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WFP BIENNIAL MANAGEMENT PLAN (2008-2009)

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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.

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EXECUTIVE SUMMARY

Introduction

1. The United Nations World Food Programme (WFP) has over the years become the world's largest humanitarian agency operating on the frontlines of hunger in almost 80 countries. WFP is a direct, major contributor to at least five of the Millennium Development Goals (MDGs) including halving the proportion of hungry people by 2015. WFP provides life-saving food, nutrition and livelihood assistance, disaster prevention and mitigation and recovery programs to hungry and vulnerable people, almost 90 per cent of whom are women and children.
2. Working in partnership with other United Nations agencies, NGOs and governments to improve United Nations system-wide coherence in multilateral efforts at hunger alleviation, food security and humanitarian assistance, WFP is recognized and called upon as the agency with a proven capacity to respond rapidly, effectively, and efficiently whenever emergencies, or natural or man-made crises require collective international action to avoid large-scale human suffering and to restore human dignity and security. WFP has important leadership roles and responsibilities within the United Nations system - in emergency response, logistics and communications, needs assessment and vulnerability analysis.
3. WFP operations are field-based and focused on emergency prevention and mitigation, response and relief, post-crisis recovery and rehabilitation. Activities also focus on creating conditions for handing over to governments, partner agencies, or finding other sustainable longer-term solutions to hunger. WFP is providing concrete assistance in acute and chronic crises and hunger spots, with major current operations in Africa – including the largest operation in Sudan – as well as in the Middle East, Asia and Latin America. WFP operations are often concentrated in the areas most vulnerable to climate change, putting it at the forefront of mitigation and adaptation work to help vulnerable populations cope with weather related impacts.
4. More than 90 percent of WFP's 12,000 global workforce work outside headquarters, often in difficult circumstances, where few other agencies are present, in the deep field, where the costs, risks, and challenges related to security and safety are considerable and increasing. The dedication and motivation of its international and local staff and their families, is WFP's greatest asset.

Assumptions

5. This Management Plan rests on the basic and crucial assumption that the United Nations and its member states require, and are ready to fund, on a voluntary basis, the global humanitarian operations and programme activities of WFP. The funding model for WFP



differs significantly from other United Nations agencies, funds and programmes, in that WFP has no predictable income for the Programme Support and Administrative (PSA) expenditures presented in this Plan. The PSA budget covers all staff and non-staff costs at Rome Headquarters and Liaison Offices, the majority of costs in the Regional Bureaux, as well as some of the management costs of Country Offices and is funded solely by income derived from a certain percentage - currently set at 7.0 percent - of the voluntary contributions received from donors.

6. Given the uncertainties inherent in this funding model, a main challenge for WFP leadership and member states is to maintain a managerial and operational support capacity that is both robust and flexible; that can meet the commitments made to its beneficiaries in the operations and programmes approved by the Executive Board, as well as keep a rapid response and preparedness capacity - people, equipment and systems - ready to mobilize immediately at the onset of unforeseen emergencies.
7. While management is not proposing to change the indirect support cost rate of 7.0 percent, the PSA budget of US\$345 million proposed in this Plan - a reduction of 21 percent in real terms - will have significant consequences on capacities across the organization. The aim is to manage these reductions in ways that do not harm the hungry and most vulnerable beneficiaries. Consequently, headquarters, liaison offices, and regional bureaux have had greater PSA reductions than country offices. Direct Support Costs for operational activities in the field are not affected by the reductions in PSA. However, it cannot be excluded that activities in critical areas are being reduced to a level at which efficiency gains cannot compensate for the loss of capacities and competencies. Management will continue to be proactive in managing such risks during the course of the biennium, mindful of the need to continuously adjust budget priorities and allocations to changing operational and funding realities.
8. Given that the total number of hungry people globally is estimated to be around 850 million, it is clear that the operational requirements in this budget are not designed to meet the total hunger needs, but are based on approved operations and their logical extensions - the vast majority of which are emergency and recovery operations.
9. It should also be noted that a significant increase in food and transport costs has been factored into the operational requirements for the 2008-2009 biennium, and that the continuing rise in commodity costs could be expected to add further pressure on WFP's capacity to contribute to goal of halving hunger by 2015 (MDG 1). Firstly, the number of hungry people could be expected to increase as rising costs make food unaffordable to the most vulnerable populations. Secondly, unless contributions increase proportionately, rising costs mean reduced amounts of food will be available to meet the assessed needs at a level which would be consistent with the principles of good humanitarian donorship. Management will continue to refine and deepen the analysis of what this means in terms of possible reductions in the number of WFP beneficiaries and/or their rations.

Budget Context

10. By June 2008, WFP will prepare a new Strategic Plan for 2008-2011. Ideally, the substantial restructuring and rationalizations proposed in this Management Plan would have been made as a result of the outcome of the new Strategic Plan. Therefore, this Management Plan is designed merely to continue current operations and must be reviewed in light of the new Strategic Plan in 2008. However, a number of factors make it imperative that WFP immediately adjust its PSA structure:



- During 2004-2005 WFP experienced an era of unprecedented, large-scale emergencies resulting in substantially increased income, expenditure, and PSA levels;
 - When the 2006-2007 PSA structure was developed and approved in 2005, it was based on the assumption that multiple, new large-scale emergencies would continue to generate the income needed to fund the level and structure of PSA that had been built up in 2004-2005; and that if such income did not materialize, the resulting deficit would be funded from the PSA reserves that had been built up in previous years;
 - Since no new large-scale emergencies have arisen during the 2006-2007 biennium, and in the absence of overall reductions in the PSA structure, these PSA reserves have been reduced to a point where current projections indicate that by the end of 2007 the PSA reserve will amount to less than one month of PSA expenditure;
 - At the same time, WFP's PSA costs have significantly increased, due to the rising rate of the Euro (which constitutes most of the PSA expenses) compared to the US dollar (which constitutes most of the ISC income), as well as staff salary increases in the United Nations system;
 - The combination of depleted reserves and increased costs has led to a situation whereby the current PSA structure and expenditures have become unsustainable beyond the end of 2007.
11. WFP management is therefore acting decisively and immediately to align the PSA structure and setup with a realistic short-term resource outlook. Following the completion of the Strategic Plan, the focus will turn towards creating an organization that is effective, efficient, and sustainable in the face of fluctuating emergency demands and funding levels.

Organizational Restructuring

12. The PSA expenditure for the 2008-2009 biennium is proposed at US\$345 million, a 21 percent reduction in real terms compared to the current 2006-2007 level. The main points of the rationalizations and reductions proposed in the Management Plan and Budget for 2008-2009 are:
- A streamlining of the organizational structure at Rome HQ, with a reduction in the number of departments from four to two, involving (1) a merger of the operations and administration departments under the leadership of one ASG; (2) a reconfiguration of the policy and fundraising departments into a department for External Affairs and Resource Development under the leadership of a second ASG; (3) a third ASG in the Office of the Executive Director linked to, and providing a field dimension for, the Policy, Planning and Strategy Division, strengthening WFP's capacity for strategic and high-level interaction on finding solutions to hunger and achieving the MDGs; and (4) the establishment of a strong, separate Finance and Legal division.
 - As a temporary measure, for budgetary reasons, the fourth ASG post will not be filled for most of the biennium, but it is planned that, in order to consolidate and enhance accountability, oversight and control, a process will be undertaken to select an ASG to further strengthen and lead the Finance and Legal Division towards the end of the biennium;
 - An overall reduction of around 290 PSA posts, with the largest percentage cuts being made at Headquarters.
 - A reduction in the number of Regional Bureaux from 7 to 6, through a merger and reconfiguration of the Regional Bureaux for Southern, Eastern and Central Africa



under one Regional Director, based in Johannesburg in line with the steps taken by other funds and programmes in the implementation of the 2004 General Assembly resolution on the Triennial Comprehensive Policy Review. Key regional functions will continue to be located in Kampala, under a Deputy Regional Director, to cover the expanded region.

- A reduction in the cost and size of the Liaison Offices.
 - Given improvements in communications and WFP's positioning of personnel and equipment in regional hubs and depots around the world, WFP will shift to a model where there is an accredited representative for each country but not necessarily a full-time Country Director present in all countries.
13. A number of other measures will also be implemented, such as closing one of the headquarters buildings, as well as global sourcing and transferring of some work processes to more cost-efficient locations, in line with WFP's global operational model.
 14. Management is firmly committed to best practices in governance, oversight and evaluation, and will keep capacities under review and explore financing mechanisms that can ensure predictability, accountability and necessary risk assurance to maintain the position and credibility that WFP has already established.
 15. Management believes that the outcome of this Plan will be an organisation that is more efficient, streamlined and adaptable, and more rationally structured to meet today's challenges. A main objective of the Plan is to maintain WFP's operational ability to deliver assistance to the hungry in the field, and to ensure that core capacities developed for that purpose are not compromised. However, it should be noted that, within the reduced PSA level, gains made through structural change and other efficiencies may not be sufficient to ensure adequate resourcing of all critical areas at the proposed PSA level of US\$345 million.
 16. WFP will have to explore new ways to maintain a sustainable core budget, which includes specific funding for initiatives that it is asked to undertake on behalf of the humanitarian community or for costs imposed by global United Nations decisions, including on cost-sharing for security arrangements. Acceptance of commitments, such as cluster leadership, will have to be accompanied by diligent financial analysis and perhaps by alternative funding mechanisms.

Financial Overview

17. The requirements of current operations and programmes are the main, conservative driver of the Management Plan for 2008-2009. They are determined as the sum of all currently approved operations and programmes foreseen to be implemented during the next biennium, including a conservative estimate of operations and programmes likely to be extended when they conclude in 2008 or 2009 (referred to as 'logical extensions')¹.
18. WFP has a unique financing model, which has three cost categories: Direct Operational Costs (DOC), Direct Support Costs (DSC) and Indirect Support Costs (ISC). While DOC and DSC are based on operational requirements, the ISC is set at a percentage rate approved by the Board, presently 7.0 percent, which is included as a fixed portion of every donation to fund the PSA budget.

¹ For example, the present emergency operation in Sudan is due to conclude on 31 December 2007, However a further follow-up operation is under preparation and has been included in the planning figures for the next biennium.



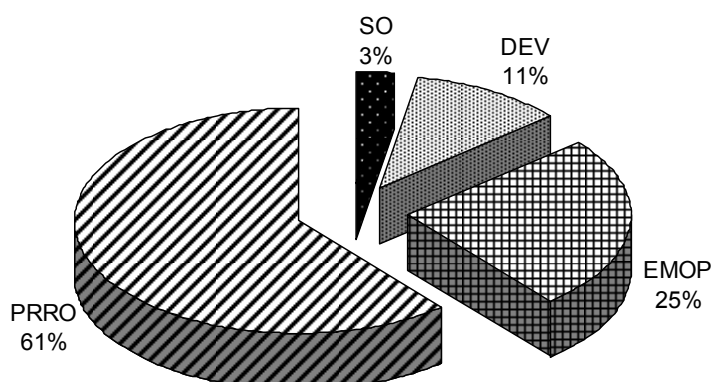
19. ISC income used to fund the PSA budget is dependent on the operational programme of work and is thus variable and uncertain. Therefore, when setting the PSA budget, the organization must consider resource projections, as well as support needs.
20. Consequently, the US\$5.4 billion operational budget for 2008-2009 is based on currently approved, or expected to be approved, operations, and the PSA budget of US\$345 million for 2008-2009 is a derivative of the operational activity levels.
21. The total budget proposal is summarized in Table 1.

TABLE 1: BUDGET PROPOSAL 2008–2009 (US\$ million)	
Operational expenditure	5 414.1
Regular PSA	345.0
Capital, security and capacity funds	37.2
Trust funds and bilateral operations	179.0
Special accounts and other General Fund	192.4
Total management plan expenditure	6 167.7

Operational Budget

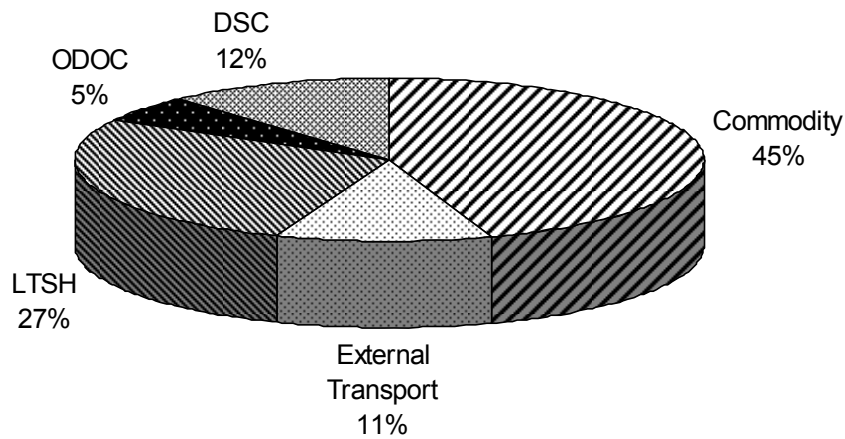
22. The projected requirements of current operations and programmes, if fully funded, are expected to be 7.8 million metric tonnes of food for 89.9 million beneficiaries over the biennium in 76 countries. These operational requirements by programme category are outlined in the graph below:

2008-2009 Operational Budget by Programme Category (*in value terms*)



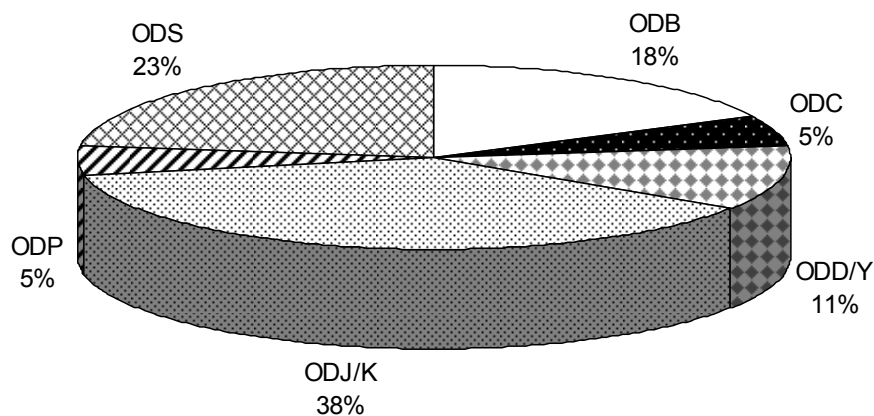
23. The breakdown of the operational budget by cost components is shown in the graph below. To enhance transparency and accountability the operational section (Section III) now contains a detailed analysis of each cost component.

2008-2009 Operational Budget by Cost Component



24. The breakdown of operational requirements by region show that Southern, Eastern and Central Africa and Sudan, continue to account for the majority of operational requirements in the 2008-2009 biennium.

2008-2009 Operational Budget by Region



PSA Budget

25. The Executive Board is asked to approve a PSA appropriation of US\$345 million for the 2008-2009 biennium.



	2008–2009
Programme support: regional and country offices	103.7
Programme support: Headquarters	42.7
Management and Administration	198.6
TOTAL	345.0

26. The PSA budget is used for management, administrative and programme support costs in headquarters and liaison offices, regional bureaux, and country offices, covering WFP's indirect support costs which are not linked to any specific operation.
27. The diminishing balance of the PSA account reserve have required the organization to establish a lower PSA budget for 2008-2009 than for the previous two biennia. In addition, costs of the organization, in particular staff costs, have increased significantly, leading to a need for an even greater reduction in the overhead structure.
28. In an organization-wide consultative process WFP has examined all its PSA activities and costs in order to ensure effective prioritization of limited PSA resources. The current PSA resource allocation attempts to preserve the most important activities while reducing overhead costs.
29. The reduced PSA also includes some important activities that were previously funded through extra-budgetary resources and have become central to WFP's work. However given the resource constraints, cost increases and the income uncertainty of voluntary funding, not all of these activities can be fully mainstreamed in the core PSA budget.

Income Assumptions

30. Full funding of the assessed needs of programmes and operations approved under the authority of the Board would require funding of US\$5.8 billion in 2008-2009 (the above operational requirements of US\$5.4 billion plus 7 percent in ISC), excluding any provision for unforeseen emergencies. This could be expected to generate between US\$346 million to US\$382 million in ISC, which would be more than sufficient to fully fund the PSA proposal of US\$345 million.
31. Based on historical trends, a more realistic income assumption for these needs in 2008-2009 is for 90 percent funding of US\$5.8 billion, or US\$5.2 million total contribution income.
32. Total projected contribution income of US\$5.2 billion would generate between US\$311 and US\$340 million of ISC income. Even if the ISC income generated from these operational requirements was only US\$311 million, a conservative projection, it is expected that sufficient additional ISC associated with unforeseen emergencies would be generated to fully fund the PSA proposal of US\$345 million.



33. However, should this level of ISC not be generated during the biennium, the amount within the PSA equalization account, after repaying a transfer of US\$24.1 million from the DSC Advance Facility, is expected to be more than sufficient to meet any deficit arising during the biennium. In addition, as the PSA equalization account is a sub-set of the General Fund, the balance of the General Fund would offset any deficit.
34. The Secretariat will present an update on the status of the PSA equalization account and these projections at each Board session in 2008 and will undertake a full review of the Management Plan and its assumptions in the Board session following the adoption of the 2008-2011 Strategic Plan.

Historical Trends

35. WFP's operational expenditure for a given period is based on the operational requirements, the funding of those requirements, and the implementation rate of WFP's projects. While WFP's goal is to fund 100 percent of requirements, history indicates that on average, approximately 90 percent of requirements will be funded.
36. Therefore, in order to compare to previous biennia, estimated direct expenditure and tonnage of food delivered for 2008-2009 has been reduced to 90 percent of the requirements outlined above. On this basis Table 3 outlines the expected total WFP expenditure levels for the three biennia from 2004 to 2009.

TABLE 3: TREND OF EXPENDITURE (US\$ million)			
	2004–2005 actual expenditure	2006–2007 estimated expenditure	2008–2009 projected expenditure
Total direct expenditure	5 487.6	5 153.7	4 896
Regular PSA	385.1	395.6	345
Capital, security and capacity funds	77.2	36.8	37*
Other expenditure	227.2	348.4	371
TOTAL EXPENDITURES	6 177.1	5 934.5	5 650
PSA Expenditure as a percentage of direct expenditure	7.0 %	7.7 %	7.0 %
Food delivered (million mt)	9.574	7.764	7.029

For comparison purposes the Iraq bilateral of 2004 has been included in direct expenditure and within the food delivered. All other bilaterals are included in 'Other Expenditures' which also includes trust funds, special accounts and General Fund expenditures.

*Capital security and capacity funds for 2008-2009 include US\$26.6 million costs assigned to WFP by the United Nations.

37. The proposed PSA expenditure is lower than in the current biennium, however, the nominal dollar reduction masks the extent of the reductions in PSA funded activities and posts. The combined impact of the increase in staff costs and the dollar reduction in PSA result in a PSA reduction of 21 percent in real terms.



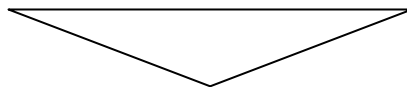
38. As outlined in Table 3, and despite the significant increase in staff costs, the current proposal is projected to reduce PSA expenditure as a percentage of direct expenditure from 7.7 percent for the current biennium to 7.0 percent for 2008-2009.

Conclusion

39. The 2008-2009 Management Plan is presented for consideration and approval as part of an on-going planning process that will continue during the biennium. Due to the uncertain nature of WFP's business and funding and the upcoming review of strategy, the assumptions contained within the plan will be reviewed regularly during the implementation of the plan. Once the Strategic Plan is adopted by the Executive Board in 2008, the Management Plan will be updated to reflect the priorities outlined in the Strategic Plan 2008-2011.
40. In the meantime, WFP will concentrate on building a sustainable and flexible organization that is able to respond quickly and effectively to the needs of hungry people, while at the same time maintaining a focus on cost efficiency and effectiveness.



DRAFT DECISION*



Having considered WFP's Biennial Management Plan Budget for 2008–2009, as submitted by the Executive Director in document WFP/EB.2/2007/5-A/1, the Board:

- i) as allowed under Financial Regulation 2.1, **approves** an exemption from Financial Regulation 9.2 which requires that the proposed Management Plan be circulated to members of the Board not later than 60 days before the session;
- ii) **takes note of** the projected operational requirements of US\$5.4 billion, excluding any provision for unforeseen emergencies and including Direct Support Costs (DSC), as outlined in Section III;
- iii) **approves** a transfer of US\$24.1 million from the Direct Support Cost Advance Facility (DSCAF) to the PSA Equalization Account.;
- iv) **takes note** that the PSA budget proposal assumes, at a funding level of 90 percent of the above operational requirements, up to US\$34 million from the PSA Equalization Account may be required to offset any potential funding shortfall;
- v) **approves** a PSA appropriation of US\$345 million for the following purposes:

➤ Programme support: regional and country offices	US\$ 103.756 million
➤ Programme support: Headquarters	US\$ 42.692 million
➤ Management and administration	US\$ 198.552 million
➤ Total	US\$345.000 million
- vi) **approves** expenditures of up to US\$10.6 million funded from the General Fund for the transition to the proposed PSA budget as outlined in Section IV;
- vii) **approves** expenditures of up to US\$26.6 million funded from the General Fund for the UN Department of Safety and Security (DSS);
- viii) **approves** an Indirect Support Cost (ISC) recovery rate of 7.0 percent for the 2008-2009 biennium;
- ix) **authorizes** the Executive Director to adjust the PSA component of the budget in accordance with any variation in the volume of operational requirements of more than 10 percent from level outlined in Section III.
- x) **requests** the Secretariat to update the Management Plan 2008-2009 to reflect any changes arising from the approval of the Strategic Plan 2008-2011 in the session immediately following the adoption of the Strategic Plan.

* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document (document WFP/EB.2/2007/15) issued at the end of the session.



SECTION I: INTRODUCTION TO THE WFP MANAGEMENT PLAN

41. Pursuant to current governance arrangements, WFP's 2008-2009 Biennial Management Plan is presented for the Executive Board's consideration and approval in accordance with Articles 9.1 and 9.5 of the WFP Financial Regulations.
42. This section of the document introduces the Management Plan by outlining its purpose and methodology and the WFP planning framework.
43. The section contains:
 - Purpose and background;
 - Planning context:
 - ◇ budget methodology;
 - ◇ expenditure and funding;
 - Challenges and opportunities;
 - Content and definitions.
44. The following Section II provides an overview of the plan and a summary of the budget proposal. Sections III and IV outline in detail the operational and PSA budget proposals, respectively.

