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Partnerships	5.1 Partnership Approach Review  (in progress)	Review WFP's partnership approach to identify actions for strengthening existing partnerships and building new ones, particularly at the field level, with a view to ensuring more effective assistance to WFP beneficiaries  <b>Rationale.</b> Partnerships are central to implementation of the Strategic Plan. WFP strives to conclude partnerships when there is a clear collaborative advantage and when it is mutually beneficial to work together	<b>Phase 1:</b> Development of a partnership strategy for approval by the Board, based on an inventory of the range of partnerships that WFP enters into, feedback on how others view WFP as a partner now and in the future, and clear principles for effective partnership to guide WFP in establishing the right partnerships  <b>Phase 2:</b> Development of an action plan for further work to address the partnerships elements of fit for purpose and the new Strategic Plan during 2014  <b>Phase 3:</b> Work on priority actions to enhance the effectiveness of WFP's partnerships	<ul style="list-style-type: none"> <li>• Draft partnerships strategy for consideration by EMG and presentation to the 2014 Annual Session of the Board in June</li> <li>• Action plan for positioning WFP as a valuable partner</li> <li>• More targeted outreach and quality engagement with United Nations agencies and intergovernmental partners</li> <li>• WFP workforce at all levels competent in pursuing and managing partnerships</li> </ul>	Assistant Executive Director for Partnership and Governance Services
Executive management	6.1 Strengthening of managers' performance and accountability  (in progress)	Strengthen WFP's management culture by: i) identifying measures for enhancing the performance management and accountability of managers; and ii) developing the next generation of WFP leaders, focusing on women.  <b>Rationale.</b> There is need to make the performance management process more rigorous – holding managers accountable for the utilization of resources, the achievement of results and adherence to policy	Development of a performance compact for senior management positions, to include the main accountabilities, delegated authorities and key performance indicators  Development of an improved process for performance planning, review of the achievement of organizational results, linking all levels of WFP – from country offices to global Headquarters – and regular reviews of executive management  Configuration of existing systems, such as PROMIS, to aid data-driven executive decision-making  Developing a dedicated accountability framework for WFP	<ul style="list-style-type: none"> <li>• Institutionalized performance compacts for the Deputy Executive Director, Assistant Executive Directors and the Chief of Staff</li> <li>• Improved process for senior managers' regular reviews of the achievement of results</li> <li>• Accountability framework for WFP developed</li> </ul>	Assistant Executive Director for Resource Management and Accountability and Chief Financial Officer



TABLE A.VI.1: DETAILS RELATING TO INDIVIDUAL WORKSTREAMS

Theme	Workstream (status)	Objective and rationale	Activities	Outputs	Manager accountable
Executive management	6.2 Executive management review  (completed)	Review WFP's executive decision-making and management processes to ensure accountability and effective oversight at the executive management level  <b>Rationale.</b> Streamlined and effective decision-making structures and information flows are key to providing effective decentralization in the field	<b>Phase 1:</b> Analysis of current decision-making and management processes, including the structure of committees and the Office of the Executive Director (OED) <b>Phase 2:</b> Identification of options for improvement, including the potential elimination/merger of committees based on analysis in phase 1 <b>Phase 3:</b> Implementation of changes to OED and the committee structure	<ul style="list-style-type: none"> <li>• Concept note on enhanced management practices shared with EMG</li> </ul>	Chief of Staff
Culture of commitment, communication and accountability	7.1 New approaches to communication and learning across WFP  (in progress)	Develop a shared culture based on commitment, communication and accountability, with engagement in continuous improvement by all staff  <b>Rationale.</b> Communication and learning are key elements of many other workstreams. WFP will put in place generic communication and feedback mechanisms, to help senior management promote and track the important change in culture that underpins the whole change process	Define and execute new open communication channels, such as: <ul style="list-style-type: none"> <li>• executive management dialogue, with the participation and engagement of staff (ongoing)</li> <li>• quarterly meetings of all the staff, led by the Executive Director, with additional meetings as needed</li> <li>• institutionalization of the "just ask" concept for staff with questions for the Executive Director</li> <li>• Global Staff Surveys</li> <li>• enhanced communications to promote the strategic plan and the Annual Performance Report (APR)</li> <li>• translation of the content of WFPgo into more United Nations languages</li> </ul>	<ul style="list-style-type: none"> <li>• New communication channels opened</li> <li>• Global Staff Survey completed and analysis presented to staff</li> <li>• Initial steps towards implementation of further initiatives</li> </ul>	Director, Communications Division



## ANNEX VII

### OFFICE OF EVALUATION WORK PROGRAMME 2014

#### Introduction

1. This annex sets out the proposed programme of evaluations and related work of the Office of Evaluation (OEV) for 2014, and outlines plans for 2015 and 2016. OEV supports WFP's efforts to achieve its Strategic Objectives by providing evidence of WFP's performance, which is used for accountability and learning, and to inform strategic debate and actions to be taken to replicate successes and correct mistakes. Evaluations inform all stakeholders of the relevance, effectiveness, impact and sustainability of WFP's policies, strategies and operations, and the efficiency of their implementation.
2. The United Nations Evaluation Group/Development Assistance Committee (UNEG/DAC) peer review of WFP's evaluation function – started in 2013 and to be reported to the Annual Session of the Board in 2014 – will mark a milestone for WFP's evaluation function and will influence OEV's programme for 2015 and 2016. Accordingly, space has been left in the outline plans for those years to enable OEV to respond to the peer review findings and recommendations. The peer review will assess progress made since the 2007 review, and will take account of recent contextual changes, such as developments in the United Nations system-wide arrangements for evaluation under the Quadrennial Comprehensive Policy Review (QCPR); the Inter-Agency Standing Committee's (IASC's) Transformative Agenda; WFP's new Strategic Plan (2014–2017); and the renewed emphasis on monitoring and evaluation (M&E) reflected in WFP's Framework for Action.

#### EVALUATION STRATEGY

3. The current evaluation strategy will continue through 2014, focusing OEV's core resources on its core programme of complex evaluations of multiple operations, strategy and policy. At the same time, in line with the renewed corporate emphasis on providing evidence and accountability for results under the new Strategic Plan and WFP's Framework for Action, OEV will intensify its work on evaluation of inter-agency and WFP humanitarian response and its support for management to establish WFP's decentralized evaluation function under the M&E strategy.
4. In addition, the series of single operation evaluations – added temporarily to OEV's strategy in 2013 – will continue for three years as planned. This series aligns with the M&E strategy and associated strengthening of WFP's business processes, including a new financing mechanism.
5. To facilitate organizational learning, utility and synergies, OEV will continue conducting evaluations in series where possible, with a synthesis report of each series. It will also continue conducting evaluations jointly with partner organizations where possible; investing in the dissemination of evaluation lessons and promoting their use; and engaging in international evaluation networks.

## WORK PROGRAMME SUMMARY 2014

6. The OEV work programme for 2014 is based on the budget determined by WFP management. The non-staff element of the PSA budget available to OEV for its core work programme in 2014 remains at US\$3 million, the same as in 2013. The new financing mechanism for single-operation evaluations is based on project resources and will provide US\$3.7 million for 2014, an 82 percent increase over 2013. Accordingly, the number of single-operation evaluations is planned to increase from 11<sup>1</sup> begun in 2013 to 24 beginning in 2014.<sup>2</sup>
7. With the single-operation evaluation series – temporarily managed by OEV – total resources for all evaluations managed by OEV in 2014 account for 0.22 percent of WFP's total forecast contributions income, an almost 10 percent increase over 2013. However, the PSA resources for OEV's core work programme of complex evaluations accounts for 0.13 percent of WFP's total forecast income for 2014, dropping from 0.14 percent in 2013.<sup>3</sup>
8. Demand for the complex evaluations covered by OEV's core work programme continues to rise, as does the need and demand for technical evaluation support to build WFP's evaluation function and enhance decentralized capacity as part of roll-out of the M&E strategy.
9. Taking into account the resources available, the recent contextual developments noted above, and timing/utility considerations, priorities established in earlier provisional plans discussed with WFP management, the Board and other stakeholders have shifted as summarized below.<sup>4</sup>
10. In 2014 new work will begin on:
  - supporting establishment of WFP's decentralized evaluation function;
  - enhancing inter-agency humanitarian evaluation under the IASC, focusing on Level 3 emergencies in the Humanitarian Programme Cycle, including a possible evaluation of the response to the Syrian crisis; and
  - assessing the current conduciveness to evaluation of the new Strategic Plan 2014–2017, to lay the foundations for full evaluation at the end of the Management Plan period.
11. The following changes have been made to OEV's provisional core programme of evaluations:<sup>5</sup>
  - The start of the series of impact evaluations on moderate acute malnutrition (MAM) has been postponed from 2014 to 2015.

<sup>1</sup> Including one regional operation that covers several countries.

<sup>2</sup> Set to increase to 30 in 2015, in line with the target of the 2008 evaluation policy.

<sup>3</sup> The first decrease since 2009.

<sup>4</sup> As noted above, to enable flexibility for response to the UNEG/DAC peer review, no new topics have been added to the outlook for 2015 and 2016 beyond those included in the Management Plan (2013–2015).

<sup>5</sup> As cited in the Outlook section of Annex III of the Management Plan (2013–2015) and/or discussed in the Annual Consultation on Evaluation in May 2013.

- The scope of the nutrition policy evaluation – requested by the Board for reporting in 2015 – will be limited to the quality of the policy and its implementation arrangements. An evaluation of the policy’s results will be carried out in 2016, on completion of the MAM impact evaluation series.
  - Rather than through a stand-alone evaluation, WFP’s work on urban food insecurity will be assessed as a specific topic in the three remaining strategic evaluations of emergency response and preparedness (see paragraphs 19 and 20) and the cash and vouchers policy evaluation (see paragraph 15).
12. This means that while overall evaluation coverage will increase moderately in 2014 through single-operation evaluations towards full compliance with WFP evaluation policy, OEV’s core programme of complex evaluations will not. In 2013, seven evaluations continued from 2012 and ten new ones began, totalling 17 ongoing evaluations. This figure will drop to 13 evaluations under way in 2014 – eight new ones and five continuing from 2013. Early plans for 2015 include two evaluations continuing from 2014 and nine new starts.
13. Table A.VII.1 provides an overview of OEV’s work programme by year and evaluation type. Single-operation evaluations are shown separately from OEV’s core work programme because WFP management is expected to assume responsibility for these evaluations in the medium term, consistent with the M&E strategy and the evaluation policy on decentralized evaluations.