Purpose and Background

45. The WFP Management Plan 2008-2009 outlines the resources needed to implement all currently foreseen projects and support activities. The Management Plan is based on the Strategic Plan 2006-2009.² These two documents, together with the Annual Performance Report (APR), comprise the main governance tools of WFP and provide the oversight and accountability framework for the Organization.
46. The operational budget contained in the plan is framed by five Strategic Objectives, and the support budget by the seven Management Objectives outlined in the Strategic Plan 2006-2009.
47. The Strategic Objectives are:
 1. save lives in crisis situations;
 2. protect livelihoods in crisis situations and enhance resilience to shocks;
 3. support the improved nutrition and health status of children, mothers and other vulnerable people;
 4. support access to education and reduce gender disparity in access to education and skills training;
 5. strengthen the capacities of countries and regions to establish and manage national food assistance and hunger reduction programmes.
48. The Management Objectives are:
 1. build strong partnerships to end hunger;

² For further details, see WFP Strategic Plan 2006–2009 (WFP/EB.A/2005/5-A/Rev.1).



2. be the employer of choice for competent staff committed to ending hunger;
 3. excellence in implementing efficient and effective programmes;
 4. build and share knowledge on hunger to inform combined efforts to end hunger;
 5. provide technical and operational infrastructure and services to support operations;
 6. be transparent, accountable, and manage risk;
 7. raise resources to meet needs.
49. These Strategic and Management Objectives have remained broadly unchanged since 2003. However, the forthcoming Strategic Plan 2008-2011 may involve adjustments to WFP's financial and management structures and the assumptions on which the Management Plan is based.
50. Adjustments in strategy could lead to changes in the Management Plan:
- to the programme of work upon which the Management Plan is based;
 - to the underlying financial policy and resourcing strategy on which the Management Plan is based;
 - to Programme Support and Administrative (PSA) resource allocations and cost structures;
 - to reporting of activities and resource usage linked to operational and strategic objectives;
 - to the logical framework and other results-based management (RBM) aspects of the plan.
51. When the new Strategic Plan is finalized, each of these areas will need to be considered and a Management Plan update issued to the Executive Board at its session following the Strategic Plan adoption.
52. The focus of the current Management Plan is therefore to build a flexible organization and a prudent budget to support an organizational structure that is adaptable and responsive to changes in the external environment and to emerging strategic and funding realities.

Planning Context

⇒ *Budget Methodology*

53. The content, presentation and organization of the WFP Management Plan 2008-2009 document are guided by the common harmonized support budget format adopted by the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF).
54. The operational budget outlines the resources needed to fund the direct costs of all approved programmes and projects, and their logical extensions. Details of methodology for the operational budget are in Section III of this document.
55. The level of the PSA budget proposal is primarily driven by the expected level of resources in the coming biennium. Details of the methodology for the PSA budget are in Section IV of this document.
56. In line with the methodology of previous biennia, WFP has not budgeted for any new unexpected emergencies. If and when these arise, they will increase the operational



requirements and budget. WFP will report these changes through update notes on the Management Plan at each Executive Board session, as has been the practice since 2004.

⇒ *Expenditure and Funding*

57. All WFP expenditures are funded by voluntary donor contributions to WFP. All contributions are treated according to the principle of full-cost recovery (FCR) – when a donor contributes or pays for a commodity, the donor is also required to cover all related operational and support costs. Each contribution therefore includes the value of the commodities and a portion for external transport, landside transport, storage and handling (LTSH), other direct operational costs (ODOC), direct support costs (DSC)³ and a percentage for indirect support costs (ISC). ISC is charged at a rate determined by the Executive Board; the income derived is used to fund the PSA budget.
58. Project budgets are approved by the Executive Board, or under their delegated authority, on a project-by-project basis. The level of funding for a project determines the level of expenditure against the project budget, as expenditures can only be incurred on the basis of confirmed contributions or approved advance financing from one of the advance financing mechanisms.⁴
59. The expenditures for the PSA budget are approved by the Executive Board every biennium on the basis of the PSA budget appropriations presented in the Biennial Management Plan. As mentioned, the income for funding PSA expenditure comes from the ISC charge applied to each donation. Even with the ISC rate fixed for the biennium, the actual level of operations and associated income is usually substantially different from budgeted levels; actual ISC income therefore usually differs from budgeted ISC income and from PSA expenditure.
60. The PSA Equalization Account has been set up to record the difference between PSA expenditure and ISC income. The difference between PSA expenditure and ISC income is transferred to this reserve at the end of each financial period. Accumulated balances from periods where income exceeds expenditure can be used to fund an income shortfall in periods of deficit.

Challenges and Opportunities

61. As a voluntary-funded, emergency-focused organization, the main planning challenge that WFP faces is operational and funding uncertainty. WFP must have the staff and technical capacity to respond immediately to several simultaneous complex emergencies in any part of the world. At the same time, uncertain voluntary funding means that the level of resources available ultimately determines the expenditure for operational and support priorities.
62. In 2006-2007, WFP had planned to build capacity to respond to three simultaneous emergencies, motivated by the experience of previous years when it was required to respond to several large-scale emergencies at one time. WFP adopted a deficit support budget, on the assumption that new emergencies will arise during the biennium and that ISC income from these unexpected emergencies will cover PSA spending.

³ Definitions of cost categories are given in the following subsection.

⁴ Advance financing on the basis of forecasted contributions is available to projects. All funds advanced, except a limited amount of grants, must be repaid once contributions are confirmed.



63. In contrast to expectations, there were no major emergencies during 2006-2007. The focus of the current PSA budget is therefore on reducing the support structure to a level that is in line with projected income and reserves. This realignment will require significant repositioning of resources and staff in order to preserve operational capacity and maintain an expenditure structure in line with projected resources.
64. There is no way for WFP to avoid the uncertainty inherent in its business. Unexpected emergencies will happen, but there is no way of predicting when, where and on what scale. WFP must therefore constantly update its financial outlook, compete for resources and be adaptable and flexible to tailor its organizational structure and activities to the resources available - but most importantly, to the needs of the beneficiaries that it serves.

Content and Definitions

65. The WFP Biennial Management Plan 2008-2009 has a different structure from that of previous Management Plans. The following are its main sections:

- **Section I: Introduction to the WFP Management Plan 2008-2009** outlines the planning framework and the methodology used to present the Management Plan and budget. It also provides definitions of the components of the biennial budget presented.
- **Section II: Overview and Financial Summary** summarizes resource requirements for 2008-2009 for operational and support activities, and briefly reviews implementation of the 2006-2007 budget.
- **Section III: Direct Operational and Direct Support Cost Budget** details all direct costs for WFP operations. The budget is analysed in several dimensions – by programme category, cost component, region and Strategic Objective.
- **Section IV: Programme Support and Administrative Budget** details the resources needed for WFP's indirect support costs. The PSA budget is presented to the Executive Board for approval in this Management Plan.

Changes from 2006–2007 Plan: (1) Owing to the size and complexity of operations in the Sudan, this country will be treated as a regional bureau for 2008–2009. (2) Bilateral operations have been taken out of the operational section, Section III, and included with all other extra-budgetary resources in the overview.

Change from 2006–2007 Plan: DSC, previously presented in the support cost section, are now presented with all other direct costs in Section III.

66. All budgeted costs are classified as:

1. **Food:** composed of food purchased, food donated in kind and other relatively minor costs, such as quality and quantity survey fees;
2. **External transport:** comprising the costs usually associated with the first leg of transport of donated or purchased commodities from the country in which WFP receives the consignment to the recipient country;
3. **Landside transport, Storage and Handling (LTSH):** comprising the costs required to care for and physically deliver commodities from the completion of external transport through to final distribution;



4. **Other Direct Operational costs (ODOC):** defined as activity inputs – staff, non-food items or services – that are provided by WFP and used directly in activities by beneficiaries, the government of a recipient country or other implementing partners;
 5. **Direct Support Costs (DSC):** incurred directly to support projects, and including costs of staff, recurring expenditures, and equipment and capital costs;
 6. **Programme Support and Administration (PSA):** administration and management costs that are not directly identified with or allocated to any particular WFP project.
67. Operations are classified into four major programme categories:
1. **Emergency Operations (EMOPs)** provide food assistance to meet emergency needs.
 2. **Protracted Relief and Recovery Operations (PRROs)** provide food assistance to meet protracted relief and recovery needs.
 3. **Development programmes (DEVs)** are food aid programmes and projects to support economic and social development. This programme category includes rehabilitation and disaster preparedness projects and technical assistance to help developing countries establish or improve their own food assistance programmes.
 4. **Special Operations (SOs)** rehabilitate and enhance transport and logistics infrastructure to permit timely and efficient delivery of food assistance to meet emergency and protracted relief needs. SOs are also used to enhance coordination within the United Nations system and with other partners through the provision of designated common services, such as the United Nations Humanitarian Air Service, joint logistic clusters and inter-agency information and communications technology (ICT) services.



SECTION II: OVERVIEW AND FINANCIAL SUMMARY

68. This section presents the overall WFP Management Plan budget proposal. The section contains:

- The WFP biennial budget proposal;
- Background: review of the 2006-2007 biennium;
- Resource requirements for the 2008-2009 biennium;
- Extra-budgetary resources
- Funding of the budget proposal:
 - ◇ ISC rate
 - ◇ PSA equalization account
 - ◇ General Fund

The WFP Biennial Budget Proposal

69. The total proposal, including extra-budgetary resources, for 2008-2009 is US\$6.2 billion. US\$5.4 billion, or 87 percent, relates to direct operational and direct support costs for WFP's operations – EMOPs, PRROs, DEVs and SOs. Operational requirements do not include a provision for unforeseen emergencies. Indirect support expenditure for the biennium is budgeted at US\$345 million for PSA expenditures, and \$37.2 million for capital, security and capacity funds. The capital, security and capacity funds include US\$10.6 million for a transition fund to implement reductions in the indirect support structure, and US\$26.6 million for mandatory costs for the United Nations Department of Safety and Security (UNDSS).

70. Extra-budgetary resources, including trust funds, special accounts and bilateral operations, together account for US\$371.4 million of projected expenditure for 2008-2009.

Operational expenditure	5 414.1
Regular PSA	345.0
Capital, security and capacity funds	37.2
Trust funds and bilateral operations	179.0
Special accounts and other General Fund	192.4
Total management plan expenditure	6 167.7

71. Within the proposed US\$5.4 billion operational requirements, if fully funded, WFP proposes to deliver 7.8 million mt of commodities to 89.9 million beneficiaries in 76 countries.



Background: Review of the 2006-2007 Biennium

72. Table II.2 shows the original Management Plan 2006-2007 budget, together with the currently estimated expenditure for 2006-2007. It is important to note that the operational requirements for the biennium, updated at the Executive Board's 2007 Annual Session, were US\$5,965 million, revised from the original Management Plan budget. The original operational requirements change during the biennium as project budgets are updated or newly approved to reflect latest beneficiary needs. However, the actual expenditure against the operational requirements also depends on contribution income.

TABLE II.2: ORIGINAL BUDGET VERSUS REVISED ESTIMATES, 2006–2007 (US\$ million)		
	2006–2007 original requirements	2006–2007 estimated expenditures
Sources of fund by programme category		
–EMOP	1 614	1 723
–PRRO	3 046	2 543
–Development	712	508
–SOs	358	380
–Bilateral and other operations	115	217
–General Fund	508	564
TOTAL	6 353	5 935
Use of funds by cost component		
–Food	2 597	2 199
–External transport	703	522
–LTSH	1 377	1 437
–ODOC	457	442
–DSC	659	554
Total operational expenditure	5 793	5 154
Regular PSA	368	396
Capital and capacity funds	25	37
Total indirect expenditure	393	433
Other support cost/special funds	167	348
TOTAL	6 353	5 935
<i>Volume (million mt)</i>	9.521	7.764

73. The estimated total expenditures for 2006-2007 are 7 percent lower than the original budget proposed in the Management Plan 2006-2007:
- Total operational expenditures are 11 percent lower than the budget, reflecting the fact that not all operational requirements are fully funded.
 - Indirect expenditure for PSA and capital, security and capacity funds is 8 percent higher than the budget, owing to cost increases during the biennium. In particular, actual staff costs were higher than the standard staff costs budgeted according to standard staff rates.⁵
 - Expenditure for trust funds and special accounts have more than doubled compared to the budget, owing to the increased number and size of these activities.

⁵ The status of standard staff costs was highlighted in the Management Plan Update (WFP/EB.1/2007/6-A/1) presented to the First Session of the Executive Board in February 2007. In that document, the Board also approved an additional US\$6.9 million of the general service staff salary increase to be funded from the PSA Equalization Account.



Resource Requirements for the 2008-2009 Biennium

74. As detailed in Table II.3, WFP's total foreseen operational requirements for the 2008-2009 biennium are US\$5.4 billion. Of this, 61 percent relates to PRROs, followed by EMOPs with 25 percent and DEVs with 11 percent. The operational requirements for EMOPs are likely to increase during the biennium, as the budget does not include any provision for unforeseen emergencies. SOs, budgeted at only 3 percent of operational requirements, are also likely to increase in value during the biennium, as they usually accompany major emergency operations.

TABLE II.3: RESOURCES REQUIRED AND UTILIZATION 2008–2009 (US\$ million)							
	General Fund/other	DEV	EMOP	PRRO	SO	Bilateral/other	Total
CONTRIBUTIONS AND INCOME*							
Commodity contributions	-	350	418	1 659	0	1	2 428
Other contributions	-	287	1 045	1 869	166	4	3 370
Total contributions	-	637	1 463	3 528	166	5	5 798
Other Income	192					177	370
Transfer of ISC to General Fund	382	-42	-96	-231	-11	-3	-
TOTAL	575	595	1367	3 297	155	179	6 168
OPERATIONAL REQUIREMENTS							
Food in kind	-	57	211	500	-	-	768
Food purchases	-	293	207	1 159	-	-	1659
Subtotal	-	350	418	1 659	0	-	2 427
Ext. transport	-	57	136	400	-	-	593
LTSH	-	89	628	759	-	-	1 476
ODOC	-	41	12	109	130	-	292
DSC	-	58	173	369	26	-	626
TOTAL OPERATIONAL COSTS	-	595	1 367	3 297	155	-	5 414
Regular PSA	345	-	-	-	-	-	345
Capital, security and capacity	37	-	-	-	-	-	37
TOTAL INDIRECT COSTS	382	-	-	-	-	-	382
OTHER	192	-	-	-	-	179.0	371
TOTAL	575	595	1367	3 297	155	179.0	6168
Volume (million mt)	-	1.266	1.382	5.162	-	-	7.810

* Contributions and income figures reflect 100% funding of all requirements



75. The breakdown of the operational requirements by cost component shows the different cost structures of each programme category. While commodities make up the largest percentage of DEV and PRRO budgets, LTSH represents the largest cost component for EMOPs. Owing to poor infrastructure and insecurity in countries where WFP has EMOPs, associated costs are proportionately higher for this category. For example, in Sudan, which accounts for 85 percent of EMOP operational requirements, 71 percent of costs are non-food costs. SO budgets consist of ODOC and DSC only, as these operations do not have a food component.
76. Table II.4 shows the trend of expenditure over three biennia.

TABLE II.4: TOTAL EXPENDITURES BY PROGRAMME CATEGORY (US\$ million)				
	2004–2005 actual expenditures	2006–2007 estimated expenditures	2008–2009 projected requirements	2008–2009 projected expenditures*
EMOP	2 039.2	1 723.2	1 367.1	1 245.0
PRRO	1 913.7	2 542.6	3 296.7	3 008.7
Development	515.3	508.2	595.1	528.8
SO	257.4	379.6	155.1	113.9
Iraq	762.0	-	-	-
Bilateral and Trust Funds	186.2	217.2	179.0	179.0
Special accounts and General Fund**	503.3	563.7	574.7	574.6
TOTAL	6 177.1	5 934.5	6 167.7	5 650.0

* Operational expenditures have been reduced to approximately 90 percent of requirements to reflect expected funding levels.

** Includes special accounts and takes into account eliminations: US\$81.1 million in 2004-2005, and an estimated US\$45.5 million in 2006-2007.

77. The estimated expenditure for the 2006–2007 biennium is 4 percent lower than the actual expenditure for 2004-2005. While the budget for 2008-2009 is higher than the previous biennium's expenditure, the actual expenditure against the operational requirements will depend on funding levels and is projected to be 5 percent lower than 2006-2007 expenditure.
78. Table II.5 shows the breakdown of the projected requirements by cost component and compares it to 2006-2007 estimated expenditure levels to highlight cost and volume differences.



TABLE II.5: TOTAL BUDGET BY COST CATEGORY AND APPROPRIATION LINE 2006–2007 AND 2008–2009 (US\$ million)						
Changes						
	2006–2007 estimated expenditures	% of total	Volume inc/ (dec)	Cost inc/ (dec)	2008–2009 projected requirements	% of total
1. TOTAL OPERATIONAL COSTS						
Food	2 199	37	(29)	257	2 427	39
External transport	522	9	3	68	593	10
LTSH	1 437	24	(118)	157	1 476	24
ODOC	442	7	(201)	51	292	5
DSC	554	9	(39)	111	626	10
TOTAL	5 154	87	(401)	644	5 414	88
2. INDIRECT COSTS						
PSA	396	7	(51)	-	345	6
Capital, security and capacity funds	37	1	-	-	37	-
Total indirect costs	433	7	51	-	382	6
3. Other expenditures	348	6	23	-	371	6
TOTAL	5 935	100	233	-	6 168	100
PSA						
Regional bureaux and country offices	127	32	(23)	-	104	30
Headquarters	41	10	1	-	42	12
Management and administration	227	57	(28)	-	199	58
TOTAL	395	100	(51)	-	345	100

79. Average unit cost for all direct cost components, except ODOC, are expected to increase. Rising fuel costs, unfavourable exchange rates and inflationary pressures have substantially increased WFP costs. A new section detailing cost components is included in Section III: Direct Operational and Direct Support Cost Budget.

80. PSA spending is budgeted to decrease, owing to a foreseen decrease in ISC income and the diminishing PSA Equalization Account balance. Table II.6 shows that support expenditures will be reduced substantially, with those budgeted being US\$50.6 million less than 2006-2007 estimated expenditure. Owing to cost increases, mainly related to staff costs, the real reduction in PSA expenditures is even higher than the nominal reduction.



TABLE II.6: REGULAR PSA COSTS BY APPROPRIATION LINE (US\$ million)			
	2004–2005 actual	2006–2007 estimated	2008–2009 projected
Programme support: regional bureaux and country offices	129.5	127.1	103.7
Programme support: Headquarters	38.4	41.4	42.7
Management and administration	208.9	227.1	198.6
TOTAL	376.8	395.6	345.0

EXTRA-BUDGETARY RESOURCES

81. This sub-section details WFP's plans for use of extra-budgetary resources for 2008-2009. Extra-budgetary resources are those resources that do not require Executive Board approval under Financial Regulation 5.1; they include bilaterals, trust funds and special accounts.

Trust Funds and Bilaterals

82. Contributions through capacity building trust funds have often allowed WFP to develop innovative ways of improving its work. A number of WFP's current mainstreamed activities were initially funded through these trust funds, such as vulnerability assessment and mapping (VAM) and contingency planning activities. These are considered core activities that enable WFP to perform at a higher level, leading to better targeting, speedier response and overall improved quality.

83. A Committee on Extra-Budgetary Resources has been established to provide oversight for these resources and ensure that the activities funded support overall WFP priorities. The task of the Committee is to establish a system for the mobilization and management of extra-budgetary resources in WFP. This will enable WFP to ensure adequate corporate guidance and accountability mechanisms are in place so that all resources are spent in accordance with corporate priorities.

84. The majority of trust funds are managed centrally at Headquarters, on the basis of the trust fund agreement between the donor and WFP. Country-specific trust funds are managed directly by the countries where they are established.

85. A number of countries have trust fund agreements with WFP supporting thematic areas where more capacity is needed. Several countries have also created trust funds with WFP implementing activities in their own countries. A number of private companies have established trust fund agreements with WFP.

86. Contributions through trust funds and bilaterals for 2008-2009 are estimated at US\$179 million.



Special Accounts

87. Special accounts are established according to WFP's Financial Regulations by the Executive Director to account for special contributions or monies earmarked for specific activities.
88. Special accounts have been growing significantly in recent years and are becoming more central to WFP's core business. Several key operational activities are carried out through these accounts – the largest being accounts for the United Nations Humanitarian Response Depots (UNHRD), the Aviation Special Account for the United Nations Humanitarian Air Service (UNHAS), the Fast Information Technology and Telecommunications Emergency Support Team (FITTEST) special account for ICT support activities for WFP operations, and the self-insurance account. A Special Account for Global Vehicle Leasing has also been established.
89. Another significant Special Account has been established for WINGS II. The upgrade of WFP's information systems and business processes was approved by the Executive Board in October 2005 as part of the 2006-2007 Management Plan, with an initial allocation of US\$15 million from the 2006-2007 Capital Asset Fund (CAF) budget. A grant of up to US\$34 million from the General Fund to the special account was approved by the Executive Board in June 2007. This brings the total WFP Information Network and Global System II (WINGS II) allocation to US\$49 million, of which US\$20 million will be used to complete the realization phase and rollout of the new system in the next biennium.
90. WFP will continue to raise public awareness on world hunger. Annual Walk the World events are planned for 2008 and 2009, but no dedicated PSA has been proposed for these. Instead the required resources will come from local and international private sector partners and will be managed within a special account set up for this purpose.
91. The activities carried out through special accounts are expected to amount to US\$192.4 million for the biennium.

Funding of the Budget Proposal

92. Full funding of the assessed needs of programmes and operations approved under the authority of the Board would require US\$5.8 billion in 2008–2009, a figure derived by adding the 7 percent Indirect Support Costs to the operational requirements of US\$5.4 billion, excluding any provision for unforeseen emergencies. This could generate between US\$346 million and US\$382 million in Indirect Support Costs, which would fully fund the Programme Support and Administrative proposal of US\$345 million.
93. On the basis of historical trends, a more realistic income assumption for these needs in 2008–2009 is for 90 percent funding of the US\$5.8 billion, or US\$5.2 billion in total contribution income.
94. Total projected contribution income of US\$5.2 billion would generate between US\$311 million and US\$340 million of Indirect Support Costs income. Even if the Indirect Support Costs income generated from these operational requirements were only US\$311 million, it is expected that sufficient additional ISC associated with unforeseen emergencies would be generated to fund the Programme Support and Administrative proposal of US\$345 million.
95. If this level of Indirect Support Costs is not generated during the biennium, the amount in the Programme Support and Administrative Equalization Account is expected to be more than sufficient to meet any deficit arising during the biennium, after repaying a



transfer of US\$24.1 million from the Direct Support Costs Advance Facility. The balance of the General Fund would also be available to offset any deficit, because the Programme Support and Administrative equalization account is a sub-set of the General Fund.