**TABLE A.VII.1: OFFICE OF EVALUATION WORK PROGRAMME SUMMARY 2014–2016<sup>6</sup>**

Type	2014 (Board session)	2015 (Board session)	2016 (Board session)
<b>Policy</b>	<p><i>Continued from 2013:</i></p> <ul style="list-style-type: none"> <li>• Gender (1/14)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>• Cash and vouchers (2/14)</li> <li>• Nutrition</li> </ul>	<p><i>Continued from 2014:</i></p> <ul style="list-style-type: none"> <li>• Nutrition (2/15)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>• HIV/AIDS</li> </ul>	<p><i>Continued from 2015:</i></p> <ul style="list-style-type: none"> <li>• HIV/AIDS</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>• Capacity development</li> </ul>
<b>Strategic</b>	<p><i>Continued from 2013:</i></p> <ul style="list-style-type: none"> <li>• WFP’s use of pooled funds (2/14)</li> <li>• Global Food Security Cluster (2/14)</li> <li>• Purchase for Progress (P4P) (2/14)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>• Preparedness and Response Enhancement Programme (PREP) (1/15)</li> <li>• Renewed Efforts Against Child Hunger and Undernutrition (REACH)</li> </ul>	<p><i>Continued from 2014:</i></p> <ul style="list-style-type: none"> <li>• REACH (2/15)</li> </ul>	<p><i>To be planned after peer review of WFP’s evaluation function</i></p>

<sup>6</sup> Excluding other evaluation-related activities.



**TABLE A.VII.1: OFFICE OF EVALUATION WORK PROGRAMME SUMMARY 2014–2016<sup>6</sup>**

Type	2014 (Board session)	2015 (Board session)	2016 (Board session)
<b>Country portfolio</b>	<i>New starts:</i> <ul style="list-style-type: none"> <li>Uganda (2/14)</li> <li>Democratic Republic of the Congo (2/14)</li> <li>Country to be determined (1/15)</li> <li>Indonesia (1/15)</li> </ul>	<i>New starts:</i> <ul style="list-style-type: none"> <li>Iraq (2/15)</li> <li>Central African Republic (2/15)</li> <li>United Republic of Tanzania (2/15)</li> </ul>	<i>To be planned after peer review</i>
<b>Regional portfolio</b>	<i>Continued from 2013:</i> <ul style="list-style-type: none"> <li>Central America (A/14)</li> </ul>		<i>To be planned after peer review</i>
<b>Impact</b>	<i>No new starts</i>	<i>New starts:</i> Moderate acute malnutrition: <ul style="list-style-type: none"> <li>Country 1</li> <li>Country 2</li> <li>Country 3</li> <li>Country 4</li> <li>Country 5</li> </ul>	<i>Continued from 2015:</i> Moderate acute malnutrition: <ul style="list-style-type: none"> <li>Country 1 (1/16)</li> <li>Country 2 (1/16)</li> <li>Country 3 (1/16)</li> <li>Country 4 (A/16)</li> <li>Country 5 (A/16)</li> </ul>
<b>Total core programme</b>	<b>Continued from 2013 = 5</b> <b>New starts = 8</b>	<b>Continued from 2014 = 2</b> <b>New starts = 9</b>	<b>Continued from 2015 = 3</b> <b>New starts = 1</b>
<b>Evaluation syntheses</b>	<ul style="list-style-type: none"> <li>Impact of food for assets on livelihood resilience (A/14)</li> <li>Single-operation evaluations 2013 and 2014</li> <li>Annual Evaluation Report 2013 (A/14)</li> </ul>	<ul style="list-style-type: none"> <li>Strategic evaluation series: Emergency preparedness and response (A/15)</li> <li>Urban response (A/15)</li> <li>Single-operation evaluations 2014 and 2015</li> <li>Annual Evaluation Report 2014 (A/15)</li> </ul>	<ul style="list-style-type: none"> <li>Impact evaluation series: MAM programming</li> <li>Single-operation evaluations 2015 and 2016</li> <li>Annual Evaluation Report 2015 (A/15)</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>WFP evaluation peer review (A/14)</li> </ul>	<ul style="list-style-type: none"> <li>Capacity development – meta-evaluation</li> <li><i>(tbc) Response to the Syrian crisis</i></li> </ul>	
<b>Operations</b>	<ul style="list-style-type: none"> <li>1<sup>st</sup> batch of 11 continued from 2013</li> <li>2<sup>nd</sup> batch of 24 begun</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> batch of 24 continued from 2014</li> <li>3<sup>rd</sup> batch of 30 begun</li> </ul>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> batch of 30 completed</li> </ul>

## WORK PROGRAMME DETAILS 2014

### Policy Evaluations

14. Based on the Board-approved "WFP Policy Formulation 2011" (WFP/EB.A/2011/5-B), the annual WFP Policy Compendium guides the policy evaluation cycle, including the planning of an evaluation from four to six years after a policy is adopted. Major questions addressed by policy evaluations concern the policy's quality, including its consistency and relevance both within and outside WFP relevance, compared to international good practice and other benchmarks; its effects, implementation and results; and how these have been achieved. The following are new starts for 2014.
15. *Cash and vouchers.* This evaluation is a high priority in the 2014 programme. The use of cash and vouchers represents one of WFP's most significant strategic shifts, with plans to provide 40 percent of WFP assistance in the form of cash or vouchers by 2015. The evaluation will focus on the quality, implementation arrangements and results of the policy, building on evidence accumulated by WFP's Policy Division since 2009 and the Cash for Change Unit.
16. *Nutrition.* WFP's nutrition policy, approved by the Board in 2012, supersedes the more narrowly scoped 2004 policies. An evaluation would normally take place between 2016 and 2018, but when approving this policy, the Board requested an evaluation report in 2015. Because it is too early to assess results in full, and with limited resources available in 2014 (see paragraphs 6 to 11), this evaluation will focus on the quality of the policy itself, including assessing its implementation arrangements and conduciveness to evaluation. In 2016, evidence from the impact evaluations of WFP's work on MAM, and other evaluations, will feed into a supplementary evaluation of the policy results.
17. *Capacity development (Outlook for 2015 and 2016).* Pending a full evaluation of WFP's policy on capacity development in 2016, OEV will conduct a "meta-evaluation" synthesizing relevant lessons that have emerged from recent evaluations.

### Strategic Evaluations

18. Recognizing that WFP is an evolving organization, strategic evaluations analyse new corporate priorities and systemic, cross-cutting issues that shape WFP's ways of working. They assess performance in the selected area, and the factors that affect WFP's ability to work as intended, rather than assessing a particular policy or programme.
19. A series of three strategic evaluations on different dimensions of *emergency preparedness and response* will be concluded in 2014; two of these evaluations started in 2013. To inform WFP's strategic direction and enhance effectiveness, the series will take account of the changing context affecting urban and rural populations; complex conflicts, rapid shocks and slow-onset emergencies involving increasing numbers of humanitarian actors; and the international humanitarian architecture and its Transformative Agenda.
20. The evaluations will examine aspects of WFP's emergency preparedness and response from various perspectives, selected through a consultative process. A synthesis of common themes and findings will be produced, together with a synthesis dedicated to findings on urban food insecurity.
21. *Joint FAO/WFP Global Food Security Cluster.* Conducted jointly with FAO's Office of Evaluation, this evaluation will assess the value added and effectiveness of this jointly led

cluster. It will increase understanding of the international response architecture and provide opportunities for learning across two of the Rome-based agencies.

22. *WFP's use of pooled funds for humanitarian preparedness and response.* This evaluation will analyse the use and benefits of pooled funds in WFP's preparedness and response, including its work with implementing and coordination partners. The funds examined include the Central Emergency Response Fund, emergency response funds and the common humanitarian fund.
23. *Preparedness and Response Enhancement Programme.* PREP is a cross-cutting initiative to develop WFP's new response model for large-scale emergencies. The evaluation will assess progress in adapting capacity, systems, guidelines, services and partnerships for responding in increasingly unpredictable and challenging environments, in the context of WFP's shift from food aid to food assistance.
24. Strategic evaluations will also be conducted on two global WFP initiatives:
  - *Purchase for Progress pilot project 2008–2013.* This final evaluation will draw on the P4P programme's in-built M&E system to generate a much stronger evidence base than is commonly available in WFP. The evaluation is categorized as strategic because of P4P's wide operational reach, innovative approach of building on existing WFP operations for enhanced developmental impact, and implications for WFP's future strategy in areas such as procurement, capacity development, partnerships and M&E.
  - *The United Nation's Renewed Efforts Against Child Hunger and Undernutrition.* Begun in 2011, the REACH initiative aims to improve nutrition governance and programming to enhance nutrition outcomes. This evaluation is of strategic interest because of WFP's leading role in the multi-partner REACH framework. It will provide further insights into WFP's partnership work in nutrition programming and its capacity to address long-term hunger, both of which were emphasized in recent strategic evaluations of the shift from food aid to food assistance. The evaluation will complement other evaluations of WFP's increasingly important nutrition portfolio.

## Country portfolio evaluations

25. Introduced in 2009, country portfolio evaluations (CPEs) cover all the WFP operations in a country over a given period, typically three to five years. They are planned as both a corporate accountability instrument and a learning tool to inform future country strategy and operations, often in the context of Delivering as One, UNDAF and other United Nations reform initiatives. Countries are selected on the basis of regional balance, portfolio size, range and previous evaluation coverage in each country. CPEs use a standard set of evaluation questions to assess WFP's strategic positioning and alignment with national and international strategies and partners, the factors in and quality of WFP's strategic choices, and the portfolio performance and results.
26. By 2015, a total of 25 CPEs will have been conducted since 2009 – including a regional portfolio evaluation in Central America. Table A.VII.2 and Figure A.VII.1 provide statistics on CPE coverage, which has, with some exceptions, been reasonable in terms of regional presence, portfolio value, beneficiary numbers and number of operations. However, based on the average number of CPEs conducted each year and the total number of WFP country offices, the frequency of country office coverage is currently about 20 years.