96. The Secretariat will present an update on the status of the Programme Support and Administrative Equalization Account and these projections at each Board session in 2008 and will undertake a full review of the Management Plan and its assumptions in the Board session following the adoption of the 2008–2011 Strategic Plan.

ISC Rate

97. At the Executive Board's Annual Session in 2006, the Secretariat, at the request of the Board, presented a comprehensive review of the ISC rate.⁶ On the basis of this review, the Executive Board requested the Secretariat to apply the methodology outlined in the document to set the ISC rate for future management plans. For 2008-2009, applying the methodology presented⁷ would result in the following proposal for the ISC rate:

1)	Establish the baseline rate from latest available financial results:	
	2006-2007 baseline	7.68%
2)	Adjust for any changes to planned indirect expenditure:	
	Reduction for lower indirect expenditure in 2008-2009	-0.98%
3)	Adjust for funding projections:	
	Increase for lower funding forecast	+0.38%

98. The resulting ISC rate is 7.08 percent, which is marginally above the current approved ISC rate of 7.0 percent.

99. The methodology in the ISC study also provided for an additional step to modify the ISC rate in order to adjust the level of the PSA equalization reserve to the target level.⁸ To increase the PSA Equalization Account balance to the target level during the 2008-2009 biennium, the ISC rate would have to be raised to 8.2 percent.

100. At this time, the Secretariat is recommending that the ISC rate of 7.0 percent be maintained. As WFP is currently consolidating its support structure and undertaking cost saving initiatives, the effects of these changes, and implications of the new Strategic Plan, will need to be assessed carefully in the 2008-2009 biennium.

101. Thus, the Board is requested to approve an ISC recovery rate of 7.0 percent for another two years.

PSA Equalization Account

102. The PSA Equalization Account is projected to have a positive opening balance of US\$11 million at 1 January 2008. This is less than the forecast US\$12 million outlined in the 2006-2007 Management Plan.

⁶ Review of Indirect Support Costs Rate (WFP/EB.A/2006/6-C/1).

⁷ The methodology in the document used the audited financial statements for the biennium to set the next biennium's ISC rate. As audited statements for 2006–2007 are not yet available, the biennial expenditure estimates for 2006–2007 are used here for calculations.

⁸ The target level was defined as a minimum of four months of planned PSA expenditure.



103. The forecast ISC revenue for 2008-2009 from current operations and programmes, is expected to be US\$311 to US\$340 million, excluding ISC income from any unexpected emergencies. It is proposed that US\$24.1 million will be paid back from the DSCAF to the PSA Equalization Account, repaying the transfer approved by the Executive Board in 2003.⁹ Assuming ISC of only US\$311 million for the biennium, the proposed PSA expenditure of US\$345 million will reduce the PSA Equalization Account balance to US\$1.1 million at the end of the biennium.

TABLE II.7: PSA EQUALIZATION ACCOUNT (US\$ million)	
	PSA equalization forecast
31 December 2007 Total estimated balance	11
2008–2009 estimated ISC income (90% funding)	311
Income from unforeseen EMOPs	tbd
Transfer from DSCAF	24.1
2008–2009 PSA expenditure	(345)
31 December 2009	1.1 +

104. The ISC income from unforeseen emergencies would increase the projected balance of the PSA Equalization Account. If income projections are not realized the account could have a deficit. As the PSA Equalization Account is a subset of the General Fund, any negative balance of the account will reduce the balance of the General Fund.

General Fund

105. The General Fund is an accounting entity established for recording, under separate accounts, ISC recoveries, miscellaneous income, Operational Reserve and contributions received that are not designated to a specific programme category, project or bilateral operation.¹⁰ In order to improve the transparency of reporting on ISC income and PSA expenditure, the PSA Equalization Account reserve was created in 2002¹¹ as a subset of the General Fund.

106. Table II.8 provides an overview of the forecast balance of the unearmarked portion of the General Fund¹² at the beginning and the end of the 2008-2009 biennium.

⁹ WFP/EB.3/2003/5-A/1.

¹⁰ Financial Regulations I: Definitions.

¹¹ WFP/EB.3/2002/5-C/1.

¹² The unearmarked portion excludes special accounts and other balances that have been earmarked for particular uses.



TABLE II.8: UNEARMARKED PORTION OF THE GENERAL FUND (US\$ million)	
	General Fund forecast
31 December 2007	
Total estimated balance	18.0
2008–2009 interest income	60.4
2008–2009 General Fund expenditures	
United Nations Department of Safety and Security*	(26.6)
Private sector fundraising loan*	(9.0)
Transition fund*	(10.6)
Replenishment of Operational Reserve*	(5.9)
31 December 2009	26.3

* Subject to Executive Board approval.

107. The main income for the General Fund is interest income. Interest income for 2008-2009 is forecast at US\$60.4 million, which is considered sufficient to cover foreseen requirements as well as any unexpected shortfall in ISC income for 2008-2009.

Summary

108. The Management Plan for 2008-2009 outlines currently foreseen operational requirements of US\$5.4 billion, to provide 7.8 million mt of food to an estimated 89.9 million beneficiaries over the two years, in 76 countries, through a total of 161 operations. The current operational budget is projected to be 90 percent funded, but new unexpected emergencies are expected to increase operational requirements during the biennium.

109. The current funding projections estimate ISC income at US\$311 to US\$340 million for the biennium, while the PSA expenditure proposal to the Executive Board is US\$345 million. Any shortfall in ISC income will be funded by repayment of a transfer from the DSCAF and the projected available balance in the PSA Equalization Account.





SECTION III: DIRECT OPERATIONAL AND DIRECT SUPPORT COST BUDGET

Introduction

110. This section of the Biennial Management Plan outlines the operational budget for 2008-2009 covering direct operational costs (DOC) – food costs, external transport costs, landside transport, storage and handling (LTSH) and other direct operational costs (ODOC) – and direct support costs (DSC).¹³ The total operational budget is US\$5.4 billion.

111. This section contains:

- operational budget methodology;
- an overview of the total operational budget proposal;
- the operational budget by programme category;
- the operational budget by cost component;
- the operational budget by region;
- the operational budget by Strategic Objective; and
- improving operational effectiveness.

Methodology

112. Continuing the methodology used in the 2006–2007 biennium, the operational budget is based on operational estimates for current projects (expected to be approved before 31 December 2007) and their logical extensions, which are extensions of existing projects that are likely to be approved during 2008–2009.

113. The operational budget outlines the resources needed to implement all approved programmes and projects and their logical extensions. Indicators at the project level such as past resource outlooks, income trends and budget performance were used to assess the accuracy of projected requirements.

114. The operational budget was compiled by collecting expected operational requirements for 2008-2009 for existing operations in each country office. Each regional bureau conducted a workshop in early 2007 to determine a realistic projection of their operational needs for the 2008–2009 biennium, supported by divisions in Headquarters.

115. The operational budget is an estimate of requirements and related planned expenditures based on WFP's current workload. Actual requirements for 2008–2009 could be significantly different, however, as a result of unforeseen emergencies or increases in requirements resulting from the findings of new assessments or changes that enable greater access to people in need. An analysis of trends since 2002 (Table III.1) shows the historical increase in requirements from unforeseen emergencies.

¹³ Previously, DSC was presented in the Support Budget section of the Management Plan. In the Management Plan (2008–2009), they are outlined in this section with direct operational costs.



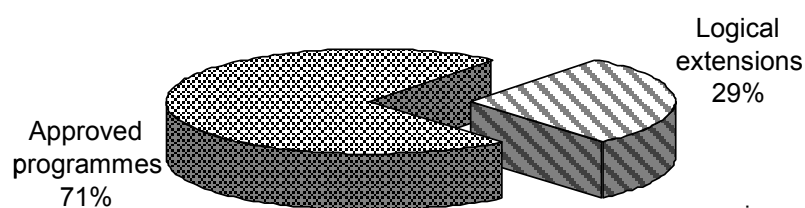
TABLE III.1: INCREASED BUDGET REQUIREMENTS FROM UNFORESEEN EMERGENCIES			
Biennium	Management Plan (US\$ million)	Unforeseen emergencies, including special operations (US\$ million)	Increase (%)
2002–2003	2 664	2 513	94.3
2004–2005	4 362	1 006	23.1
2006–2007	5 793	236	4.1

116. The operational budget will therefore change throughout the biennium as emergency situations arise or existing projects change. WFP will report these changes through regular update notes to the Board on the Management Plan, as has been the practice since 2004.

OPERATIONAL BUDGET OVERVIEW

117. Total operational requirements for the 2008–2009 biennium are projected at US\$5.414 billion. This includes the planned direct expenditure associated with 7.8 million mt of food for 90 million identified beneficiaries¹⁴ in 76 countries. Approved programmes are valued at US\$3.374 billion; foreseen logical extensions have requirements of US\$2.040 billion.

Figure III.1: Composition of Operational Requirements 2008–2009
Number of Projects

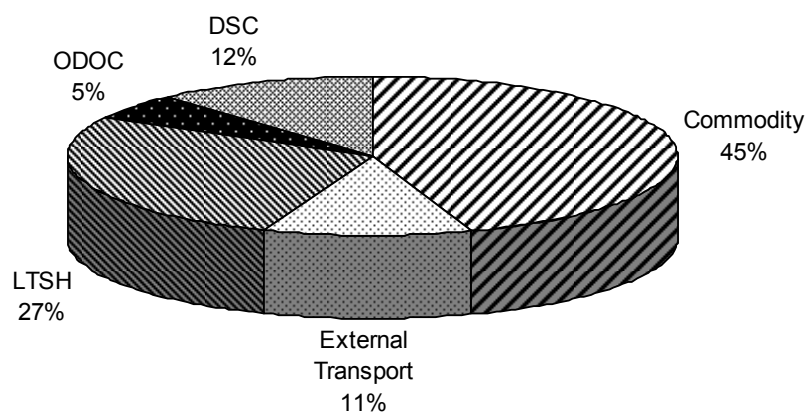


¹⁴ A WFP beneficiary is a targeted person who is provided with WFP food under at least one WFP intervention (EMOP, PRRO, development project or country programme)* at any time during a given reporting period. The size of the food ration and the duration of the food assistance programme do not affect beneficiary count. Thus, a beneficiary receiving food assistance for a few months is counted in the same way as a beneficiary receiving food assistance during the whole biennium. WFP plans to assist 69.2 million beneficiaries in 2008 and 59.3 million in 2009, which means that about 38.6 million of these are assisted in both years.

* Special operations do not have beneficiaries, and persons receiving food through bilateral operations are considered beneficiaries of the donor country and thus not counted as WFP beneficiaries.

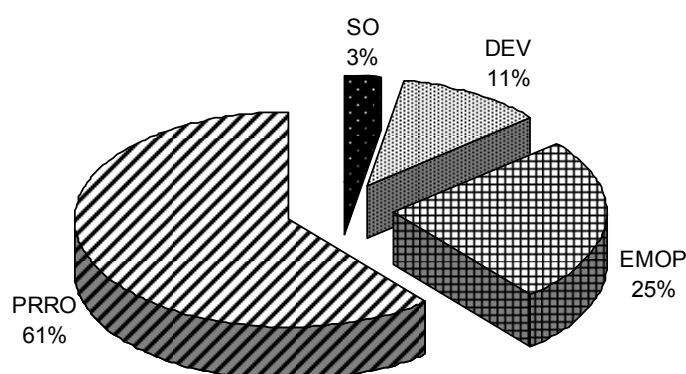
118. Of the US\$5.414 billion operational budget for 2008–2009, US\$2.427 billion is for food, US\$593 million for external transport costs, US\$1.476 billion LTSH, US\$292 million for ODOC and US\$626 million for DSC.

Figure III.2: 2008-2009 Operational Budget by Cost Component



119. The breakdown of the operational requirements by programme category, shown in Figure III.3 shows that PRROs continue to account for the largest proportion of the operational budget. The increasing size of the PRRO requirement indicates a continuing transition towards recovery and rehabilitation. The emergency operation (EMOP) portfolio is likely to increase during the biennium, because new emergencies cannot be foreseen and are not budgeted for.

**Figure III.3: 2008-2009 Operational Budget by Programme Category
(in value terms)**



Operational Principles

120. WFP's relief and development activities will be guided by national priorities. This will be achieved through participation in poverty-reduction strategy papers (PRSPs) and sector-wide approaches (SWAPs) in partnership with other United Nations agencies and government departments.
121. WFP and partners will ensure greater coherence at the country level in support of national efforts to achieve the Millennium Development Goals (MDGs), taking advantage of the opportunities offered by United Nations reform for better interagency collaboration and more efficient division of labour. Effective WFP leadership in the logistics and emergency telecommunications humanitarian response clusters and the country level Food Security Theme Groups is essential if WFP is to fulfil its obligations in the division of labour agreed through the interagency reform processes. WFP will also contribute to United Nations country level coherence processes led by the Resident Coordinator including the Common Country Assessment (CCA) process; United Nations Development Assistance Frameworks (UNDAFs), joint programming, and "Delivering as One" United Nations pilots. WFP will continue to enhance its operational partnerships with non-governmental organizations (NGOs) through collaboration in project design and implementation, joint work through the humanitarian response clusters, and global level partnerships such as the Global Humanitarian Platform (GHP).
122. WFP will continue to highlight the needs of refugees and internally displaced people (IDPs), in collaboration with the Office of the United Nations High Commissioner for Refugees (UNHCR). Refugees are often particularly vulnerable to shortages of food assistance because they are confined to camps or otherwise dependent on external food aid. An estimated 25 country offices will have projects that address the needs of refugees, IDPs and returnees.
123. The development category will focus on enabling young children and pregnant and lactating women to meet their nutritional and health needs by emphasizing mother-and-child nutrition (MCN) programmes. It will contribute to enabling poor households to invest in human capital through education and training and to gain and preserve assets to mitigate the effects of natural disasters.
124. During 2008–2009, WFP plans to purchase 3 million mt of food in regional and local markets, valued at US\$1 billion. Purchasing 39 percent of WFP's global food requirements in areas closer to its operations will have a positive impact on external transport and LTSH budgets. These purchases will help small- and medium-scale farmers by encouraging them to provide food for markets. Purchasing food locally will also stimulate local economies. Such small scale purchases have already been conducted by WFP in Burkina Faso and Bhutan. WFP envisions conducting more of these small scale purchases during the biennium. Wherever possible, WFP will use its advance financing mechanisms in order to reduce its lead-time requirements to better address the needs of our beneficiaries.

OPERATIONAL BUDGET BY PROGRAMME CATEGORY

125. The PRRO operational requirements have increased and now account for 66 percent of planned food volume. The continued decline in projected EMOP requirements reflects the absence of major new emergencies in 2006–2007. The development portfolio food volume and projected expenditures have remained steady, with a slight increase in the 2008–2009 projected needs.



TABLE III.2: VOLUME OF OPERATIONS BY PROGRAMME CATEGORY <i>(million mt)</i>			
	2004–2005 actual	2006–2007 estimated	2008–2009 projected requirements
EMOP	3.51	2.08	1.38
PRRO	3.30	4.45	5.16
DEV	1.16	1.23	1.27
TOTAL	7.97	7.76	7.81

TABLE III.3: TOTAL OPERATIONAL EXPENDITURES BY PROGRAMME CATEGORY (US\$ million)			
	2004–2005 actual expenditures	2006–2007 estimated expenditures	2008–2009 projected requirements
EMOP	2 039.2	1 723.2	1 367.1
PRRO	1 913.7	2 542.6	3 296.7
DEV	515.3	508.2	595.1
SO	257.4	379.6	155.1
TOTAL	4 725.6	5 153.6	5 414.0

Emergency Operations

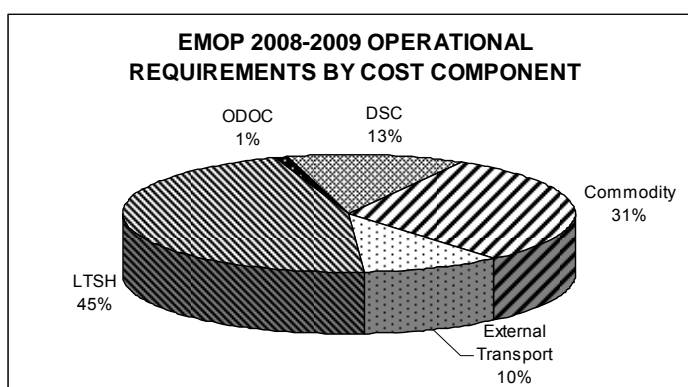
126. Four ongoing EMOPs and three logical extensions are included for 2008–2009; unforeseen emergencies are expected to increase this number significantly. The operations in Sudan account for 85 percent of total emergency requirements.

127. The average cost per mt of food for projects in this category is the highest of all, primarily as a result of operations in Chad and the Sudan, because of the complexity, geographical locations of the operations and high security costs. WFP is making efforts to reduce the costs of these operations through pre-positioning of food stocks through surface transport before the rainy season, eliminating the need for expensive air-lift and air-drop operations.



Figure III.4: Emergency Operations

Total budget	US\$1.367 billion
Number of EMOPs	7
Food volume	1.38 million mt
Average cost per mt	US\$989/mt
Number of beneficiaries	7.8 million
Percentage of total operational budget	25%
Number of countries with EMOPs	4 + 1 regional project
Largest EMOP	Sudan

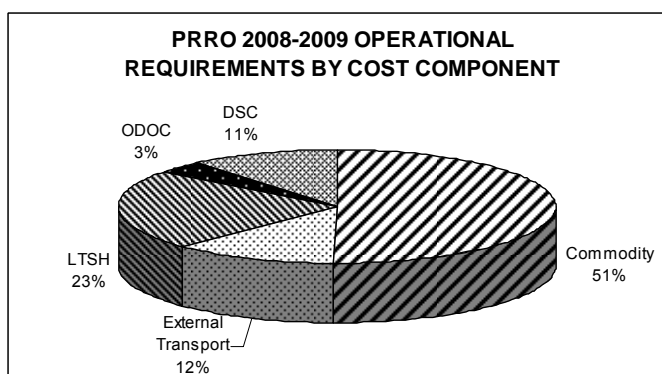


Protracted Relief and Recovery Operations

128. The PRROs constitute WFP's largest programme category for the 2008–2009 biennium: 61 percent of operational needs are required to support PRROs. The average cost per mt is lower in this category than in the EMOP category, reflecting the proportionately lower associated costs. However, the average unit food cost is normally higher, because the proportion of more complex food is higher in the PRRO food basket than in EMOPs.

Figure III.5: Protracted Relief and Recovery Operations

Total budget	US\$3.297 billion
Number of PRROs	83
Food volume	5.16 million mt
Average cost per mt	US\$638/mt
Number of beneficiaries	62 million
Percentage of total operational budget	61%
Number of countries with PRROs	58
Largest PRRO	Ethiopia

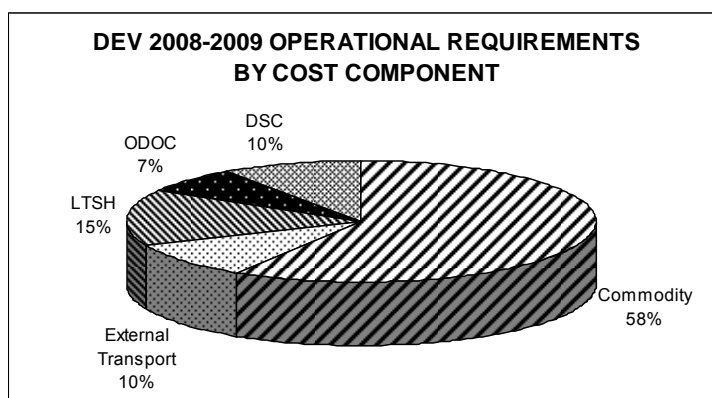


Development Projects

129. The development portfolio includes a number of Strategic Objective 5 activities, mainly in Latin America and the Middle East where WFP is working with governments to continue to enhance their capacities to manage food assistance and hunger-reduction programmes including school feeding. The relatively low proportion of associated costs in this category reflects local government support for WFP projects, the smaller number of staff required to implement these projects, the established transport and warehousing infrastructure and the better security conditions in countries with significant development programmes.

Figure III.6: Development Projects

Total budget	US\$595 million
Number of DEVs	56
Food volume	1.26 million mt
Average cost per mt	US\$470/mt
Number of beneficiaries	20 million
Percentage of total operational budget	11%
Number of countries with DEV programmes	50 + 2 regional projects
Largest DEV	Bangladesh



Special Operations

130. There are two main categories of SO: those directly supporting WFP operations with augmented logistics or emergency infrastructure projects, and those for common services to humanitarian agencies.
131. Of the expected SO requirements of US\$155.1 million, US\$126.3 million is for United Nations Humanitarian Air Services (UNHAS), US\$1.3 million is for other common-service SOs and US\$27.5 million is for augmented WFP logistics, emergency infrastructure and emergency preparedness. Of the total SO requirements, 90 percent will be needed for operations in the five countries in Table III.4.

TABLE III.4: SPECIAL OPERATIONS REQUIREMENTS – TOP FIVE COUNTRIES		
Country office	SO costs (US\$ million)	% of total operational costs
Sudan	74.5	48
Afghanistan	32.8	21
Sri Lanka	18.3	12
Chad	10.7	7
Central African Republic	3.3	2

132. Planned operational requirements for SOs have decreased by 69 percent compared with the 2006–2007 biennium. WFP has made substantial investments in infrastructure and planning processes that reduced the dependence on SOs in established operations. The number of SOs may increase during the biennium because they are often linked to emergency relief operations.

TABLE III.5: SPECIAL OPERATIONS	
Total budget	US\$155 million
Number of SOs	15

OPERATIONAL BUDGET BY COST COMPONENT

133. Table III.6 compares 2008–2009 projected requirements by cost component with expenditures in the previous two biennia.