27. Plans for beyond 2015 will be developed following the peer review and revision of the CPE selection criteria. Plans will aim to reach optimum evaluation coverage, considering wider factors such as overall evaluation priorities and needs; the new single-operation evaluations series; WFP's approach to country strategy documents; United Nations system-wide developments, especially in relation to the QCPR and joint UNDAF evaluations; and the potential for new approaches, such as regional portfolio evaluations to improve the evaluation coverage of small country portfolios.

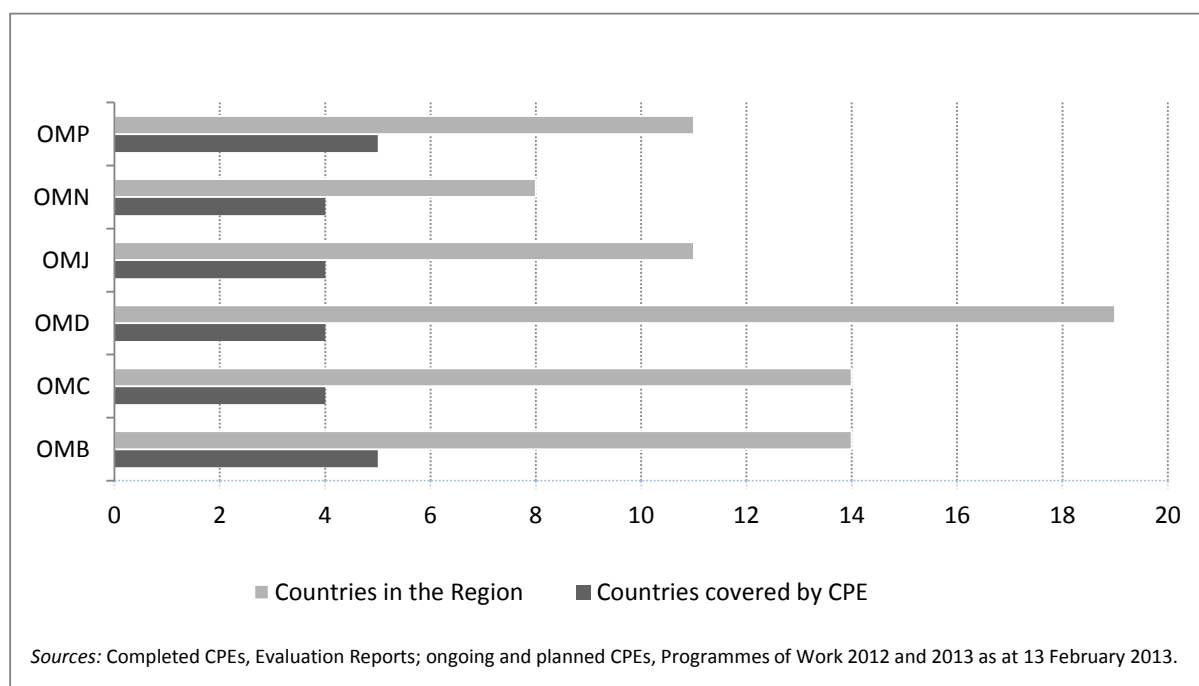
	OMB	OMC	OMD	OMJ	OMN	OMP
% of US\$ value of portfolio	44	49	56	62	44	87
% of operations	39	50	31	42	42	62
% of reported actual beneficiaries	26	73	49	64	93	74
% of countries	36	29	21	36	50	45

Sources: % of US\$ value of portfolio and % value of operations: conducted CPEs from evaluation reports; ongoing and planned CPEs from operational programme of work 2012 and 2013, as at 13 February 2013.

% of reported actual beneficiaries: Dacota 201.

% of countries: OEV database.

**Figure A.VII.1: Country Portfolio Evaluations by Region, 2009–2015**



## Impact evaluations

28. A significant element of OEV's evaluation strategy is improving assessment of the outcomes and impact of WFP's work on people's lives. Impact evaluations are intended to help improve WFP's accountability to beneficiaries, programming of individual operations, and future policy and strategy in the programme area evaluated. The evaluations usually apply mixed methods to assess a programme area across several countries, covering several operations over several years to ensure sufficient time for lasting change to occur. Selection is guided by principles of utility, contribution to knowledge gaps, and feasibility of evaluating the activity.

⇒ *Impact evaluations 2014*

29. More than 50 percent of WFP's programme of work aims to address the risks arising from natural disasters and their impact on food security, making the ongoing series of evaluations of the impact of food for assets on livelihoods resilience relevant to WFP strategy as well as to specific operations. In 2014, a synthesis report will be prepared on the evaluations conducted in 2013 in Bangladesh, Guatemala, Nepal, Senegal and Uganda. Following up on a recommendation from the 2009 strategic evaluation of the effectiveness of livelihood recovery interventions, this series will provide further analysis of impact, especially the role of food assistance in recovery processes and people's own efforts to build stronger livelihoods.