TABLE III.6: OPERATIONAL COSTS BY COST COMPONENT (US\$ MILLION)				
	2004–2005 actual expenditures	2006–2007 estimated expenditures	2008–2009 projected requirements	% change 2006-2009
Food	2 148	2 199	2 427	10
Ext. transport	524	522	593	14
LTSH	1 240	1 437	1 476	3
ODOC	339	442	292	-34
DSC	475	554	626	13
TOTAL	4 726	5 154	5 414	5

134. Increases in requirements for all cost components except ODOC are foreseen in 2008-2009 compared with actual and estimated expenditures in the previous two biennia. The decrease in ODOC is attributable to the decrease in the number of SOs, which have no food component and consist primarily of the ODOC cost component. As detailed below, ODOC costs for food projects are expected to increase.

135. The paragraphs below provide further details on each cost component. Following the method used in the past,¹⁵ expenditures that relate directly to food projects will be isolated to examine the direct expenditure per mt.

¹⁵ For further details, see “Analysis of WFP Cost Components” (WFP/EB.A/2006/6-G/1).



TABLE III.7: FOOD PROJECT COSTS BY COST COMPONENT				
	2004–2005 actual expenditures	2006–2007 estimated expenditures	2008–2009 projected requirements	% change 2006-2009
Food	2 147.7	2 198.6	2 426.9	10
External transport	524.5	521.6	593.2	14
LTSH	1 240.2	1 437.1	1 475.8	3
ODOC	109.1	107.8	162.6	51
DSC	446.8	508.8	600.5	18
Total expenditure for food projects	4 468.3	4 773.9	5 258.9	10
<i>Average unit cost food (US\$/mt)</i>	<i>560.9</i>	<i>614.9</i>	<i>673.4</i>	<i>10</i>
SOs	257.4	379.6	155.1	-59
Sub-total: not related to food projects	257.4	379.6	155.1	-59
Total expenditure	4 725.7	5 153.5	5 414.0	5

136. A 20 percent increase is expected in the average unit cost for 2008–2009 compared with 2004–2005, and an expected 10 percent increase when compared with 2006–2007. Some of the macro-economic factors that affect most project expenditures are rising fuel costs, the weakening US dollar, supply-driven upward pressure on food prices, and inflation. The complexity of WFP's operations and the focus of its work in the most insecure locations coupled with increasingly stringent security requirements are contributing to higher associated costs for operations.

Food costs

137. The projected food requirements of 7.8 million mt are expected to cost US\$2.427 billion. Food donated in-kind is expected to meet 38.2 percent of the total food requirement. The remaining 4.8 million mt is expected to be purchased on local, regional and international markets.

TABLE III.8: FOOD COSTS				
	2004–2005 actual	2006–2007 estimated	2008-2009 projected	2006–2009 % change
Food expenditures (US\$ million)	2 147.7	2 198.6	2 426.9	10
Average unit cost (US\$/mt)	269.6	283.2	310.7	10



138. The average unit cost per mt for 2008–2009 is projected to increase by 10 percent compared with 2006–2007 estimated expenditures. World market prices for food have increased on average by 50 percent since 2002 as a result of factors such as a weaker US dollar, increased demands from emerging markets and reduced stock in production countries.
139. WFP will continue to explore more timely and cost-effective procurement practices and pre-positioning of food. WFP will examine market trends and expected harvests to procure food at favourable prices also in regions where it operates, allowing it to increase its procurement capacity in local and regional markets.
140. WFP food costs are also affected by the composition of the food basket. Cereals have the lowest cost per mt, so a decrease in the amount of cereals in the food basket will cause average unit costs to increase. The proportion of cereals in the food basket is decreasing compared with previous biennia to 71 percent, resulting in a higher average unit cost. The shift in the composition of the food basket is associated with the increasing number of PRROs requiring a larger variety of food types.

External Transport costs

141. In view of the continued global growth and consequent high level of trading between Asia, Europe and America, the cost of chartering ships increased dramatically because of factors such as ship space for cereals, availability of containers and the need to use uncommon shipping routes. The generally strong market is expected to continue until the end of 2008.
142. Average unit cost in 2008-2009 is projected to increase by 13 percent compared with estimated expenditures in 2006–2007, as illustrated in Table III.9. below.

	2004–2005 actual	2006–2007 estimated	2008–2009 projected	2006–2009 % change
Expenditures (US\$ million)	524.5	521.6	593.2	14
Average unit cost (US\$/mt)	65.8	67.2	76.0	13

143. WFP is planning to purchase locally and regionally where possible, but operations will continue to require a large external transport budget for ocean freight because of the need for international purchases and in-kind donations.

Project Category	Total costs (US\$ million)	Rate/mt
EMOP	136	98.4
PRRO	400	77.5
DEV	57.2	46.4
Grand Total	593.2	76.0



Landside Transport, Storage and Handling costs

144. The LTSH cost component is expected to amount to US\$1.476 billion, 27 percent of the operational budget. Table III.11. shows an expected 2 percent increase in the average unit cost between 2006–2007 and 2008–2009.

TABLE III.11: LTSH COSTS				
	2004–2005 actual	2006–2007 estimated	2008–2009 projected	2006–2009 % change
Expenditures (US\$ million)	1 240.2	1 437.1	1 475.8	3
Average unit cost (US\$/mt)	155.7	185.1	189.0	2

145. LTSH costs are incurred in-country with a significant proportion denominated in local currencies especially with the cost for spare parts, fuel, tyres and lubricants further exposed to cost increase.
146. Table III.12 indicates the LTSH costs by programme category. EMOPs have the highest LTSH unit cost. The EMOP projects in Sudan and Chad have the highest LTSH rate per mt.

TABLE III.12: LTSH COSTS BY PROGRAMME CATEGORY		
Project Category	Total costs (US\$ million)	Rate/mt
EMOP	627.6	454.1
PRRO	759.5	147.1
DEV	88.7	70.1
Grand Total	1 475.8	189.0

147. The operation in Darfur is an example of high LTSH costs. It is concentrated in highly insecure areas where lack of security for personnel, equipment and cargo results in increased costs to ensure safe delivery of goods and protection of personnel. The main logistics constraint is that national access roads are officially closed from the end of June until mid-October each year when they are impassable because of the rainy season. Food must therefore reach distribution points by May to allow for pre-positioning.

Other Direct Operational Costs

148. The ODOC budget is 5 percent of operational requirements for 2008–2009. There is a decrease of 34 percent when total ODOC requirements for 2008–2009 are compared with estimated expenditures for 2006–2007. This can be attributed to a large decrease in the planned number of SOs for 2008–2009. ODOC for food projects only is given in Table III.13., which shows that planned requirements for 2008–2009 will increase by 51 percent compared with 2006–2007 estimated expenditures.



TABLE III.13: ODOC COSTS: FOOD PROJECTS ONLY				
	2004–2005 actual	2006–2007 estimated	2008–2009 projected	2006–2009 % change
Expenditures (US\$ million)	109.1	107.8	162.6	51
Average unit cost (US\$/mt)	13.7	13.9	20.8	50

149. This increase in ODOC expenditures results mainly from the increased number of PRROs that have significant rehabilitation components, as outlined in the previous section. It is also a result of WFP's increased capacity-building under Strategic Objective 5 and the enhancement of partnerships with implementing partners whose costs are budgeted under the ODOC cost component.

TABLE III.14: ODOC RATE BY PROGRAMME CATEGORY			
	2004–2005 actual	2006–2007 estimated	2008–2009 projected
EMOP	16.6	10.4	9.0
PRRO	11.5	14.8	21.1
DEV	11.3	16.6	32.7

150. The ODOC unit costs for DEVs and PRROs are expected to double between 2004 and 2009. The large increase in the ODOC rate per ton for development is due to the number of development SO5 projects. By excluding planned ODOC requirements for DEV-SO5 projects, the ODOC rate per ton for the development category would amount to US\$23.3 per mt.

Direct Support Costs (DSC)

151. The DSC budget of US\$626 million is 12 percent of the operational budget for 2008-2009. There is an increase of 13 percent when DSC requirements for 2008–2009 are compared with estimated expenditures for 2006–2007. As with ODOC, DSC costs are linked to food and non-food projects.

152. Table III.15 shows that the average unit cost is expected to increase by 17 percent between 2006 and 2009 when DSC costs are considered for food projects only.

TABLE III.15: DSC COSTS: FOOD PROJECTS ONLY				
	2004–2005 actual	2006–2007 estimated	2008–2009 projected	2006–2009 % change
Expenditures (US\$ million)	446.8	508.8	600.5	18
Average unit cost (US\$/mt)	56.1	65.5	76.9	17



153. The main reason for this increase is staff and staff-related costs, which account for 79.7 percent of 2008–2009 DSC requirements; these costs include international and national staff, and consultants for projects, as well as staff duty travel, hazard pay and hardship allowances.
154. Staff-related costs have increased as a result of the greater complexity of WFP's operations in all programme categories.
155. Furthermore, there has been an increase in the quality of operational procedures, thus resulting in higher staffing needs and associated costs. The PRRO programme category often requires additional staff to ensure sound targeting of beneficiary needs, assessments, evaluations and technical implementation, which contributes to the increase; a high proportion of staff costs is related to the more complex security issues, technical support and implementation needed for operations to function effectively, safely and appropriately.
156. The increase in standard staff rates led to an increase of 8.8 percent, in the cost of international professional staff. National staff costs have increased considerably as a result of the weakened US dollar and the conversion of a number of temporary staff to fixed term status.¹⁶ National salary surveys have resulted in increases in national staff rates.
157. The hardship allowances – rest and recuperation and hazard pay – and the Special Operations Living Allowance (SOLA) have also contributed to the increase in DSC. DSC budgets also include security costs to ensure minimum operating security standards (MOSS) and minimum security telecommunications standards (MISTS). The increased WFP workload in insecure environments, highlighted above, results in increased hardship allowances and security costs, both of which result in higher DSC costs.
158. The average DSC unit cost is also influenced by country-specific factors. For example in the Democratic Republic of the Congo (DRC), a relatively high DSC rate is required to ensure adequate project monitoring in remote and insecure areas and to maintain buildings and equipment, which deteriorate quickly in the harsh climate.

¹⁶ See “Annual Performance Report for 2006” (WFP/EB.A/2007/4), paragraph 192.



OPERATIONAL BUDGET BY REGION

159. WFP carries out operations in 76 countries in six regions¹⁷. Details of operational requirements by regional bureau and programme category are provided in Table III.16.

TABLE III.16: APPROVED PROGRAMMES AND LOGICAL EXTENSIONS BY REGION AND PROGRAMME CATEGORY, 2008–2009							
	ODB	ODC	ODD/Y	ODJ/K	ODP	ODS	TOTAL
Volume of operations (thousand mt)							
EMOP	-	105	112	-	0.09	1 165	1 382
PRRO	1 243	316	431	2 951	222	-	5 162
DEV	569	58	176	377	70	15	1 266
TOTAL	1 812	479	719	3 328	292	1 180	7 810
%	23	6	9	43	4	15	100
Value of operations (US\$ million)							
EMOP	-	87	121	-	0.2	1 159	1 367
PRRO	746	179	351	1 839	181	-	3 297
DEV	153	31	117	196	89	8	595
SO	52	-	24	3	2	74	155
TOTAL	952	296	614	2 038	272	1 242	5 414
%	18	5	11	38	5	23	100

¹⁷ The Regional Bureau for East and Central Africa (ODK) and the Regional Bureau for South Africa (ODJ) have been merged. They are presented under the acronym ODJ/K.



Asia Region

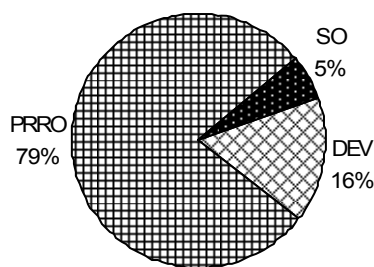
- 14 countries
- 26.7 million beneficiaries
- 1.812 million mt of food
- US\$951.6 million budget
- 31 operations

160. In the Asia region (ODB), WFP operates in 14 countries: Afghanistan, Bangladesh, Bhutan, Cambodia, the Democratic People’s Republic of Korea (DPRK), India, Indonesia, the Lao People’s Democratic Republic, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka and Timor-Leste.

161. The 17 PRROs planned account for 69 percent of the food requirements for the region to assist 20.5 million beneficiaries. The increase in tonnage and dollar value in the PRRO project category reflects the addition of three new countries – Afghanistan, Pakistan and the Philippines – and new PRROs in DPRK and Nepal.

162. ODB has planned for nine development projects during the 2008-2009 biennium, which account for 31 percent of food requirements for the region to assist 6.2 million beneficiaries. There is an increase in tonnage for DEVs since the last biennium as a result of in-kind food that WFP is receiving from the Government of Bangladesh.

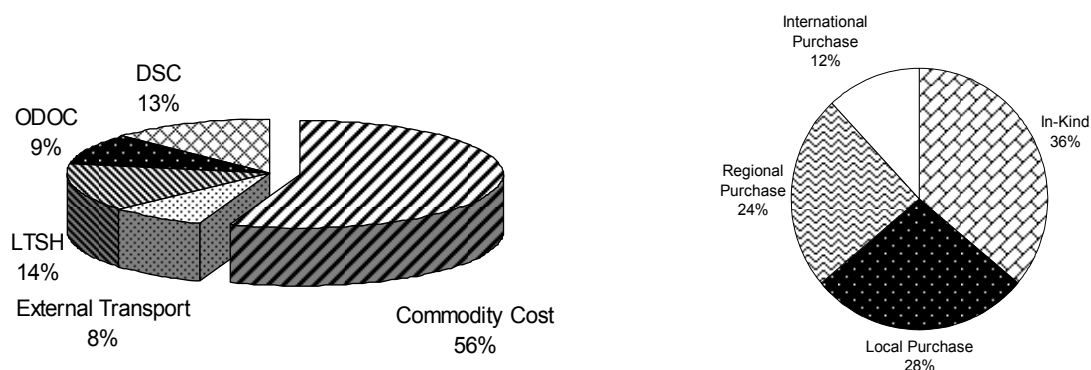
ODB - Total Operational Costs (US\$951.6 million)



163. Five SOs are planned at a value of US\$52 million.

164. The operational budget of US\$951.6 million is made up of food costs of US\$527.4 million and non-food costs of US\$424.2 million, a decrease of US\$143 million over the previous biennium and 154,000 mt less food. The 50/50 split between food and non-food costs in the region reflects long-term stability and relative security and a number of one-off capital investments by WFP to support its long-term presence.

Figure III-7: ODB Operational budget by Cost Component (US\$) and Acquisition Method (mt)



165. Programmes range from post-conflict disaster rehabilitation and assistance to refugees to MCN, school feeding and communal asset creation, and help for governments in planning and managing national food-security policies and programmes. WFP programmes in the region also aim to enhance emergency preparedness and response mechanisms and to set up early-warning and food-security monitoring systems. WFP has established local production units for micronutrient-fortified foods and is promoting inter-regional learning and adoption of best practices for nutritional programmes.
166. Emergency preparedness and response will be a priority in the region, including the identification of minimum preparedness and response capabilities at the regional level and the establishment of an Asian regional emergency preparedness and response training facility. ODB also plans to implement its “Green Initiative” to develop models for more environmentally sustainable operations.

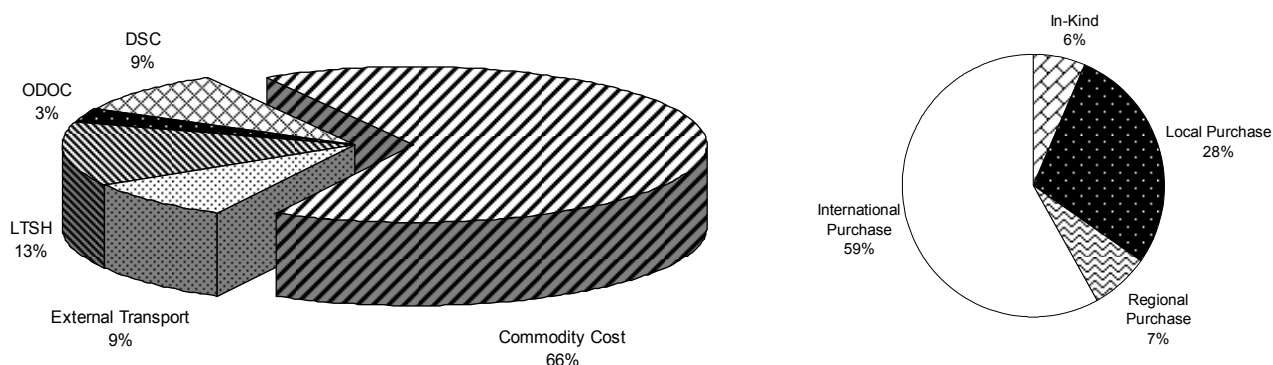
Middle East, Central Asia and Eastern Europe Region

- 13 countries
- 6.3 million beneficiaries
- 0.479 million mt of food
- US\$296.4 million budget
- 18 operations

167. In the Middle East, Central Asia and Eastern Europe Region (ODC), WFP operates in 13 countries: Algeria, Armenia, Azerbaijan, Egypt, Georgia, the Islamic Republic of Iran, Iraq, Jordan, the Occupied Palestinian Territory, the Russian Federation, Syria, Tajikistan and Yemen. WFP also monitors other countries in the region for emergencies, contingency planning and preparedness.

168. The operational budget of US\$296.4 million is made up of food costs of US\$195.7 million and non-food costs of US\$100.7 million, a decrease of US\$50.6 million from the previous biennium.

Figure III-8: ODC Operational budget by Cost Component (US\$) and Acquisition Method (mt)

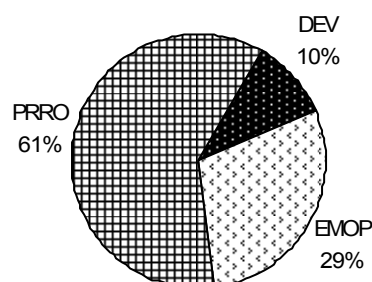


169. ODC region operates in three countries fewer than during the previous biennium as the operation in Albania came to an end, while Afghanistan and Pakistan were moved to ODB. The split between food and non-food costs reflects the low associated costs.

170. The region is affected by natural disasters and protracted conflict; post-conflict and refugee needs also result in food insecurity and vulnerability to hunger. In some countries, however, there has been economic growth and increased government capacity to provide social safety nets. In these cases, WFP is implementing handover PRROs over the next biennium, building capacities and ensuring a smooth hand-over of activities to government and local counterparts.

171. During the 2008–2009 biennium, WFP anticipates that one EMOP accounting for 22 percent of regional food requirements will be required; 11 PRROs are planned, accounting for 66 percent of food requirements to assist 2.5 million beneficiaries. WFP has planned for six development projects to assist 1.8 million beneficiaries, accounting for 12 percent of food requirements for the region.

ODC - Total Operational Costs (US\$296.4 million)



172. The EMOP in Iraq is assisting vulnerable groups. The largest PRRO is in the Occupied Palestinian Territory, addressing poverty and food insecurity resulting from protracted conflict. The PRROs in Algeria, Iran, Syria and Yemen assist refugees, in collaboration with UNHCR. WFP is handing over PRROs in Armenia, Azerbaijan, Georgia and Tajikistan. As the situation improves in Chechnya and Ingushetia, WFP expects to phase out of the PRRO in the Russian Federation in 2008 and hand over activities to local counterparts.

173. Development projects in Egypt and Yemen focus on education and health. The development project in Syria will focus on capacity-building for the Government to manage Food for Education programmes; it includes a large government contribution that will increase progressively during the operation as part of a hand-over strategy. WFP intends to handover its development project in Jordan.

West Africa Region

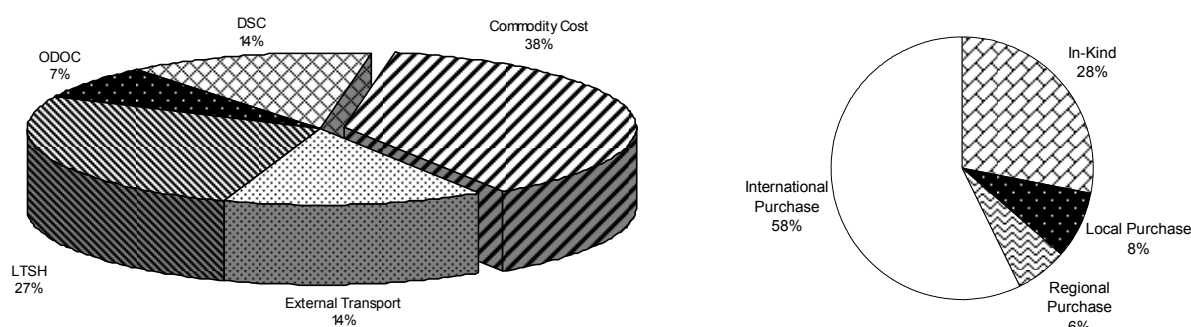
- 19 countries
- 14.5 million beneficiaries
- 0.719 million mt of food
- US\$614.2 million budget
- 38 operations

174. In the West Africa region (ODD/Y), WFP operates in 19 countries: Benin, Burkina Faso, Cameroon, Cape Verde, the Central African Republic, Chad, Côte d'Ivoire, Ghana, Guinea Bissau, Guinea Conakry, Liberia, Mali, Mauritania, Niger, São Tomé and Príncipe, Senegal, Sierra Leone, Togo and The Gambia.

175. The operational budget of US\$614.2 million is made up of food costs of US\$233.3 million and non-food costs of US\$380.9 million, an increase of US\$46 million from the previous biennium and 71,000 mt less food. Non-food costs account for 62 percent of the operational budget. Insecurity and the landlocked nature of many countries result in high costs of access and food distribution.



Figure III-9: ODD/Y Operational budget by Cost Component (US\$) and Acquisition Method (mt)

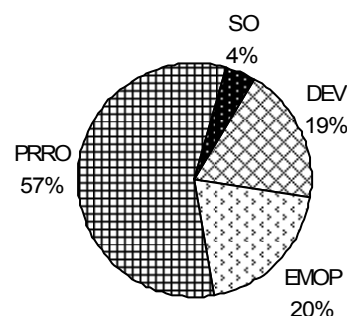


176. Many countries are difficult to access because they have poor or non-existent transport networks. To overcome these constraints, a number of SOs are needed to ensure that food assistance can be distributed.

177. The region has mutually reinforcing problems – ongoing conflict, recurring natural disasters, chronic poverty and food insecurity – that can potentially become full-scale emergencies. WFP considers all 19 countries as high priority because they are low-income, food-deficit countries (LIFDCs); 16 countries are classified least developed, indicating that they are the highest priority for WFP assistance. The United Nations Development Programme (UNDP) Human Development index lists 15 of these countries in the bottom 20 percent. ODD/Y region has the highest under-5 mortality rates in the world.

178. During the 2008–2009 biennium, three EMOPs will account for 16 percent of regional food requirements, assisting 500,000 beneficiaries. The 14 planned PRROs account for 60 percent of food requirements for the region to assist 10 million beneficiaries. WFP has planned 17 DEVs accounting for 24 percent of food requirements to assist 4 million beneficiaries. Four SOs are planned requiring US\$24 million in the next biennium.

ODD/Y - Total Operational Costs (US\$614.2 million)



179. Post-conflict food assistance programmes are critical for peace and reconstruction: this is reflected in the number of PRROs, many of which are changing focus from relief to recovery. Côte d'Ivoire, Liberia and Sierra Leone need food assistance to support returnees and build confidence and peace. In Cameroon, the Central African Republic and Chad, internally displaced people and refugees from the Central African Republic and Sudan need food assistance to survive. The regional West Africa coastal PRRO is being replaced by three country-level PRROs. The Chad EMOP assists internally displaced Sudanese refugees and host communities in eastern Chad. The SOs are for the Central African Republic and Chad and for the regional humanitarian air service (UNHAS) covering Côte d'Ivoire, Guinea, Liberia and Sierra Leone.

180. Half the child deaths in West Africa are attributable to malnutrition, so WFP's work to develop partnerships and programmes to fight malnutrition will be a focus of the PRROs in West Africa. Developing safety nets and social-protection mechanisms remains a priority to preserve and promote the assets of poor people, build resilience to shocks and prevent crisis. The region remains fragile; contingency planning and preparedness will require special attention to ensure that WFP's responses to crises are efficient and timely.

Southern, Eastern and Central Africa Region (ODJ/K)

- 19 countries
- 29.9 million beneficiaries
- 3.328 million mt of food
- US\$2.038 billion budget
- 49 operations

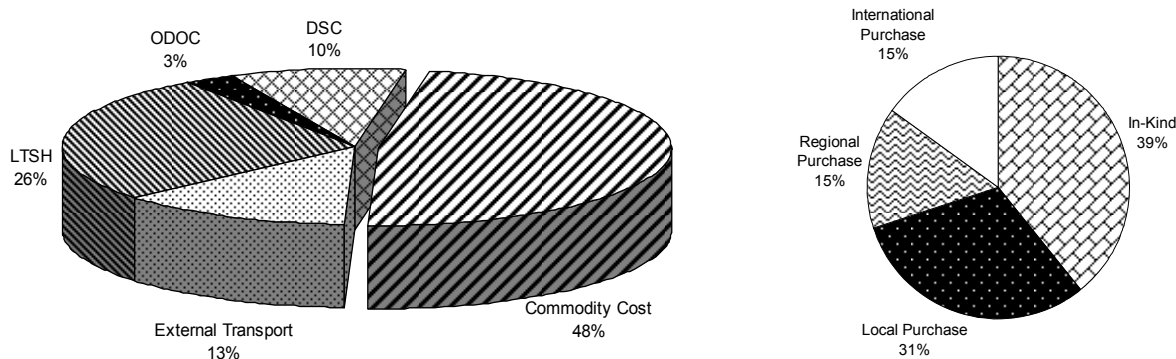
181. In the Southern, Eastern and Central Africa region (ODJ/K), WFP operates in 19 countries: Angola, Burundi, Democratic Republic of the Congo (DRC), Congo, Djibouti, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. In Eritrea, WFP monitors the food-security situation but

has no operations.

182. WFP plans to assist 29.9 million beneficiaries with 3.328 million mt of food through 49 operations, of which 36 are approved and 13 are logical extensions. ODJ/K operational budget for the 2008–2009 biennium is estimated at US\$2.038 billion, 38 percent of WFP's overall budget and 43 percent of its overall food requirements.

183. The operational budget of US\$2,038.4 million is made up of food costs of US\$971.5 million and non-food costs of US\$1,066.9 million. During 2008–2009, ODJ/K plans to purchase 46 percent of its food requirements at competitive prices on local and regional markets. This should have a positive impact on LTSH and external transport budgets, which account for 39 percent of expenditures. In addition, WFP made a number of one-off capital investments in 2006–2007 to reduce the need for large investments in 2008–2009. ODOC accounts for only 3 percent of operational expenditure for the PRROs in some countries because food is distributed mainly by governments, where there are usually high volumes of distribution.

Figure III-10: ODJ/K Operational budget by Cost Component (US\$) and Acquisition Method (mt)

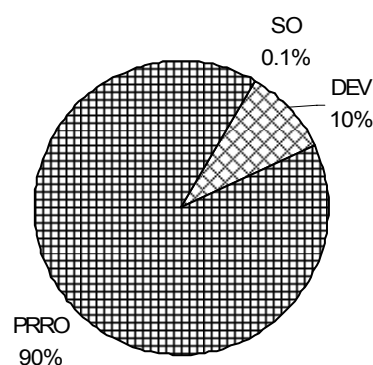


184. Southern, Eastern and Central Africa is one of the most vulnerable regions in the world: the 2006 Human Development Report characterizes 13 of the 19 countries as having "low human development". Regional droughts, floods, cyclones and civil war affect the region.

185. In Eastern and Central Africa, stunting among children under 5 is prevalent. Primary school enrolment is among the lowest in the world. The main risks are variable climate, environmental degradation, political instability and deep poverty. Climatic variation, exacerbated by environmental degradation, leads to droughts and floods that may lead to conflict over scarce resources. Eastern and Central Africa is politically unstable and governance is weak, leading to population movements in countries and across borders and increased poverty. A large number of people are vulnerable even to small crises that can have immediate and serious consequences.
186. In Southern Africa, WFP support is an essential component in combating food insecurity caused by HIV/AIDS and economic, environmental and governance factors. Adult HIV/AIDS prevalence is 11 percent compared with 6 percent in sub-Saharan Africa and 1 percent globally. Nine of the ten countries with the highest prevalence rates in the world are in southern Africa, which is where 41 percent of the world's AIDS orphans are found. Social structures and basic services are strained, leaving millions of people vulnerable to environmental shocks such as erratic rainfall.
187. During the next biennium, WFP will focus on partnerships, emergency preparedness and response and disaster risk reduction. WFP's priority interventions include support for food-insecure households affected by shocks, universal access to HIV/AIDS care and treatment, nutritional support and protection for agriculture-based livelihoods. Programmes are planned to enhance resilience to shocks, increase access to education, improve the nutritional status of women, children and other vulnerable groups, and build capacity, particularly for government partners. These interventions and WFP's collaboration with the Food and Agriculture Organization of the United Nations (FAO) in the Horn of Africa Food Security Strategy are expected to reduce vulnerability and decrease the need for emergency interventions.

188. During the 2008–2009 biennium, 35 PRROs accounting for 89 percent of food requirements will assist 24.5 million beneficiaries. WFP has planned 12 development projects, accounting for 11 percent of food requirements for this region to assist 5.4 million beneficiaries. Two SOs are planned to support complex operations ongoing in the Democratic Republic of the Congo and Somalia.

ODJ/K - Total Operational Costs (US\$2 038 million)



189. ODJ/K's largest PRRO is in Ethiopia, accounting for 18 percent of operational requirements. It aims to reduce vulnerability to acute food insecurity and to support capacities to manage risk, enabling food-insecure people to invest in more resilient livelihoods. It has a major impact on the low level of ODOC in the region as governments help to allocate and distribute food and to report on the utilization of WFP food. In Kenya, the drought EMOP that started in August 2005 will shift to a PRRO in support of recovery interventions and will be flexible enough to address emergencies rapidly.
190. During the next biennium, the current Southern Africa three-year regional PRRO will be succeeded by seven country-specific PRROs. The regional PRRO is currently extended for the first quarter of the biennium to respond to food shortages in Lesotho, Swaziland and Zimbabwe.



191. In Angola and Namibia, WFP's operation will begin handover by providing technical support for the governments.
192. Refugee support will remain important in 2008 and 2009: country-specific PRROs will continue to assist refugees in Burundi, Djibouti, Ethiopia, Kenya, Malawi, Mozambique, Namibia, Rwanda, Tanzania, Uganda and Zambia.

Latin America and the Caribbean Region

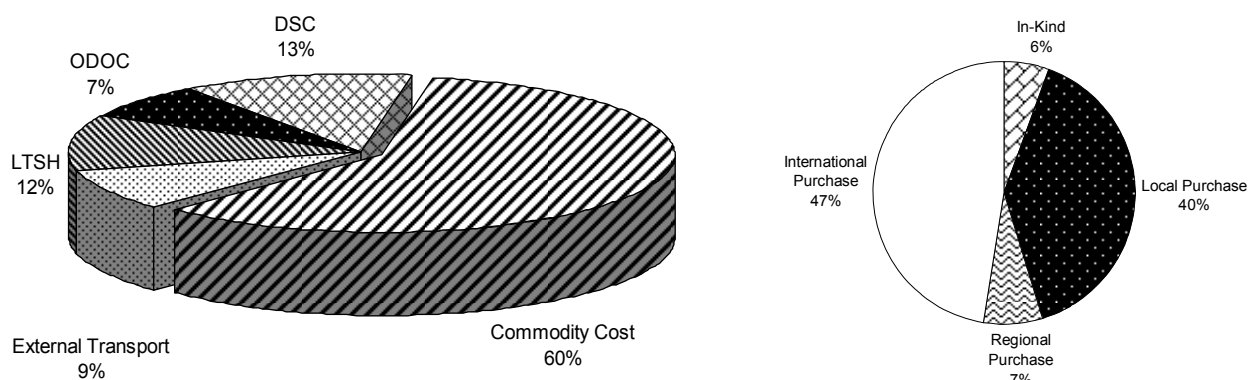
- 10 countries
- 6.9 million beneficiaries
- 0.292 million mt of food
- US\$271.6 million budget
- 19 operations

193. In the Latin America and Caribbean region (ODP), WFP operates in 10 countries: Bolivia, Colombia, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, and Peru.

194. The operational budget of US\$271.6 million is made up of food costs of US\$162.1 million and non-food costs of US\$109.6 million, an increase of US\$87.6 million and 43,000 mt of food over the previous biennium. Non-food

costs are 40 percent of the operational budget because a large proportion of food is procured locally and regionally. Much of the LTSH and food distribution costs are borne by governments.

Figure III-11: ODP Operational budget by Cost Component (US\$) and Acquisition Method (mt)

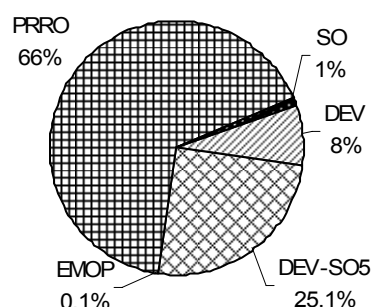


195. ODP has the most unequal distribution of income in the world. Progress in hunger reduction has been uneven, and gains have not been proportionally reflected among the countries or the population.¹⁸ Chronic under-nutrition affects 9 million children under 5, 16 percent, increasing to 70 percent among indigenous populations. Micronutrient deficiency disorders are public nutrition and health problems in most countries: iron deficiency anaemia affects 66 percent of children under 5. The vulnerability of at-risk populations is exacerbated by recurrent natural disasters.

¹⁸ ECLAC. 2005. *The Millennium Development Goals: A Latin American and Caribbean Perspective*.

196. During the coming biennium, a small EMOP to assist 4,000 Colombian refugees in Ecuador will continue in 2008. The six planned PRROs account for 76 percent of food requirements to assist 4 million beneficiaries. WFP has planned 11 DEVs accounting for 24 percent of food requirements to assist 2.9 million beneficiaries. There will be one regional SO for Latin America and Caribbean emergency response network.

ODP - Total Operational Costs (US\$271.6 million)



197. Development activities will focus on assisting governments to meet their MDGs by focusing on the eradication of inter-generational chronic under-nutrition through integrated programmes, school feeding and the protection of livelihoods from shocks. The DEV category includes four Strategic Objective 5 projects accounting for 25 percent of operational requirements. WFP will assist governments in implementing food-based programmes such as school feeding, and mother-and-child health and nutrition (MCHN), which will be managed through trust funds and will not be part of the operational budget.

198. There will be a continued focus on supporting governments in emergency preparedness and response, with increased emphasis on enhancing capacities at the community and household levels. Relief and recovery operations will include assistance for IDPs in Colombia, vulnerable groups in Haiti and indigenous populations in Central America and the Andean region to build resilience to shocks and natural disasters.

Sudan Region

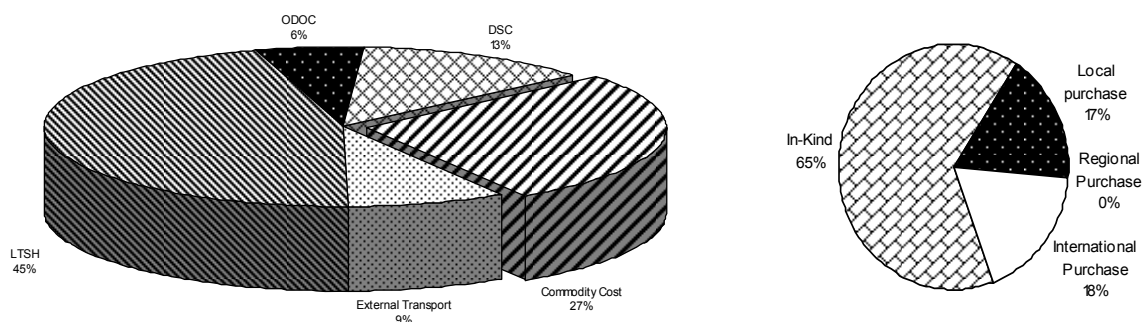
- 5.5 million beneficiaries
- 1.180 million mt of food
- US\$1,241.8 million budget
- 6 operations

199. In the Sudan region (ODS), WFP operates throughout the country in Darfur, the South, the Three Areas –Abyei, Blue Nile and South Kordofan – and the East.

200. The operational budget of US\$1.2 billion is made up of food costs of US\$336.9 million and non-food costs of US\$904.9 million, a decrease of

US\$323 million over the previous biennium and 284,000 mt less food, reflecting the slight improvement in security and political stability, mainly in the South. Non-food costs account for 73 percent of the budget, mainly because of the high cost of delivering food. Large areas lack infrastructure; the logistics challenges include the high cost of road transport and expensive air deliveries to locations that are inaccessible during the rainy season. Efforts are being made to reduce costs by pre-positioning food before the rainy season thus limiting the airlifts only to cases where sudden emergency arise. The cost of providing direct programme support, management and administration in insecure areas also affects the budget significantly.

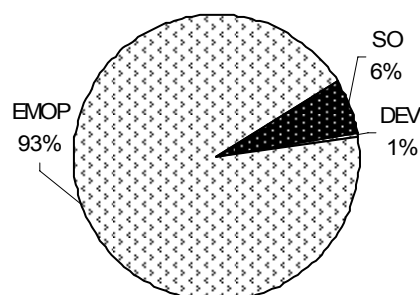
Figure III-12: ODS Operational budget by Cost Component (US\$) and Acquisition Method (mt)



201. In ODS, 85 percent of assistance targets IDPs, returnees, and refugees. Life-saving assistance for the Darfur population alone will account for 70 percent of ODS operations. Assistance for returnees, refugees and host communities accounts for 15 percent of the programme.

202. During the 2008–2009 biennium, the two EMOPs account for 98.7 percent of food requirements to assist 5.3 million beneficiaries. WFP has planned one DEV accounting for 1.3 percent of food requirements to assist 205,000 beneficiaries. WFP will also manage three SOs – UNHAS, UNJLC and the Road Rehabilitation Project in the South.

ODS - Total Operational Costs (US\$1.242 billion)



203. In 2008, WFP plans to continue its emergency activities as the security situation and instability in the region continues to result in food dependence and food insecurity. The EMOP will focus on returnees, refugees and pockets of food insecurity. School feeding is expected to reach one million children. ODS expects increased commitment by government counterparts and local communities, which will reduce the burden on WFP.

204. In 2009, ODS expects improved security and livelihood conditions. WFP will continue to expand its partnership with the United Nations Children's Fund (UNICEF) and FAO to provide meals for schoolchildren and to support their families.

OPERATIONAL BUDGET AND BENEFICIARY NEEDS BY STRATEGIC OBJECTIVE

205. WFP's Strategic Objectives were established in the Strategic Plan (2004–2007) and re-confirmed in the Strategic Plan (2006–2009). The Strategic Objectives reflect WFP's mission statement and its contribution to the MDGs, confirming WFP's dual mandate of (i) protecting lives and livelihoods in crisis situations and (ii) using food assistance to achieve developmental outcomes. Strategic Objective 5 expresses WFP's commitment to

work with governments and partners to build national capacities so that they can manage their own food-assistance programmes.

206. The Strategic Objectives are:

- 1 Save lives in crisis situations;
- 2 Protect livelihoods in crisis situations and enhance resilience to shocks;
- 3 Support the improved nutrition and health status of children, mothers and other vulnerable people;
- 4 Support access to education and reduce gender disparity in access to education and skills training; and
- 5 Strengthen the capacities of countries and regions to establish and manage food-assistance and hunger reduction programmes.

Methodology and Background

207. Several activities are designed to achieve each Strategic Objective. The MDG for each Strategic Objective is outlined next to the narrative for each.

208. Providing services to humanitarian partners contributes indirectly to the objectives of WFP and its partners, but the current Strategic Objectives do not fully reflect WFP's work in this area. For example, the UNHAS and UNJLC are part of WFP's programme of work but are not linked to a Strategic Objective.

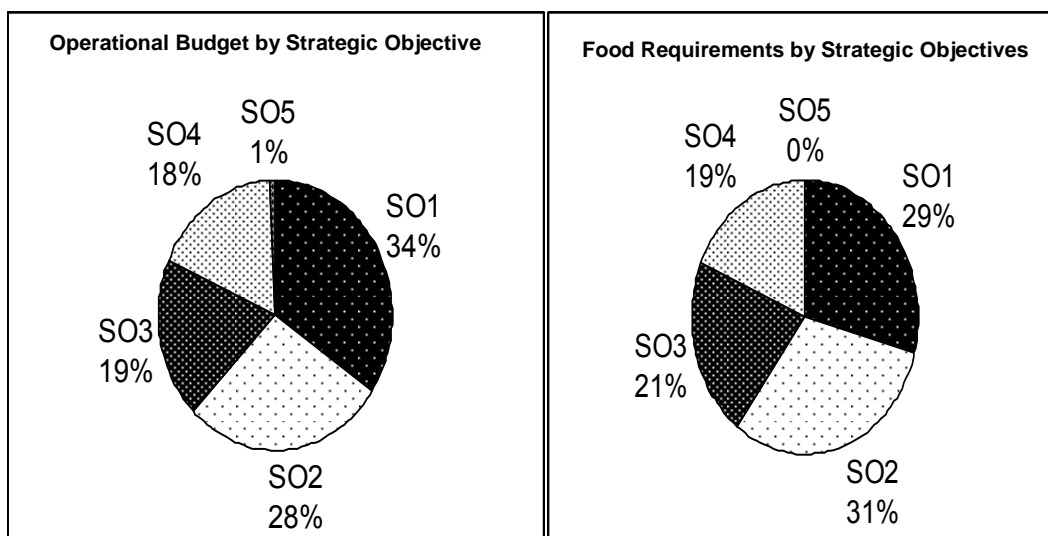
209. The new Strategic Plan to be presented to the Board in 2008 will define more precisely WFP's objectives and activities in relation to its role in the humanitarian system and link its work with that of partners and with United Nations reform.

Overview of Budget by Strategic Objective

210. Table III.17. shows the portion of the operational budget and tonnage of food assigned to each Strategic Objective.

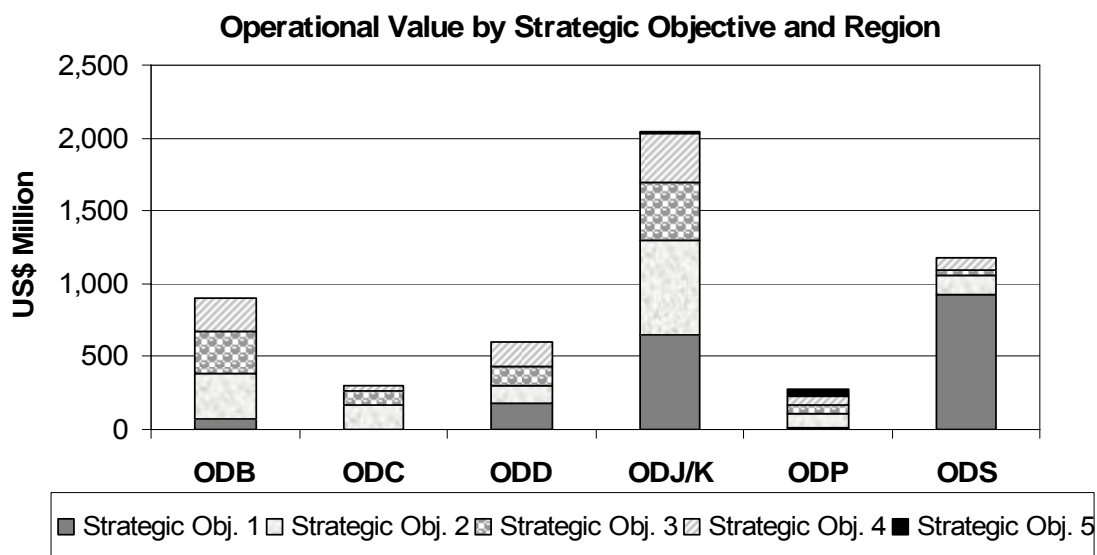
TABLE III.17: OPERATIONAL BUDGET BY STRATEGIC OBJECTIVE		
Strategic Objective	Operational budget (US\$ million)	Food (thousand mt)
1	1 823	2 277
2	1 490	2 428
3	992	1 642
4	927	1 462
5	64	1
UNHAS, UNJLC, etc.	119	
Total	5 414	7 810





211. Of WFP’s operational budget, 62 percent is aligned with Strategic Objectives 1 and 2; compared to 64 percent in the 2006–2007 biennium. The percentage of the budget aligned with Strategic Objective 1 has increased, with a corresponding decrease in the Strategic Objective 2 budget. The volume of food for Strategic Objective 1 – 29 percent – and for Strategic Objective 2 – 31 percent – are almost identical with the 2006–2007 budgeted volumes.