⇒ *Impact evaluations 2015 (outlook)*

30. *Moderate acute malnutrition.* OEV will begin a new series of impact evaluations of WFP's interventions to address MAM. These evaluations will complement ongoing research and M&E by WFP management by addressing knowledge gaps in programming.

31. The series will evaluate the contribution of WFP nutrition activities to wider programming objectives in selected operational settings. In addition to the direct contribution to nutrition outcomes, evaluations may also cover WFP's contributions to complementary health service interventions, the technical capacity of partners and health and nutrition service providers, and improvements in the policy and fiscal environment that support these services. Focus on these higher-level results is appropriate in complex interventions, which involve many inter-relating factors, rather than a simple single cause-effect relationship.

32. WFP focuses MAM interventions in 23 countries with high burdens of malnutrition, differentiated by diverse national capacities and contexts. Selection will be based on this initial list. A synthesis of the series will be completed in 2016.

### **Single-Operation Evaluations and the Decentralized Evaluation Function**

33. Single-operation evaluations focus on the effectiveness and efficiency of a single operation in achieving its objectives and complying with international and WFP norms and standards, examining the adequacy of the operation's design, implementation and results.

34. The 2008 evaluation policy envisaged a mix of OEV and decentralized management for single-operation evaluations. However, for several reasons, the coverage achieved through this approach was unsatisfactory. In OEV's longer-term vision, decentralized evaluations will become the main tool for single-operation evaluations of sufficient number and quality to provide robust evidence on the performance and results of WFP operations alongside other initiatives. However, it will take time to achieve decentralized evaluations of the necessary quantity and quality, so interim measures are required.

35. With the enhancement of M&E capacity at both the Headquarters and regional levels – as part of the M&E strategy roll-out – and the establishment of a special account providing the necessary resources, OEV launched a new series of 11 single-operation evaluations in 2013. This series will be scaled up to 24 evaluations in 2014 and 30 in 2015. An annual synthesis of findings will be presented to the Board, at the second session in the first year, and alongside the Annual Evaluation Report thereafter.

36. In 2014, OEV will intensify its technical support to and collaboration with the Performance Management and Monitoring Division (RMP) and Regional Bureaux on strengthening WFP's decentralized evaluation capacity, systems and structures under the M&E strategy and related initiatives.

37. Evaluation of WFP's Syrian operations will not be decentralized because of the level 3 corporate emergency. OEV retains responsibility for evaluation of this response in a manner consistent with agreements reached in inter-agency humanitarian fora. Ongoing discussions include appropriate timing.

### **Evaluation of the Strategic Plan 2014–2017**

38. Based on previous experience and the demand arising from the 2012 QCPR, in 2014, OEV will conduct an assessment of the new Strategic Plan's conduciveness to evaluation,<sup>7</sup> taking into account the accompanying Strategic Results Framework and recent improvements in WFP's performance measurement system. This assessment will identify major conceptual and implementation challenges to be addressed in the early stages of the plan's implementation, to facilitate effective monitoring, reporting and, later, evaluation of WFP's overall performance against its Strategic Plan.

### **Other OEV Evaluation-Related Activity in 2014 and Beyond**

⇒ *Engagement with the international evaluation system*

39. The IASC Humanitarian Programme Cycle of the Transformative Agenda now incorporates triggers for inter-agency humanitarian evaluation in addition to the real-time operational review, and is expected to exert significant influence on inter-agency humanitarian evaluation in future. OEV will engage in dialogues on these issues and in specific evaluations by the United Nations Office for the Coordination of Humanitarian Affairs when they concern WFP priorities, particularly concerning the Syrian response. Evaluation is receiving increasing attention throughout the United Nations system, most recently with the QCPR resolution requesting the Joint Inspection Unit to review evaluation capacity across the United Nations, and the development of a policy for system-wide evaluation.
40. Wherever appropriate and feasible, evaluations will be carried out jointly. The joint Food Security Cluster evaluation is under way with FAO, and future possibilities in the MAM impact evaluations will be examined as planning proceeds. A recent joint statement of intent among the evaluation offices of the Rome-based agencies is expected to enhance collaboration on the planning, conduct and dissemination of evaluations.
41. The Office of Evaluation will continue to represent, benchmark and update its approach through engagement with international professional networks including:
- UNEG – of which the OEV Director is currently vice-Chair – and its task forces on evaluation norms and standards, gender and joint evaluations;
  - humanitarian evaluation networks such as the Active Learning Network for Accountability and Performance in Humanitarian Action, on which OEV serves as a member of the Steering Group, and the IASC's evaluation steering group; and
  - impact evaluation networks, such as the Network of Networks on Impact Evaluation and the International Initiative for Impact Evaluation.

<sup>7</sup> Such an assessment reviews whether objectives are adequately defined and results sufficiently verifiable to enable credible and reliable evaluation.