212. Strategic Objective 1 activities are more expensive as a result of the rising costs of delivering food in emergency situations. Sudan accounts for 41 percent of the tonnage for Strategic Objective 1; 50 percent of the operational budget for Strategic Objective 1 will be devoted to the Sudan EMOP. Most PRRO projects include some activities aligned with Strategic Objective 1.



Strategic Objective 1: Save Lives in Crisis Situations

213. The following activities and resource allocation are planned:

TABLE III.18: STRATEGIC OBJECTIVE 1: ACTIVITIES AND RESOURCES				
Activity type	US\$ (million)	% of budget	mt (thousand)	% of food volume
General food distribution	1 681	92.2	2 035	89.4
Other ¹⁹	141	7.8	242	10.6
TOTAL	1 823	100	2 277	100

214. Saving lives in crisis situations is expected to account for 34 percent of operational requirements and 29 percent of food needs. ODJ/K and ODS account for most food needs under Strategic Objective 1. ODJ/K accounts for 46 percent of tonnage; 14 countries in ODJ/K plan to have activities aligned with this Strategic Objective. In ODS, 41 percent of food needs for Strategic Objective 1 will be distributed through the Sudan EMOP.

MDG 1: Reduce poverty and eradicate hunger
MDG 4: Reduce infant mortality

215. Saving lives in crisis situations is one of the most difficult Strategic Objectives to predict, yet the needs of beneficiaries covered under it are most immediate. Refugees and IDPs cut off from any means of subsistence rely on WFP for their survival.

216. Most of the beneficiaries covered under this Strategic Objective, in all programme categories, rely on WFP for their daily subsistence: general food distribution (GFD) accounts for 90 percent of activities for this Strategic Objective. Other activities mainly focus on stabilizing and/or reducing acute malnutrition among people affected by acute food insecurity as for example in Ethiopia and Guatemala. Vulnerable group feeding (VGF) will help temporarily displaced populations and victims of natural disasters in Angola, DRC, Ecuador, Sri Lanka and Zimbabwe.

¹⁹ Lower volume activities have been merged for reporting purposes.



Strategic Objective 2: Protect Livelihoods in Crisis Situations and Enhance Resilience to Shocks

217. The following activities and resource allocation are planned:

TABLE III.19: STRATEGIC OBJECTIVE 2: ACTIVITIES AND RESOURCES				
Activity type	US\$ (million)	% of budget	mt (thousand)	% of food volume
Food for work	454	30.5	634	26.1
General food distribution	287	19.3	478	19.7
Food for assets	260	17.5	437	18.0
Support for safety-net programmes	245	16.4	535	22.0
Other	244	16.3	345	14.2
Total	1 490	100	2 428	100

218. Strategic Objective 2 activities aim to help vulnerable populations to preserve their livelihoods in times of crisis; they also help beneficiaries to avoid negative

MDG 1: Reduce poverty and eradicate hunger
MDG 7: Ensure environmental sustainability

coping strategies that would compromise their long-term economic potential. In times of crisis, WFP aims to help families to avoid selling household assets and to prevent the erosion of human capital, for example by enabling families to keep their children in school.

219. In the next biennium, 28 percent of the operational budget and 31 percent of food volume will be dedicated to this Strategic Objective; 66 country offices will have activities aligned with it. ODJ/K will account for 45 percent of Strategic Objective 2 food volume; ODB will account for 27 percent.

220. Strategic Objective 2 activities use food-assisted programmes to support households vulnerable to shocks. Food for Work and asset-creation programmes protect vulnerable households by securing basic food needs and reducing sales of productive assets, thus reducing the cycle of hunger and poverty. Other types of interventions include General Food Distribution in PRROs and support for safety-net programmes for very poor households and groups that cannot participate in Food for Work.

Strategic Objective 3: Support the Improved Nutrition and Health Status of Children, Mothers and Other Vulnerable People

221. The following activities and resource allocation are planned under Strategic Objective 3:

TABLE III.20: STRATEGIC OBJECTIVE 3: ACTIVITIES AND RESOURCES				
Activity type	US\$ (million)	% of budget	mt (thousand)	% of food Volume
HIV/AIDS programming	243	24.5	404	24.6
Mother-and-child health and nutrition (MCHN)	216	21.8	383	23.3
Vulnerable group feeding	173	17.4	242	14.8
Supplementary feeding	102	10.3	146	8.9
Take-home rations	83	8.3	139	8.5
Food fortification	25	2.6	120	7.3
Other	150	15.1	208	12.7
TOTAL	992	100	1 642	100

222. Activities aligned with Strategic Objective 3 seek to improve the nutritional status of the most vulnerable populations and reduce death and disability caused by malnutrition. By improving the nutritional quality of food and targeting the people most vulnerable to nutritional deficiencies, WFP aims to break the link between hunger, malnutrition and long-term damage to health and productivity, thus preventing the perpetuation of hunger and poverty.

MDG 4: Reduce child mortality
MDG 5: Improve maternal health
MDG 6: Combat HIV/AIDS, malaria and other diseases

223. Activities under Strategic Objective 3 are undertaken in 60 country offices; 37 percent of the food volume for Strategic Objective 3 will be distributed in ODB, where 12 of the 14 country offices will have activities linked with it. In ODJ/K, 38 percent of regional food assistance will be for Strategic Objective 3.

224. HIV/AIDS programmes account for 25 percent of WFP's spending for Strategic Objective 3. In ODJ/K region, 56 percent of the Strategic Objective 3 expenditures are related to HIV/AIDS programmes. Because poor nutrition is an inhibiting factor in HIV/AIDS treatment, WFP is working with partners to improve the incorporation of nutrition and food security into responses to HIV/AIDS.

225. MCHN programmes are the second largest activity under Strategic Objective 3. Preventing malnutrition among pregnant and lactating women and young children reduces deaths caused directly by malnutrition and produces significant long-term benefits. Supplementary feeding provides a supplement to the general ration for mildly and moderately malnourished individuals.



Strategic Objective 4: Support Access to Education and Reduce Gender Disparity in Access to Education and Skills Training

226. The following activities and resource allocation is planned under Strategic Objective 4:

TABLE III.21: STRATEGIC OBJECTIVE 4: ACTIVITIES AND RESOURCES				
Activity type	US\$ (million)	% of budget	mt (thousand)	% of food volume
School feeding	748	80.7	1 156	79.1
Take-home rations	98	10.5	166	11.3
Food for training	47	5.1	77	5.3
Other	34	3.7	63	4.3
Total	927	100	1 462	100

227. Strategic Objective 4 activities seek to increase enrolment of vulnerable populations, especially girls and young women, in education. Food for education (FFE) helps to increase children's cognitive development and hence increase school performance, school attendance and promote better nutrition and health through community education. Educating women produces immediate benefits for whole households; it has been shown to have significant long-term development benefits.

MDG 2: Achieve universal primary education
MDG 3: Promote gender equality and empower women

228. In the 2008–2009 biennium, WFP will continue to support country efforts in education; 18 percent of the operational budget will be devoted to this Strategic Objective, compared with 16.4 percent planned in the previous biennium; 65 country offices expect to have activities linked with Strategic Objective 4.

229. As expected, school feeding and take-home rations account for most of the expenditure on activities under Strategic Objective 4. School meals enhance educational performance, and take-home rations are an additional incentive for families to send their children to school.

Strategic Objective 5: Strengthen the Capacities of Countries and Regions to Establish and Manage Food-Assistance and Hunger-Reduction Programmes

230. Strengthening countries' capacities to establish and manage their own food-assistance and hunger reduction programmes is part of WFP's core work, and directly contributes to 7 out of 8 of the MDGs. This Strategic Objective is regularly incorporated into all activities for Strategic Objectives 1-4. In addition, a number of stand-alone capacity building activities, accounting for US\$63.7 million of the operational budget will be conducted in five regions (ODB, ODC, ODD/Y, ODJ/K and ODP). Close to 80 percent of expenditures will be concentrated in

Aligned to MDGs 1-6 and MDG 8: Develop a global partnership for development



ODP and ODB. In addition, capacity development activities will be carried out through trust fund agreements.

231. In planning and implementing SO-5 activities, WFP collaborates closely with governments and often works in alliances with other partners in adopting strategic approaches to address the policy and institutional environment of the country, its systems of implementation and national capacities. A new trend has emerged since mid-2006 whereby country offices respond directly to government requests by designing new country programmes with a strong SO-5 component in addition to a food-assistance component. Some examples of this include Bangladesh, Bolivia, Egypt, India and Senegal²⁰.

IMPROVING OPERATIONAL EFFECTIVENESS

The New Business Model

232. WFP adopted the New Business Model (NBM) to improve the planning, resourcing and implementation of field operations. NBM integrates the concepts developed in the Business Process Review and combines them with results-based management, the Common Monitoring and Evaluation Approach (CMEA) and supply-chain optimization techniques. It allows country offices and regional bureaux to plan and implement projects on the basis of forecast donations and to access timely financing at the beginning or during an operation to improve on-time availability of food aid to beneficiaries.
233. The NBM will be implemented with the help of a Project Planning Tool (PPT) currently being upgraded. The PPT is designed to integrate resource forecasting, pipeline, logistics and commodity tracking, supply chain disciplines, budget, finance and reporting. It will enhance country offices' ability to monitor the food pipeline; plan project expenditure; identify needs and risks for advance financing; pre-assign forecasted contributions; improve resource management; optimize the utilization of project cash; and generate standard reports on project resource utilization.
234. There are three internal advance financing facilities available to country offices: (i) the Immediate Response Account (IRA), (ii) the DSC Advance Facility (DSCAF), and (iii) the Working Capital Financing (WCF) facility and one external advance financing mechanism, the Central Emergency Response Fund (CERF).

Use of Advance Financing Facilities

235. Between 2006 and mid-2007, US\$384.3 million was advanced to sustain 170 operations. Of the amount advanced, 40 percent was used to prevent breaks in pipelines or to pre-position food before the onset of adverse weather conditions.
236. The IRA is a multilateral fund facility that enables WFP to respond swiftly to emerging and rapidly increasing humanitarian needs including for logistical and other non-food costs in an emergency situation. Since its inception, the IRA has repeatedly proved as one of the most effective relief response mechanisms. IRA allocations totalled US\$184.6 million for 70 operations during this period. Of this amount, US\$162.7 million was allocated to EMOPs and PRROs, while US\$21.9 million was allocated to SOs. Of the total amount advanced, 97 percent were IRA loans while 3 percent were IRA grants, which do not have

²⁰ For additional information, please refer to "Update on Capacity-Building" (WFP/EB.A/2007/6-H/1).



to be repaid. The IRA is essential in providing funding for immediate-onset emergencies such as the Lebanon EMOP in 2006 and the response to the floods and cyclones in Mozambique in early 2007. It is also used to cover imminent pipeline breaks, for example in the Chad EMOP and PRROs in Burundi, Kenya, Nepal and Somalia. The IRA is the most frequently accessed advance financing mechanism and its rapid turn-around makes it a very useful form of financing for country offices.

237. During the same period, DSC and ODOC advances from the DSC advance facility totalled US\$92.7 million for 93 operations. Of this amount, US\$33.6 million was allocated to EMOPs and PRROs; while US\$45.8 million was advanced to development projects and US\$3.3 million to SOs. US\$10 million was advanced to special accounts in support of WFP common services such as the global vehicle leasing pool and health insurance for local staff.
238. The WCF provided US\$96 million in advance financing between 2006 and mid-2007, of which US\$80 million was used for EMOPs and PRROs while US\$16 million was used for development projects. By addressing the timing gap between when contributions are received and the time when cash is needed, the WCF facility continues to be a useful mechanism in ensuring on-time availability of food for beneficiaries.
239. Additionally, the CERF loan provided US\$11 million in loans to secure the food pipelines of emergency operations.
240. A review of advance financing was completed in April 2007 and new procedures are currently being implemented. One of the main concepts of the new procedures is a streamlined process that ensures a response time of less than 72 hours to country office requests along with quicker and easier access to advance financing.
241. WFP will explore the possibility of using its advance financing facilities to conduct advance food purchases based on regional requirements and expected income.

Emergency Preparedness and Response

242. Enhancing emergency preparedness will continue to be a priority. WFP will increasingly use its own capacities in emergencies to support the work of the humanitarian community.
243. WFP will build on significant investments by several donors over the past three years in strengthening capacities in emergency needs assessment. WFP has improved the quality and rigour of its needs assessments, and will build on this by: (i) focusing on using improved methods systematically in its assessments; (ii) ensuring strong links between assessment results and programme response; and, (iii) promoting complementary responses in other sectors. High-quality, credible needs assessments carried out in partnership with governments and expert organizations will continue to underpin WFP's operations.
244. Progress in the 2006–2007 biennium in improving emergency procedures will allow for faster emergency response. Advance financing mechanisms will be rationalized to give field emergency coordinators faster and simpler access to start-up funding.
245. WFP will continue its lead role in the logistics and emergency ICT cluster. Preparedness will remain a priority for these clusters; WFP will continue to contribute to advanced inter-agency planning, joint assessments, joint training, inter-agency response teams and a multi-sectoral tracking system for humanitarian goods.
246. This work will be complemented by initiatives funded from other sources. The expansion of the United Nations Humanitarian Response Depot (UNHRD) network will be



finalized with the completion of hubs in Panama and Malaysia.²¹ WFP will improve its early-warning systems by enhancing the Humanitarian Early-Warning Service, a web-based portal that WFP runs on behalf of the Inter-Agency Standing Committee (IASC).

247. With its partners, WFP will continue to tailor its operations by evaluating and learning from them to address the needs of beneficiaries and increase the effectiveness of its responses.

²¹ The full network will be Brindisi (Italy), Dubai, Ghana, Panama and Malaysia.



SECTION IV: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET

Introduction

248. This section sets out WFP's Programme Support and Administrative (PSA) budget for the 2008–2009 biennium. The PSA budget provides WFP with management, administrative and programme support at Headquarters, regional bureaux and country offices, covering indirect support costs (ISC) that are not linked to any specific operation. The section also provides an overview of the Transition Fund and corporate security costs.

Overview and Methodology

249. The PSA budget is funded from ISC recoveries from contributions, under WFP's Full-Cost Recovery Policy (see introductory definitions).

250. The PSA budget for the 2008–2009 biennium is driven by the need to create a sustainable budget that takes into account the resources expected to become available from the funding of known operational requirements, and the resources already available from current reserves.

251. As outlined in Section 1, the opening balance for the PSA Equalization Account at the beginning of the 2008–2009 biennium is projected to be substantially lower than in previous biennia. In addition, the foreseen operational requirements for the next biennium – excluding unforeseen emergencies – are expected to decline.

252. The combined impact of these two factors requires WFP to establish a lower PSA budget for 2008–2009 than for previous biennia.

253. The costs of the organization – particularly its staff costs – have increased significantly in recent years, so the PSA reduction is significantly greater in real terms than in dollar terms.

254. In these circumstances, to ensure effective prioritization of its limited PSA resources for 2008–2009, the organization:

1. Collected PSA requirements for the coming biennium from all managers; These amounted to US\$490 million;
2. Linked PSA requirements to WFP's current Management Objectives;²²
3. Thoroughly reviewed PSA requirements²³ with a broad-based group of internal stakeholders,²⁴ who prioritized the requirements for each Management Objective and proposed a PSA resource allocation to the Executive Director;
4. Reviewed the organizational structure and span of control to ensure that reductions were made at all levels of the organization;
5. Conducted a risk analysis – at divisional, departmental and organizational levels – of the amounts recommended by stakeholders, and shared a summary of risks with the Executive Board at an informal session;

²² From the 2006–2009 Strategic Plan.

²³ For practical reasons, senior management and Country Office PSA requirements were excluded from the prioritization, although an overall resource allocation recommendation for these two areas was proposed.

²⁴ This group was composed of two Regional Directors, three Country Directors and five other senior managers.



6. Adjusted the PSA resource allocations in response to these risks and to feedback from the informal consultation with the Board; and
7. Presented the finalized resource allocation recommendations and their main foreseen impacts to the Board at a subsequent informal consultation.

Organizational Structure Changes

255. As a result of the budgetary restrictions and reviews outlined above, the proposed organizational structure for 2008–2009 is significantly different from the current one. The major organizational changes entailed are:

1. Consolidation of the current Fundraising and Communications Department (FD), excluding the Communications Division (FDC, see below), with the Executive Board Secretariat (PDB) and the External Relations Division (PDE) to form an **External Affairs and Resource Development Department**;
2. Consolidation of the current Administration Department (AD), excluding the former Division of the Chief Financial Officer (CFO, see below), with the Operations Department (OD) to form an **Operations and Management Department**;
3. Creation of direct reporting lines to the Executive Director for: (i) the Communications and Public Policy Strategy Division (formerly FDC); (ii) the Policy, Planning and Strategy Division – part of the Strategy, Policy and Programme Support Division (PDP) with technical and programme support functions merged under the Programme Design and Support Division; (iii) and the Finance and Legal Division; and
4. Creation of the Southern, Eastern and Central Africa Region.

256. The resulting organizational structure is outlined in Annex VIII.

257. These organizational changes and budget reductions have an impact on the numbers of posts in different parts of the organization. International staff PSA posts have been decreased by 22 percent overall: the largest reductions are located in Rome and Liaison Offices, at 23 percent, followed by regional bureaux, at 22 percent. Country office PSA international posts have been reduced by 18 percent.

258. The number of PSA posts in the General Service category located in Rome and Liaison Offices has been reduced by 22 percent, and national staff posts under PSA by 11 percent.



259. Table IV.1 outlines these post changes across the organization.

TABLE IV.1: POST COUNT BY PHYSICAL LOCATION*			
	Post count 2006-2007	Post count 2008-2009	% reduction
Rome and Liaison Office based International Posts	431	331	23
Rome and Liaison Office based General Service Posts	365	283	22
Regional Bureaux based International Posts	101	79	22
Country Office based International Posts	115	95	18
National Staff	601	536	11
Total	1 613	1 324	18

* Reflects the actual location of staff rather than their reporting line

260. Although the number of PSA-funded posts is to be reduced by 18 percent, the impact on WFP's staff – particularly its longer-term staff – will be significantly lower. WFP will manage the reduction in posts through a separation package, redeployment of personnel and other measures to minimize the impact.

261. The costs of posts have gone up considerably since the 2006–2007 biennium. The largest increases are in international and general service posts at Headquarters. The overall cost increase in US\$ terms for international posts at Headquarters is 20 percent; for general service posts at headquarters it is 28 percent. In comparison, the costs of country office international posts have increased by 9 percent and those of regional bureaux international posts by 17 percent.

PSA Budget Proposal 2008–2009

262. Table IV.2 compares the proposed 2008–2009 PSA by appropriation line with 2004-2005 actual and 2006–2007 estimated costs and posts.



TABLE IV.2: PSA, BY APPROPRIATION LINE (US\$ thousand)

	2004-2005			2006-2007			2008-2009		
	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	203	805	129 524	212	817	127 134	165	644	103 756
Programme support—Headquarters	72	147	38 383	85	154	41 390	77	134	42 692
Management & Administration	344	644	208 924	350	642	227 106	263	547	198 552
TOTAL	619	1 596	376 831	647	1 613	395 630	505	1 324	345 000

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

263. The following sections provide details on each of the main appropriation lines.

PROGRAMME SUPPORT – REGIONAL BUREAUX AND COUNTRY OFFICES

Overview

264. In 2008–2009, the PSA component of the support budget will cover 76 Country Offices and 5 Regional Bureaux.²⁵

265. Table IV.3 shows the distribution of staff and costs by region within this category for 2008–2009, compared with 2004–2005 and 2006–2007.

²⁵ Excluding Sudan. Although Sudan is managed as a Regional Bureau it receives a country office PSA allocation.



TABLE IV.3: PROGRAMME SUPPORT — REGIONAL BUREAUX AND COUNTRY OFFICES, BY REGION (US\$ thousand)									
	2004-2005			2006-2007			2008-2009		
	Post count		Total cost *	Post count		Total cost *	Post count		Total cost *
	Prof.	Total		Prof.	Total		Prof.	Total	
Asia (ODB)	30	116	18 530	38	127	20 007	31	108	18 398
Middle East, Central Asia and Eastern Europe(ODC)	37	156	23 765	35	152	21 713	24	113	14 372
West Africa (ODD)	48	194	29 755	49	211	29 523	43	157	24 837
East and Central Africa (ODK)	32	124	19 496	33	106	18 874	NA	NA	NA
Southern Africa (ODJ)	28	104	17 182	28	110	16 878	NA	NA	NA
Southern, Eastern and Central Africa (New)	NA	NA	NA	NA	NA	NA	41	153	25 466
Latin America and Caribbean (ODP)	28	112	19 001	29	111	18 139	25	112	16 177
Sudan Regional Bureau (ODS)	NA	NA	NA	NA	NA	NA	1	1	506
Field Security Fund									2 000
Field Contingency Fund			1 794			2 000			2 000
TOTAL	203	805	129 524	212	817	127 134	165	644	103 756

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

266. The proposal for this component amounts to US\$103.8 million, compared with an estimated US\$127.1 million in the 2006–2007 biennium. This is a decrease of US\$23.3 million, or 18 percent.

Country Offices

267. The total number of Country Offices in the 2008–2009 biennium is planned at 76. While WFP may not have a full-time presence in every country, it needs to be able to assist all countries as needs arise. To address this challenge, WFP will explore innovative ways, including “double-hatting” of Country Directors, to ensure efficiency and effectiveness at the country level.

268. To a large extent, WFP allocates PSA to its country offices based on a standard structure for countries of similar size. Table IV.4 outlines the four sizes of country offices and their planned PSA allocations.



TABLE IV.4: COUNTRY OFFICE STANDARD STRUCTURE		
Size of country	PSA allocation	Number of Country Offices
Large	One country director	24
Medium	One country director plus US\$300,000 in local operating costs including national PSA funded staff.	15
Small	One country director plus one additional professional staff plus US\$400,000 for local operating costs including national PSA funded staff.	18
Very Small	One country director plus one additional professional staff plus US\$400,000 for local operating costs including national PSA funded staff. Some offices will receive a lower allocation where the office can be adequately managed from a different location.	19
		76

269. WFP plans to maintain a country director full-time where the operational throughput level merits it and then side accreditations in country offices where operational requirements do not for the time being require a full-time presence. It also plans to reduce the local operating costs for medium-sized and large country offices.
270. One option for some offices is to manage them within the options offered by United Nations reform processes at the country level, including – but not limited to – the United Nations Joint Office model endorsed by the General Assembly in the 2004 Triennial Comprehensive Policy Review (TCPR) on operational activities for development. WFP will coordinate both locally and through the inter-agency corporation bodies to pursue this strategy.

Field Contingency Fund

271. Since the 2006–2007 Management Plan, WFP has maintained a Field Contingency Fund to cover unforeseen needs in the field. Throughout 2006–2007, the fund has been used for a variety of unforeseen costs, such as those related to an air crash, the scaling down of some offices, medical evacuations and other costs. This fund totals US\$2 million and has provided WFP with a flexible solution to address unforeseen needs quickly.
272. For 2008–2009, the Field Contingency Fund is planned to be maintained at a level of US\$2 million.

Field Security Fund

273. Since the 2004–2005 Management Plan, the Executive Board has approved a separate Security Fund. From 2008–2009 this fund will be incorporated into PSA.
274. Given the high priority of staff security in operational areas, and the continuing threats to which staff in the field are subjected, WFP intends to reassess all country offices during the biennium to ensure that all offices continue to comply with minimum operating security standards (MOSS).
275. This budgetary provision will also cover some security training courses in port and ship security as well as aviation security. The fund will cover the need for professional



development of security officers, such as United Nations Department of Safety and Security (UNDSS) certification for newly recruited field security officers (FSOs), and training for security focal points.

276. For 2008–2009 it is planned to maintain the Field Security Fund at a level of US\$2 million.

Regional Bureaux

277. Section III outlined the operational context for each regional bureau. The Regional Bureaux oversee and support Country Offices. Although the scope of support varies among Bureaux, they assist country offices in the areas of:

1. provision of timely and efficient response to emergencies;
2. contingency and emergency preparedness planning, to ensure that plans are updated for all Country Offices;
3. needs assessment and vulnerability analysis and mapping (VAM) where the Country Office does not have its own capacity, especially in emergency situations;
4. programme design in accordance with WFP's policies and guidelines.

278. The Bureaux also play a key role in ensuring that adequate logistics support is provided, eventual corridors are managed and local food procurement is handled correctly. Each Regional Bureau ensures that resources within its region are safeguarded and utilized efficiently and on time through its financial oversight functions, and that media and advocacy strategies to support country office operations are implemented. Most bureaux also support country offices in the areas of information and communications technology (ICT), human resources management and regional fundraising activities.

279. The largest PSA reductions at regional bureaux are planned for the Cairo, Kampala and Johannesburg bureaux.

280. Cairo will be reduced in size to reflect the reduced size of operations in this region in recent years.

281. The regional bureaux of Kampala and Johannesburg will be merged. The Secretariat is currently undertaking a comprehensive review of this merger, which will require careful transition planning.

PROGRAMME SUPPORT – HEADQUARTERS

Overview

282. The new Operations and Management Department is a consolidation of the former Operations Department and the Administration Department, excluding the former Office of the Chief Financial Officer.

283. As outlined in the 2006–2007 Management Plan, WFP is consolidating all technical support to the field under this department. This is the result of the operational review aimed at improving the efficiency and timeliness of technical support to country offices.

284. Table IV.5 shows the staff and non-staff budget proposal for 2008–2009 for programme support at Headquarters, compared with 2004–2005 actual and 2006–2007 estimated costs.



TABLE IV.5: PROGRAMME SUPPORT — HEADQUARTERS (US\$ thousand)									
	2004–2005 actual			2006–2007 estimated			2008–2009 projected		
	Post count		Total cost	Post count		Total cost	Post count		Total cost
	Prof.	Total		Prof.	Total		Prof.	Total	
Office of the ASG of Operations and Management Dept	NA	NA	NA	NA	NA	NA	5	8	3 356
Programme Design and Support	NA	NA	NA	NA	NA	NA	37	57	19 282
Transport and Logistics Division	34	74	15 082	51	91	22 021	35	69	20 054
Office of Sr. Dept. ED of Operations	8	19	5 639	8	17	5 113	NA	NA	NA
Programme Management	16	35	12 341	12	27	7 485	NA	NA	NA
Analysis, Assessment and Preparedness	14	19	5 321	14	19	6 771	NA	NA	NA
TOTAL	72	147	38 383	85	154	41 390	77	134	42 692

285. The proposed budget for Headquarters programme support is US\$42.7 million, compared to US\$41.4 million in the 2006–2007 biennium – an increase of US\$1.3 million.

Office of the ASG of Operations and Management

286. The Office of the ASG of Operations and Management provides support, guidance and leadership to regional bureaux, country offices and related Headquarters divisions. It aims to ensure that operational objectives and programme excellence are achieved through programme design, and that quality standards are maintained. To normalize the span of control, a deputy director will be supporting the ASG in the Office of Operations and Management.

Programme Design and Support Division

287. The newly formed Programme Design and Support Division represents a consolidation of all WFP programme support in the areas of VAM, HIV, nutrition, school feeding, gender, contingency planning, assessment and programme management.

288. The primary purpose of the Division is to promote high-quality analysis and assessments to drive operational and programming decisions, facilitate early warning and contribute to advance planning and effective response.

289. The Division also provides a link between Headquarters units and country offices/regional bureaux in managing and monitoring project resources.

290. The Division provides normative guidance and technical support on contingency planning, including support missions to country offices and regional bureaux, on request. It



participates in inter-agency contingency planning exercises and will continue WFP's role as co-chair of the Inter-Agency Standing Committee (IASC) Sub-Working Group on Preparedness and Contingency Planning. The Division is also responsible for introducing and maintaining a range of special procedures and protocols that are invoked when an emergency is declared, to ensure faster operational action during large-scale emergencies.

291. WFP will establish a committee to oversee the handover of policies from the Policy, Planning and Strategy Division to the Programme Design and Support Division.

Transport and Logistics Division

292. The Transport and Logistics Division is the centre of support for WFP's logistics response. The Division provides a range of services to WFP operations, including support for logistics and disaster preparedness, as well as timely and cost-effective procurement and transport of food commodities. The Division also coordinates United Nations common services, such as the United Nations Joint Logistics Centre (UNJLC) and the United Nations Humanitarian Air Service (UNHAS), on behalf of several United Nations agencies. The Division coordinates the United Nations cluster on logistics.

293. The Division ensures that the necessary tools and information are available to support country offices and other business units monitoring and managing all supply chain functions and the inherent risks.

294. The Division also provides management and analytical support to WFP's transport and logistical function, including maintenance of a commodity tracking system for 7.8 million mt of food, supply chain optimization and support to implementation of International Public Sector Accounting Standards (IPSAS).

MANAGEMENT AND ADMINISTRATION

Overview

295. This component of the PSA budget covers management costs, including those for the Office of the Executive Director, Evaluation, Oversight and Inspection, and the newly created External Relations Department. The External Affairs and Resource Development Department merges the Fundraising Department with the Policy and External Affairs Department.

296. This section also covers the Finance and Legal Division, the Information and Communications Technology Division, the Human Resources Division and the Security and Management Services Division, which constitute the administration component of the proposal.

297. Table IV.6 provides a breakdown of total costs and staff count for 2008–2009, compared with 2004–2005 actual and 2006–2007 estimates.



TABLE IV.6. MANAGEMENT AND ADMINISTRATION (US\$ thousand)

	2004–2005 actual			2006–2007 estimated			2008–2009 projected		
	Post count		Total cost	Post count		Total cost	Post count		Total cost
	Prof.	Total		Prof.	Total		Prof.	Total	
Office of Executive Director	10	19	8 578	20	32	12 043	15	28	11 882
Office of Ombudsman	NA	NA	NA	NA	NA	NA	1	2	875
Policy, Planning and Strategy Division	NA	NA	NA	NA	NA	NA	11	13	5 940
Communications & Public Policy Strategy Division	NA	NA	NA	NA	NA	NA	19	30	11 563
Inspector General & Oversight Services Division	16	24	7 300	20	30	9 706	20	28	10 641
Office of Evaluation	7	11	6 270	8	11	6 582	8	12	5 401
Office of the ASG External Affairs & Resource Development	NA	NA	NA	NA	NA	NA	3	6	2 042
Executive Board Secretariat	NA	NA	NA	NA	NA	NA	8	22	6 800
Interagency Affairs and NGO Relations Division	NA	NA	NA	NA	NA	NA	12	21	7 704
Government Donor Relations Division	NA	NA	NA	NA	NA	NA	31	57	18 896
Private Sector Relations Division	NA	NA	NA	NA	NA	NA	1	2	1 472
<i>Fundraising Dept.</i>	69	118	38 527	75	116	48 612	NA	NA	NA
<i>Policy and External Affairs Dept.</i>	62	106	39 265	61	103	36 850	NA	NA	NA
Subtotal Management	164	278	99 940	184	292	113 792	129	221	83 215
Human Resources Division	39	94	28 613	44	94	26 451	38	89	20 307
Information and communications Technology Division	85	120	36 422	56	82	35 614	44	77	30 586
Security & Management Services Division	14	58	22 314	13	57	20 548	12	65	21 745
<i>Office of Chief Financial Officer</i>	31	73	15 052	43	92	18 181	NA	NA	NA
<i>Office of Legal Services</i>	10	18	2 901	9	23	5 832	NA	NA	NA
Finance and Legal Division	NA	NA	NA	NA	NA	NA	41	95	23 904
<i>Office of the Dept. ED Administration</i>	1	3	674	1	2	1 007	NA	NA	NA
Subtotal Administration	180	366	105 975	166	350	107 634	134	326	96 542
Central Appropriations/ Reassignment costs			3 009			5 680			18 795
TOTAL	344	644	208 924	350	642	227 106	263	547	198 552

* Total cost column reflects both staff and non-staff costs and includes statutory requirements.



298. The management and administration budget for 2008–2009 amounts to a total of US\$198.6 million, compared with US\$227.1 million in 2006–2007. This is a reduction of US\$28.5 million.

MANAGEMENT

Office of the Executive Director

299. The Office of the Executive Director supports the Executive Director in management of the Organization.

300. The Office of the Chief of Staff manages the daily activities of the Executive Director's Office. The Executive Director will also appoint a senior officer in this office as Ethics Officer.

301. An ASG in the Office of the Executive Director will be linked to and provide a field dimension for the Policy, Planning and Strategy division, strengthening WFP's capacity for strategic and high level interaction on finding solutions to hunger and achieving the MDGs.

Office of the Ombudsman

302. The Ombudsman's Office provides assistance to staff members who wish to resolve work-related problems or conflicts in an informal manner. The Office prevents conflict escalation from disrupting organizational processes and provoking formal complaints against WFP; it represents a best practice among United Nations agencies.

Policy, Planning and Strategy Division

303. The Policy, Planning and Strategy Division is the caretaker of WFP's strategic direction. The Office is responsible for outlining and setting policies for all of WFP's various activities. It also drafts and monitors the Strategic Plan and the Annual Performance Report.

Communications and Public Policy Strategy Division

304. The Communications and Public Policy Strategy Division oversees a broad communications strategy aimed at communicating the work of WFP to both private and public donors and to the general public. These efforts include media relations and advocacy, advertising, corporate communications and web-based communication of WFP's work and public policy.

Inspector General and Oversight Services Division

305. The Inspector General and Oversight Services Division provides assurances, inspection and investigation services to WFP. Through Internal Audit it provides the Executive Director with assurances that controls and procedures instituted to govern WFP activities are functioning as envisaged. Through the Inspection and Investigation Unit it ensures that allegations concerning acts of malfeasance are fully investigated. The Division makes recommendations to the Executive Director for enhancing the efficiency and effectiveness of WFP operations and controls. The Inspector General reports to the Executive Board on



inspections/investigations as per General Regulation VI 2(b)(viii), Financial Regulation 12.1 on internal control and Financial Rule 112.36.

306. The Inspector General and Oversight Services Division ensures that best practices in transparency and accountability are maintained.

Office of Evaluation

307. The Office of Evaluation conducts evaluations and provides support for decentralized evaluations. Through its corporate strategy for enhancing the effectiveness of evaluation, it also supports continuous accountability and learning, improvements and reform.
308. The Office of Evaluation will develop and implement a corporate strategy for enhancing the effectiveness of evaluation at WFP, which will contribute to continuous accountability and learning and subsequent improvements and reform; and will produce evaluations in the 2008–2009 biennium that will contribute to accountability and learning at the corporate, policy and operational levels. These evaluations will fall under three types – strategic evaluations; country-level evaluations; and single operations evaluations, – each with a distinct management objective, and will provide support services for decentralized evaluations that have become an important part of WFP’s accountability and learning framework.
309. The detailed 2008–2009 work plan of the Office of Evaluation is attached as Annex III.

External Affairs and Resource Development Department

310. The newly created External Affairs and Resource Development Department is a merger of the former Fundraising and Communications Department with elements of the former Policy and External Affairs Department. This department will be responsible for all WFP’s donor relations, inter-agency affairs and relations with the Executive Board.

Office of the ASG for External Affairs and Resource Development

311. The Office of the ASG for External Affairs and Resource Development provides advice, supervision, direction and leadership to the Department. The Office leads efforts to raise resources to meet the assessed needs of all approved programmes and operations, engage decision-makers and stakeholders in joining the fight against hunger and provide policy and strategic guidance on fundraising.

Executive Board Secretariat

312. The Executive Board Secretariat facilitates the interaction between WFP management and the governing body for effective governance of WFP. Its work is almost exclusively demand-driven. It is responsible for organizing and servicing Executive Board and Executive Board Bureau meetings, facilitating informal consultations, coordinating with other United Nations agencies on Board-related matters, organizing field trips for Executive Board members and providing translation services in all Board languages.

Inter-Agency Affairs and NGO Relations Division

313. The primary purpose of the Inter-Agency Affairs and NGO Relations Division is to maintain and consolidate partnerships with United Nations agencies, other international and regional organizations and non-governmental organizations (NGOs). It manages WFP



global relationships with these partners. It leads the coordination and updating of WFP corporate strategy on United Nations reform issues. The Division represents WFP at inter-agency and inter-governmental meetings on humanitarian and development issues. It develops awareness, support and visibility for WFP's work and hunger issues among member countries participating in inter-governmental forums.

Government Donor Relations Division

314. The Government Donor Relations Division aims to fully fund the assessed needs of the Programme of Work approved by WFP's Executive Board through its proactive relations and liaison with WFP's Government donors. Continued efforts to attract funding consistent with the principles of Good Humanitarian Donorship (i.e. flexible, multi-year) as well as identifying new available funding opportunities are critical components of the Division's focus.

Private Sector Relations Division

315. The Private Sector Relations Division leads global private sector fundraising operations. It is responsible for developing and managing relations with private sector donors, including the development of policy and normative guidance on relations with private donors. It is also responsible for the creation of marketing and fundraising materials and the management of on-line donations. Presentation for approval of the overall private sector strategy, including a funding proposal, is planned for the Executive Board meeting in February 2008.

ADMINISTRATION

316. The administrative divisions, with the exception of the Finance and Legal Division, are part of the Operations and Management Department. These divisions ensure that administrative support functions are carried out effectively.

Human Resources Division

317. The Human Resources Division seeks to recruit and retain competent staff, paying due attention to both gender and geographic diversity.

318. The Division has five key functions: (1) administering staff – processing contracts, salaries and entitlements; (2) managing staff – analysing workforce trends and forecasts, translating business strategies into human resources practices for recruitment and selection, career and succession planning and performance management, offering advice on conduct and disciplinary actions and facilitating staff/management relations; (3) providing staff with learning and development opportunities; (4) ensuring staff well-being through the provision of counselling and medical services; and (5) providing strategic advice and policy guidance.

319. As part of WFP's initiative to become both more efficient and more cost-effective, the Division will be transferring some administrative processes to lower-cost destinations throughout the biennium.



Information and Communication Technology Division

320. The Information and Communication Technology Division provides information technology (IT) support to enable business processes, and manages a global IT infrastructure and computing environment, ensuring high service availability, connectivity and effective communication among staff and with the business community.
321. The Division establishes global ICT strategic directions and strengthens WFP operations by enhancing capacity in information systems, to support business requirements. It lowers operational costs by improving the cost-effectiveness of global ICT. The Division also improves coordination of inter-agency activities and enables WFP's rapid response capacity. It supports, maintains and builds capacity of WFP operations and personnel through various programmes, services, communication tools and equipment. Typical services implemented and supported by the Division include: emergency preparedness and support; business solutions development; Foodsat, the WFP internal telephone network; Lotus Notes e-mail; the WFP Information Network and Global System (WINGS); WFPgo and WFP website development and hosting; the Global ICT Service Desk; the country office ICT officer training programme; ICT equipment purchase, maintenance and operation; purchase of licences for WFP-wide use; and ICT standards and training.
322. WFP is the lead for the United Nations cluster on Emergency ICT Services, which is managed by the Division.

Security and Management Services Division

323. The Security and Management Services Division provides a range of services in security, goods and services procurement, some of which will be carried out from offshore locations; building and infrastructure services; administration and policy formulation; and decision support for executive management. It supports WFP programmes through the cost-effective delivery of Headquarters services, initiatives to automate and improve administrative processes, and inter-agency leadership in the areas of security, facilities management, common services and premises, goods and services procurement and travel. At the corporate level, the Division is also responsible for coordinating with UNDSS to ensure the safety and security of WFP staff in all operational areas.

Finance and Legal Division

324. The Finance and Legal Division is responsible for the overall financial management of WFP and for providing strategic advice, developing policies and providing guidance on finance, budgetary and legal issues. The four main offices are the Office of Financial Accounting, the Office of Treasury and Payments, the Office of Budget and Financial Planning and the Office of Legal Services.
325. The Office of Financial Accounting is responsible for financial and donor accounting and reporting, support and guidance to Headquarters and field managers on financial issues, and development and monitoring of oversight reports on financial management. The Office is also responsible for coordination with the External Auditor, the response to audit recommendations and WFP's implementation of IPSAS. Key outputs include the Audited Financial Statements, donor reports and financial accounting performance monitoring.
326. The Office of Treasury and Payments is responsible for payroll and payment services and cash management, treasury and investment operations.



327. The Office of Budget and Financial Planning's principal functions are to provide accounting information for decision-making to WFP management and key stakeholders and to provide Executive Board documentation on budgeting issues, including the biennial Management Plan. It is also responsible for reviewing organizational costs and managing the Working Capital Fund and the DSC Advance Facility mechanisms.
328. The main role of the Office of Legal Services is to update executive management on the legal implications of all WFP's activities, while ensuring that WFP's position is protected and its legal exposure limited through a combination of pre-emptive contracting, legal advice to WFP personnel and pursuit of financial recovery, wherever possible. The Office consolidates legal advice on personnel issues with its constitutional, maritime and commercial legal services. It liaises with other United Nations legal offices, instructs outside lawyers and coordinates WFP's litigation and dispute resolution activities.
329. The Division also coordinates WFP's international finance staff and provides technical supervision for the finance function in regional bureaux, country offices and liaison offices. The Division plans to move a number of its activities to lower-cost WFP locations throughout the 2008–2009 biennium.
330. During the biennium, WFP will strengthen financial management, oversight and control across the organization. The Chief Financial Officer will review, advise and control all organizational financial risk and have oversight for all WFP's financial resources.

Statutory Requirements and other Central Appropriations

331. Items under this subsection include the costs of statutory requirements and other appropriations that are centrally controlled. The central appropriations are budgeted under the Management and Administration appropriation line.
332. Table IV.7 shows how the budgeted requirements for this category in 2008–2009 compare with 2006–2007 estimated requirements.



TABLE IV.7: STATUTORY REQUIREMENTS AND OTHER CENTRAL APPROPRIATIONS		
	Estimated 2006-2007	Proposal 2008-2009
FAO services	-	2 112 000
Local Salary Survey	150 000	195 000
UNDP Regional Coordinator Assessment Centre	-	200 000
UN Staff Programmes	-	300 000
International Civil Service Commission	650 000	900 000
Senior Management Network	-	233 000
Malicious acts insurance	2 000 000	1 500 000
Public liability insurance	620 000	340 000
Corporate travel insurance	30 000	50 000
FAO legal fees	130 000	310 000
Fee from self insurance	(800 000)	-
Global management meeting	650 000	520 000
External Audit	500 000	800 000
Chief Executive Board	300 000	615 000
Joint Inspection Unit	1 250 000	1 475 000
Standing Committee on Nutrition	200 000	100 000
Headquarters Contingency Fund	-	2 395 000
Reassignment Costs	-	6 750 000
TOTAL	5 680 000	18 795 000

333. Most of the costs included in the Corporate and Other Central Appropriations Fund are based on WFP's assessed shares of the budgets of other central United Nations bodies. They also include WFP central insurance premiums for malicious acts, public liability and travel. The corporate budget includes the budget for a global management meeting scheduled for September 2008 to provide an orientation session for WFP management following the new Strategic Plan, expected to be presented for approval at the Executive Board meeting in June 2008. Provision is also made for a Headquarters Contingency Fund to address emerging needs during the biennium; this enables WFP to address such needs without changing existing allotments. During the last two biennia, WFP has had to revisit the PSA budget within the first six to eight months. By having a limited contingency amount available, WFP would be in a position to address emerging needs without going through a full budget adjustment exercise. Reassignment costs related to PSA were



previously incorporated in the Standard Position Costs. These costs will now be managed through a central fund in order to improve cost control.

Transition Fund

334. To implement the US\$345 million PSA budget, the Secretariat foresees that a transition fund will be necessary to support the downward budget adjustments. The objectives of such a fund are to:
- a) provide the Secretariat with the flexibility to manage infrastructure, staffing and reassignment issues that arise from substantial reductions of posts in certain parts of WFP; and
 - b) enable the Secretariat to cover certain start-up costs related to transfer of activities from Headquarters in Rome to less costly destinations, to create long-term savings.
335. Implementation of the PSA budget for 2008–2009 will require a substantial number of staff reassignments and some terminations. Terminations will be covered by the Termination Reserve approved by the Executive Board in June 2007;²⁶ the Secretariat estimates that additional reassignment costs arising from the changes in PSA levels will amount to approximately US\$3.4 million.
336. It will also be necessary to fund a number of abolished posts for short periods while staff members are being placed. This would allow WFP to manage staffing realignment in a controlled manner. The estimated cost of this is US\$4.5 million.
337. To maintain organizational capacity within the reduced budget allocations, WFP will also move a number of posts, which will require investment in the new locations. In addition, office space in Rome will need to be reconfigured, with the closure of one building. The estimated cost for this is US\$2.7 million.
338. The total estimated requirement for a transition fund would therefore amount to US\$10.6 million, which the Secretariat proposes to fund through the un-earmarked portion of the General Fund.