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## EVALUATION DISSEMINATION AND UTILIZATION

42. The Office of Evaluation will continue to add value to evaluation through products such as evaluation briefs and syntheses that diversify ways of disseminating the knowledge generated.
43. Supported by recent updates to its standard operating procedures and quality assurance system, OEV will facilitate the use of evaluations in decision-making through improved evaluation design incorporating plans for evaluation use; stakeholder consultations, participation and communications; and joint reflection on findings and recommendations during the evaluation process. OEV will increase its exploitation of opportunities for wider dissemination to enhance the use of evaluation in international and inter-agency policy and practice. Other tools and approaches will be considered in the light of the peer review.

### Enhancing Evaluation Quality

44. Updates to OEV's evaluation quality assurance system – such as those on gender and efficiency – will be applied to new evaluations, including single-operation evaluations, in 2014. Guidance and quality assurance for single-operation evaluations will also be relevant for decentralized evaluations. Additional measures may be developed to address peer review findings.

### Review of WFP's Evaluation Function

45. As noted in the introduction, the UNEG/DAC peer review will assess overall progress since 2007, making recommendations to help ensure that WFP's evaluation function is fully fit for purpose, given the internal and external contextual changes. A management response will be prepared and follow up will begin in 2014.

## ANNEX VIII

### TERMINOLOGY

To the extent possible, commonly used United Nations system terminology for budget preparation has been employed in the formulation of this document. In certain cases, WFP-specific terms and definitions have been used. This Annex also contains descriptions of activities supported to meet beneficiary needs.

#### **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.

#### **Activity**

The action through which WFP assistance is made available to beneficiaries, for example through general distribution, food for assets, food for work, supplementary feeding, school meals, capacity development, etc.

#### **Annual Performance Report**

The main accountability and learning tool for WFP and one of the primary oversight mechanisms for the Board and donors. The APR reflects WFP's results-based management practices and emphasizes the results chain of inputs, outputs, outcomes, processes, challenges and learning. It draws on WFP's accounting and reporting systems, and on consultation with divisions, technical units, regional bureaux, country offices and partners.

#### **Appropriation**

The amount approved by the Board for specified purposes in the PSA budget against which obligations up to the amount approved may be incurred for those purposes.

#### **Appropriation line**

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

#### **Assessment**

The critical appraisal of a situation before it is decided whether and how to carry out an intervention.

#### **Beneficiaries**

A targeted person provided with WFP food under at least one WFP intervention at any time during a given reporting period. The size of the food ration and the duration of the food assistance programme do not affect beneficiary count: a beneficiary who receives food assistance for a few months is counted in the same way as a beneficiary who receives food assistance for the whole biennium. Special operations do not have beneficiaries; people receiving food through bilateral operations are not counted as WFP beneficiaries because they are considered beneficiaries of the donor country.



## **Board**

The Executive Board of WFP and its predecessors.

## **Capacity augmentation**

Capacity augmentation refers to integrated activities that establish, enhance or expand the institutions and processes needed to manage food-security programmes and humanitarian interventions.

## **Capacity development**

Non-food activities that stimulate a learning process to improve the ability of a country or a region to respond to and reduce hunger. WFP's capacity development activities share WFP's expertise and methods for identifying hunger needs, developing strategies to reduce hunger, carrying out food-based programmes and measuring impact.

## **Capital Budget Facility**

A revolving fund to allow allocation of resources to projects over the short term in the expectation of generating economic benefits in the medium or long term. Initial capital for the CBF is to come from the Working Capital Financing Facility (WCFF).

## **Contribution**

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.

## **Cooperating partner**

A non-governmental organization, United Nations agency or international organization carrying out projects in partnership with WFP (previously referred to as implementing partner).

## **Directed multilateral contribution**

A contribution, other than a response to an appeal made by WFP for a specific emergency operation, that a donor requests WFP to direct to a specific activity or activities initiated by WFP or to a specific country programme or country programmes.

## **Direct support cost**

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

## **Emergency preparedness**

Systems, actions, arrangements and procedures that come into play in anticipation of a potential humanitarian emergency to ensure a rapid, effective and appropriate approach to risk management and response that may save lives and livelihoods. It comprises several systems, tools and functions including early warning and information preparedness, contingency and operational planning, normative guidance and capacity development (training), readiness of standby capacities, along with augmentation capacity and funding mechanisms. Effective preparedness leads to a more efficient response.

## **Emergency response**

The organized set of procedures, measures and actions taken to ensure the provision of timely, rapid, effective and appropriate emergency food assistance to the desired beneficiary populations in order to save lives and protect livelihoods.

## **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.

## **Financial Regulations**

Regulations adopted pursuant to General Regulations that govern the financial management of the WFP Fund. The Board may, in exceptional circumstances, grant exemptions from these Financial Regulations.

## **Fit for Purpose**

The document outlining changes in WFP's organization resulting from the recommendations of the Rapid Organizational Assessment and the Organizational Design and Realignment.

## **Food for assets/food for work**

Food-for-assets activities are undertaken through community-based, participatory processes that create or rehabilitate assets with the purpose of enhancing, restoring or securing the resilience of vulnerable beneficiary households. In food-for-work projects and activities food is given as full or partial payment for work performed in the context of a supervised work programme.

## **Fortification**

The addition of micronutrients to food during or after processing, increasing the micronutrient levels above those of the original food.

## **Forward Purchase Facility**

A mechanism that enables WFP to buy food based on estimated aggregated regional needs and funding forecast with the objective of reducing supply lead times for delivery of food to beneficiaries, reducing response times and procuring food at advantageous times. It is financed primarily through the WCFE and can benefit from other funding sources.

## **Framework for Action**

A process to enhance WFP's organization, structures, procedures and culture with the aim of optimizing WFP's efficiency and effectiveness.

## **Full-cost recovery**

The recovery of operational costs, DSC and ISC 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 distribution**

The unconditional transfer of food, cash or vouchers to all households or targeted sub-groups within a specified population, to meet their basic nutritional needs.

## **General Fund**

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

## **Household**

A socio-economic unit consisting of individuals who live together. Households vary greatly in structure and membership from one culture and society to another.

## **Indicator**

Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement or to reflect the changes connected to a WFP operation.

## **Indirect support costs**

Costs that support the execution of projects and activities but cannot be directly linked with their implementation.

## **Malnutrition**

A broad range of clinical conditions in children and adults that result from deficiencies in one or a number of nutrients. Includes acute and chronic malnutrition.

## **Management Plan**

The three-year comprehensive plan of work approved by the Board each year on a rolling basis, inclusive of planned outcomes and indicators of achievement, together with the annual WFP budget.

## **Multilateral contribution**

A contribution, for which WFP determines the country programme or WFP activities for 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.

## **Operational costs**

Any costs of WFP projects and activities, other than direct support costs or indirect support costs.

## **Operational requirements**

All direct operational needs and direct support costs related to approved projects and their logical extensions.

## **Partner – See Cooperating partner**

### **Performance**

The degree to which an operation or organization (WFP or partner) operates according to specific criteria/standards/guidelines or achieves results in accordance with stated goals or plans.

### **Programme of work**

An appeal for resources based on needs assessed in collaboration with governments and other partners. WFP participates in joint assessments with United Nations organizations, partners and donors.

### **Programme category**

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

### **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.

### **School meals**

The daily distribution throughout the school year of breakfast, mid-morning snack and/or lunch to encourage school attendance and to address children's short-term hunger. Take-home rations are usually family rations given to pupils in areas affected by a combination of endemic poverty, prevalent malnutrition, low educational indicators, low gender parity in education and/or a high prevalence rate of HIV/AIDS.

### **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.

### **Strategic Plan**

A four-year plan that establishes WFP's direction, Strategic Objectives and priorities for the medium term.

### **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 budget component of the Management Plan, approved each year indicating estimated resources and expenditures for programmes, projects and activities, including a Programme Support and Administrative budget.

## **Working Capital Financing Facility**

An internal advance financing mechanism whose main objectives are to: i) maximize the utilization of project resources; and ii) improve the timely availability of food. The WCFF allows projects to receive advance funding pending confirmation of forecast contributions, within established risk-management parameters.

## ACRONYMS USED IN THE DOCUMENT

AU	African Union
C&V	cash and vouchers
CAADP	Comprehensive Africa Agriculture Development Programme
CBF	capital budgeting facility
CD&A	capacity development and augmentation
CP	country programme
CPE	country portfolio evaluation
DEV	development project
DOC	direct operational costs
DRC	Democratic Republic of the Congo
DSC	direct support costs
EMG	Executive Management Group
EMOP	emergency operation
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FFT	food for training
FFW	food for work
FPF	Forward Purchase Facility
GVLDP	Global Vehicle Leasing Programme
IASC	Inter-Agency Standing Committee
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
ISC	indirect support costs
IT	information technology
LESS	Logistics Execution Support System
M&E	monitoring and evaluation
MAM	moderate acute malnutrition
MRD	Management Result Dimension
MRF	Management Results Framework
OCHA	Office for the Coordination of Humanitarian Affairs
ODOC	other direct operational costs
OED	Office of the Executive Director
OEV	Office of Evaluation

OMB	Bangkok Regional Bureau (Asia)
OMC	Cairo Regional Bureau (Middle East, North Africa, Eastern Europe and Central Asia)
OMD	Dakar Regional Bureau (West Africa)
OMJ	Johannesburg Regional Bureau (Southern Africa)
OMN	Nairobi Regional Bureau (East and Central Africa)
OMP	Panama Regional Bureau (Latin America and the Caribbean)
P4P	Purchase for Progress
PREP	Preparedness and Response Enhancement Programme
PRRO	protracted relief and recovery operation
PSA	Programme Support and Administrative (Budget)
QCPR	Quadrennial Comprehensive Policy Review
REACH	United Nations Renewed Efforts Against Child Hunger and Undernutrition (initiative)
SADC	Southern African Development Community
SEF	Security Emergency Fund
SO	special operation
SRAC	Strategic Resource Allocation Committee
SUN	Scaling Up Nutrition (framework)
TB	tuberculosis
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNEG/DAC	United Nations Evaluation Group/Development Assistance Committee
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNICEF	United Nations Children's Fund
VAM	vulnerability analysis and mapping
WCFF	Working Capital Financing Facility