Currency Hedging for the PSA Appropriation

339. The PSA budget carries a significant exposure to developments in the euro/US\$ exchange rate between the time that it is prepared and the time that PSA expenditure is incurred during the 2008–2009 biennium. The PSA budget is prepared in the base currency, US\$, while a significant proportion of PSA expenditure is incurred in euros because of the location of WFP's Headquarters.
340. For the 2006-2007 biennium, the Secretariat forward purchased euros in order to reduce the uncertainty of the PSA budget. However, it should be noted that the forward purchase of euros could result in either a financial loss or a financial gain, depending on the changes that occur in the currency market. Thus, the main benefit of using currency hedging is certainty in cost planning.
341. At the time of issuing the Management Plan the dollar had just reached a record low against the euro (US\$1.41 to €1). While the Secretariat sees the benefit from a planning perspective of entering into a hedge transaction for 2008-2009, there is also a risk

²⁶ WFP/EB.A/2007/6-B/1.



associated with the hedging transaction. Should the dollar appreciate after the transaction is undertaken, the organization would incur an opportunity loss.

342. Therefore, during the coming months the Secretariat will continue to review the foreign exchange market to determine the most appropriate steps to reduce the risks associated with this exposure.

Cost Share of United Nations Field-Related Security Costs – UNDSS

343. Organizations participating in the United Nations Security Management System (UNSMS) are collectively responsible for the safety and security of United Nations staff. Field-related costs are apportioned among these organizations, and central management costs are assumed by the United Nations. The cost-sharing formula is calculated according to the number of staff members based in non-member countries of the Organisation for Economic Co-operation and Development (OECD), and for whose safety and security the United Nations system is responsible.
344. WFP believes that these staff safety and security costs should be paid out of the United Nations regular budget, and not from voluntary contributions. It advocates for this approach with Member States. In the meantime, WFP is responsible for funding its share of costs for UNSMS.
345. Table IV.8 outlines the budget for UNDSS from 2002 to 2009. The proposed budget for field-related security costs for the 2008–2009 biennium is US\$178.4 million, which is to be approved by the United Nations General Assembly. This figure reflects no base growth on the 2006–2007 cost-shared portion of the budget, which totalled US\$169.1 million. However, it is subject to re-costing for such elements as inflation.
346. Based on total field-related security costs of US\$178.4 million for 2008–2009, the WFP cost share is therefore estimated at US\$26.6 million. This includes the costs of three WFP senior security advisers responsible for monitoring performance of the UNDSS work plan, coordinating security activities, reporting and analysis, preventive measures, training and immediate redeployment in emergency situations.

TABLE IV.8: UNITED NATIONS FIELD-RELATED SECURITY COSTS (US\$ million)		
	United Nations system field-related costs	WFP's share of United Nations field-related costs
2002-2003	42.9	6.5
2004-2005	113.1	13.2*
2006-2007	169.1	18.3
2008-2009 projected	178.4	26.6

*Credit of \$3.2 million subsequently received in 2006.



347. Although the Management Plan for 2006–2007 had outlined the intention to recover these costs from projects as DSC, the Secretariat reviewed this option and found it to be impractical. The Executive Board approved that UNDSS costs for 2006–2007 be funded from the General Fund, in line with their treatment in the 2004–2005 biennium (WFP/EB.1/2007/6-A/1 Corr.1). WFP’s UNDSS costs for 2006–2007 are expected to be in the region of US\$18.3 million. This is less than the original US\$22.6 million budget, but the final figure will be known only on approval of the UNDSS Performance Report for 2007. As in the past, any remaining, unspent balance under the cost-shared portion of the UNDSS budget will be credited to the participating agencies.
348. For 2008–2009, the Secretariat proposes to use the General Fund to cover the costs of WFP’s estimated share of United Nations field-related costs, amounting to US\$26.6 million.





FOLLOW-UP TO ACABQ AND FAO FINANCE COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

<p>The aim of strengthening country offices would not lead to an increase in the number of country offices but rather would enable these offices to improve operational support and build capacity.</p>	<p>The Management Plan (2008–2009) contains proposals that would enhance the management of country offices.</p>
<p>The Committee inquired about the unit cost of supplying food [and] the considerable differences in unit costs for different programme categories.</p>	<p>Section III of the Management Plan – Direct Operational and Direct Support Cost Budget – now has separate sub-sections that analyse programme categories and individual cost component expenditures.</p>
<p>With respect to the results-based framework, the Advisory Committee requests that, to the extent possible, WFP make an increased effort to harmonize the terminology used with that adopted by the United Nations and other funds and programmes such as UNDP, UNHCR and UNICEF. The Advisory Committee requests that a clear linkage between the objectives, indicators of achievement, outcomes and the resource requirement be established in the results based framework.</p>	<p>The results-based framework review will be conducted together with the review of Strategic Objectives and Management Objectives in the Strategic Plan (2008–2011), which is to be issued in October 2008.</p>
<p>The Committee requests WFP to include in its future biennial management plans an organigram of its organizational structure... The organigram should show the main organizational entities and the hierarchical relationship between them. For each organizational entity it should also provide the number of existing and new posts by category and grade and source of funding.</p>	<p>The organigram is included in Annex VIII of the Management Plan; details of post numbers are included in Annex II, Table B. The current PSA proposal entails a significant change in the organizational structure, so a comparison of post numbers by department between biennia would be difficult.</p>
<p>The Advisory Committee is of the opinion that with the increased effort to obtain funding from the private sector, it is important for WFP to establish that the receipt and utilization of funds will not in any way alter the priorities established by the Executive Board, that WFP financial and personnel regulations and rules will be adhered to, that documentation and standards will be established for accountability requirements and that any additional support costs entailed in managing the funds will be reimbursed on an agreed basis.</p>	<p>The private-sector fundraising strategy outlining the standards and support cost framework will be presented to the Board for approval in 2008.</p>





TABLE A.1: PROJECTED INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES, 2006-2007 (US\$ million)

	General Fund	Development	EMOP	PRRO	Special Operations	Bilaterals and Others	Eliminations	TOTAL
2006-2007 Opening balance	185.9	296.0	457.6	743.6	159.4	220.3		2 062.8
Add: Estimated contributions and income								
Commodity contributions	-	111.8	1 146.7	975.9	-	-		2 234.4
Other contributions	57.4	415.8	764.3	1 486.0	377.5	234.4		3 278.0
Sub-total	57.4	527.7	1 910.9	2 461.9	377.5	234.4		5 569.8
Interest and other income	10.61	30.32	27.54	52.16	120.62	6.45	45.5	293.15
Transfer of indirect support cost contributions to General Fund	361	(34.5)	(125.0)	(161.1)	(24.7)	(15.3)		
TOTAL	428.7	523.5	1 813.4	2 353.0	473.4	225.5	45.5	5 862.9
Less: Estimated expenditures								
Operational costs in commodities		308.7	684.7	1 205.2		101.4	0.0	2 300.0
Ocean transport		50.3	147.6	323.8		2.6	0.0	524.3
LTSH		76.6	680.8	679.7	0.2	9.5	6.0	1 440.8
ODOC		20.5	21.6	65.7	334.3	31.1	26.9	446.3
DSC		52.2	188.6	268.1	45.1	72.5	11.5	614.9
ISC	395.6						0.9	394.7
Capital and Capacity Funds	36.8							36.8
Others*	176.7							176.7
TOTAL	609.1	508.2	1 723.2	2 542.6	379.6	217.2	45.5	5 934.5
Other adjustments								
Programming of unused fund balances	0.0	(4.4)	(25.5)	(12.2)	(3.1)	0.0		(45.1)
Refund of unused balances	0.0	2.1	(15.1)	(9.4)	1.5	(54.7)		(75.6)
Provisions								0.0
Miscellaneous	27.6	3.4	(34.9)	53.6	1.6	(3.1)		20.6
2006-07 Closing balance	33.1	312.4	472.3	586.1	253.1	170.8	0.0	1 827.8
<i>Volume (in thousand tons)</i>		<i>1 233</i>	<i>2 080</i>	<i>4 451</i>				<i>7 764</i>



TABLE A.2: PROJECTED INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES, 2008-2009 (US\$ million)

	General Fund	Development	EMOP	PRRO	Special Operations	Bilaterals and Others	TOTAL
2008-2009 Opening balance**	33.1	312.4	472.3	586.1	253.1	170.8	1 827.8
Add: Estimated contributions and income							
Commodity contributions		310.7	380.8	1 514.1			2 205.6
Other contributions	192.0	251.9	942.9	1 686.2	121.2	44.5	3 238.7
Sub-total	192.0	562.6	1 323.7	3 200.3	121.2	44.5	5 444.3
Interest and other income	60.4						
Transfer of indirect support cost contributions to General Fund	311.4	(33.8)	(78.7)	(191.6)	(7.3)		
TOTAL	563.8	528.8	1 245.0	3 008.7	113.9	44.5	5 504.7
Less: Estimated expenditures							
Operational costs in commodities		310.7	380.8	1 514.1		0.6	2 206.2
Ocean transport		50.8	123.8	365.1		0.5	540.2
LTSH		78.8	571.5	693.1		0.4	1 343.9
ODOC		36.8	11.3	99.3	95.1	1.7	244.2
DSC		51.7	157.6	337.1	18.8	2.0	567.1
ISC	345.0						345.0
Capital and Capacity Funds	37.2						37.2
Others*	192.4					173.8	366.2
TOTAL	574.6	528.8	1 245.0	3 008.7	113.9	179.0	5 650.0
2008-09 Closing balance	22.3	312.5	472.3	586.0	253.1	36.3	1 682.5
<i>Volume (in thousand tons)</i>		<i>1 266</i>	<i>1 382</i>	<i>5 162</i>			<i>7 810</i>



TABLE B: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2006-2007 AND 2008-2009

		International professional category and above										Others		
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof.	GS	Grand Total
A. PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES														
REGIONAL BUREAUX														
Regional Bureau - Bangkok														
2006-2007	PSA	-	-	1.0	1.0	6.0	6.0	4.5	1.0	-	19.5	4.0	17.5	41.0
2008-2009	PSA	-	-	1.0	1.0	4.0	7.0	2.0	-	-	15.0	5.0	18.0	38.0
Regional Bureau - Cairo														
2006-2007	PSA	-	-	1.0	1.0	5.0	7.0	1.0	-	-	15.0	4.0	31.0	50.0
2008-2009	PSA	-	-	1.0	1.0	3.0	3.0	1.0	-	-	9.0	4.5	19.0	32.5
Regional Bureau - Dakar														
2006-2007	PSA	-	-	1.0	3.0	4.0	9.0	4.0	-	-	21.0	18.0	31.0	70.0
2008-2009	PSA	-	-	1.0	2.0	4.0	11.0	3.0	-	-	21.0	9.0	20.0	50.0
Regional Bureau - Kampala														
2006-2007	PSA	-	-	1.0	2.0	4.0	7.0	4.0	-	-	18.0	10.0	31.0	59.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Regional Bureau - Johannesburg														
2006-2007	PSA	-	-	1.0	1.0	3.0	5.0	5.0	-	-	15.0	7.0	21.0	43.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South, Central and East Africa (new)														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	1.0	4.0	10.0	5.0	-	-	21.0	9.0	43.0	73.0
Regional Bureau - Panama														
2006-2007	PSA	-	-	1.0	1.0	3.0	5.0	3.5	-	-	13.5	3.0	23.5	40.0
2008-2009	PSA	-	-	1.0	1.0	2.0	4.0	1.3	-	-	9.3	6.0	16.3	31.6
Regional Bureau - Khartoum/Sudan														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	-	-	-	-	-	-	1.0	-	-	1.0
Subtotal Regional Bureaux														
2006-2007	PSA	-	-	6.0	9.0	25.0	39.0	22.0	1.0	-	102.0	46.0	155.0	303.0
2008-2009	PSA	-	-	6.0	6.0	17.0	35.0	12.3	-	-	76.3	33.5	116.3	226.1
COUNTRY OFFICES														
2006-2007	PSA	-	-	8.0	28.0	39.0	5.0	30.0	-	-	110.0	131.0	273.0	514.0
	DSC	-	-	-	3.0	53.0	136.0	263.0	102.0	3.0	560.0	389.0	6 271.0	7 220.0
2008-2009	PSA	-	-	7.0	29.0	28.8	-	23.5	0.5	-	88.8	107.0	222.0	417.8
	DSC	-	-	-	3.0	58.5	133.0	290.7	96.5	2.0	583.7	455.0	6 035.0	7 073.7
TOTAL PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES														
2006-2007	PSA	-	-	14.0	37.0	64.0	44.0	52.0	1.0	-	212.0	177.0	428.0	817.0
	DSC	-	-	-	4.4	56.0	141.1	266.5	115.0	4.0	560.0	391.0	6 293.0	7 220.0
	TOTAL 2006-2007	-	-	14.0	41.4	120.0	185.1	318.5	116.0	4.0	799.0	568.0	6 721.0	8 088.0
2008-2009	PSA	-	-	13.0	35.0	45.8	35.0	35.8	0.5	-	165.1	140.5	338.3	643.9
	DSC	-	-	-	3.8	63.6	152.4	316.4	104.8	2.5	583.7	480.6	6 391.2	7 073.7
	TOTAL 2008-2009	-	-	13.0	38.8	109.3	187.4	352.2	105.3	2.5	808.4	621.1	6 729.5	8 159.0



TABLE B: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2006-2007 AND 2008-2009

		International professional category and above										Others		
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof.	GS	Grand Total
B. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)														
Operations & Management Department														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	1.0	1.0	-	2.0	1.0	-	-	-	5.0	-	3.0	8.0
Programme Design & Support														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	3.0	8.0	15.0	9.0	1.0	-	37.0	-	19.5	56.5
Transport & Logistics Division														
2006-2007	PSA	-	-	2.0	5.0	5.0	21.0	15.0	2.0	1.0	51.0	40.0	-	91.0
2008-2009	PSA	-	-	1.0	5.0	4.0	13.0	10.0	2.0	-	35.0	-	34.0	69.0
Office of Sr. Deputy ED of Operations														
2006-2007	PSA	-	1.0	1.0	-	2.0	3.0	1.0	-	-	8.0	-	9.0	17.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Programme Management														
2006-2007	PSA	-	-	1.0	1.0	1.0	4.0	4.0	1.0	-	12.0	15.0	-	27.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Analysis Assessment & Preparedness														
2006-2007	PSA	-	-	1.0	1.0	4.0	5.0	2.0	1.0	-	14.0	5.0	-	19.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)														
2006-2007	PSA	-	1.0	5.0	7.0	12.0	33.0	22.0	4.0	1.0	85.0	60.0	9.0	154.0
2008-2009	PSA	-	1.0	3.0	8.0	14.0	29.0	19.0	3.0	-	77.0	-	56.5	133.5



TABLE B: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2006-2007 AND 2008-2009

		International professional category and above										Others		
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof.	GS	Grand Total
C. MANAGEMENT & ADMINISTRATION														
MANAGEMENT														
Office of the Executive Director														
2006-2007	PSA	1.0	-	5.0	2.0	5.0	3.0	2.0	2.0	-	20.0	-	12.0	32.0
2008-2009	PSA	1.0	1.0	2.0	3.0	5.0	2.0	1.0	-	-	15.0	1.0	12.0	28.0
Office of the Ombudsman														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	-	-	-	-	-	-	1.0	-	1.0	2.0
Policy, Planning and Strategy Division														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	4.0	2.0	3.0	1.0	-	-	11.0	-	2.0	13.0
Comm. & Public Policy Strategy Division														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	1.0	8.0	5.0	2.0	2.0	-	19.0	-	11.0	30.0
Inspector General & Oversight Services Division														
2006-2007	PSA	-	-	1.0	1.0	5.0	7.0	4.0	2.0	-	20.0	-	10.0	30.0
2008-2009	PSA	-	-	1.0	1.0	3.0	5.0	8.0	2.0	-	20.0	-	8.0	28.0
Office of Evaluation														
2006-2007	PSA	-	-	1.0	-	3.0	4.0	-	-	-	8.0	-	3.0	11.0
2008-2009	PSA	-	-	1.0	-	3.0	4.0	-	-	-	8.0	-	4.0	12.0
Office of the ASG External Affairs & Resource Development														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	1.0	-	-	-	1.0	-	1.0	-	3.0	-	3.0	6.0
Executive Board Secretariat														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	-	1.0	2.0	5.0	-	-	-	8.0	-	14.0	22.0
Interagency Affairs and NGO Relations Division														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	3.0	2.0	2.0	4.0	-	-	12.0	-	9.0	21.0
Government Donor Relations Division														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	2.0	3.0	9.5	7.0	6.5	3.0	-	31.0	2.5	23.5	57.0
Private Sector Relations Division														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	-	1.0	-	-	-	-	-	-	1.0	-	1.0	2.0
Fundraising & Communications Department														
2006-2007	PSA	-	1.0	4.0	6.0	23.0	16.0	15.0	8.0	2.0	75.0	-	41.0	116.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Policy & External Affairs Department														
2006-2007	PSA	-	1.0	3.0	11.0	12.0	13.0	15.0	5.0	1.0	61.0	-	42.0	103.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal, Management														
2006-2007	PSA	1.0	2.0	14.0	20.0	48.0	43.0	36.0	17.0	3.0	184.0	-	108.0	292.0
2008-2009	PSA	1.0	2.0	11.0	16.0	34.5	34.0	22.5	8.0	-	129.0	3.5	88.5	221.0



TABLE B: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2006-2007 AND 2008-2009

		International professional category and above									Others			
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Prof.	GS	Grand Total
ADMINISTRATION														
Human Resources Division														
2006-2007	PSA	-	-	1.0	2.0	6.0	6.0	15.0	14.0	-	44.0	-	50.0	94.0
2008-2009	PSA	-	-	1.0	1.5	4.5	5.5	16.0	9.0	-	37.5	-	51.5	89.0
Information & Comm. Technology Division														
2006-2007	PSA	-	-	1.0	1.0	7.0	17.0	14.0	16.0	-	56.0	-	26.0	82.0
2008-2009	PSA	-	-	1.0	1.0	5.0	14.5	13.0	9.0	-	43.5	1.0	32.0	76.5
Security & Management Services Division														
2006-2007	PSA	-	-	-	1.0	5.0	6.0	-	1.0	-	13.0	-	44.0	57.0
2008-2009	PSA	-	-	-	1.0	3.0	3.0	3.0	2.0	-	12.0	5.0	48.0	65.0
Office of Chief Financial Officer														
2006-2007	PSA	-	-	1.0	2.0	7.0	10.0	15.0	8.0	-	43.0	-	49.0	92.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Office of Legal Services														
2006-2007	PSA	-	-	1.0	1.0	2.0	4.0	-	1.0	-	9.0	-	14.0	23.0
2008-2009	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finance & Legal Division														
2006-2007	PSA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	PSA	-	0.1	0.9	3.0	7.0	12.5	12.0	5.0	-	40.5	2.5	52.0	95.0
Office of Deputy ED - Administration														
2006-2007	PSA	-	1.0	-	-	-	-	-	-	-	1.0	-	1.0	2.0
2008-2009	PSA	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal, Administration														
2006-2007	PSA	-	1.0	4.0	7.0	27.0	43.0	44.0	40.0	-	166.0	-	184.0	350.0
2008-2009	PSA	-	0.1	2.9	6.5	19.5	35.5	44.0	25.0	-	133.5	8.5	183.5	325.5
TOTAL MANAGEMENT & ADMINISTRATION														
2006-2007	PSA	1.0	3.0	18.0	27.0	75.0	86.0	80.0	57.0	3.0	350.0	-	292.0	642.0
2008-2009	PSA	1.0	2.1	13.9	22.5	54.0	69.5	66.5	33.0	-	262.5	12.0	272.0	546.5
GRAND TOTAL														
2006-2007	PSA	1.0	4.0	37.0	71.0	151.0	163.0	154.0	62.0	4.0	647.0	237.0	729.0	1 613.0
	DSC	-	-	-	4.4	56.0	141.1	266.5	115.0	4.0	587.0	391.0	6 293.0	7 271.0
	TOTAL 2006-2007	1.0	4.0	37.0	75.4	207.0	304.1	420.5	177.0	8.0	1 234.0	628.0	7 022.0	8 884.0
2008-2009	PSA	1.0	3.1	29.9	65.5	113.8	133.5	121.3	36.5	-	504.6	152.5	666.8	1 323.9
	DSC	-	-	-	3.8	63.6	152.4	316.4	104.8	2.5	643.4	480.6	6 391.2	7 515.1
	TOTAL 2008-2009	1.0	3.1	29.9	69.3	177.3	285.9	437.7	141.3	2.5	1 147.9	633.1	7 058.0	8 839.0



TABLE C: PSA BUDGET ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2006-2007 AND 2008-2009 (in thousand US\$)

	Staff Cost	Consultancy	Temp Assistance	Overtime	Duty Travel	Training	Rental, Utilities, Clean. & Maint. Premises	Staff Transp.	Office Supplies	Commy/IT Services	Insurance	Equipment Repair	Vehicle Running Costs	Other Office Expenses	Hospitality	ICT Equip Purchase	Tools & Furniture	Vehicle Purchases	Financial costs	Services from FAO	UN Org Services	Contribution UN bodies	Governing Body	Legal Services	Total Non-Staff Cost	TOTAL	PSA Exchange Variance	GRAND TOTAL	
A. PROGRAMME SUPPORT - REGIONAL & COUNTRY OFFICES																													
REGIONAL BUREAUX																													
Regional Bureau - Bangkok																													
2006-2007	6 861	249	7	10	266	111	216	0	13	110	2	7	16	42	3	0	0	0	5	0	42	5	0	0	1 103	7 964	523	8 487	
2008-2009	7 188	57	9	11	556	172	319	0	19	226	3	30	17	109		52	4		5		53	4			1 645	8 813		8 813	
Regional Bureau - Cairo																													
2006-2007	6 358	256	234	14	371	24	210	0	36	114	9	15	27	91	0	7	12	0	0	0	1	11	1	0	1 433	7 792	472	8 264	
2008-2009	4 267			16	300	10	284		22	47	0	8	22	59	1				0			20			790	5 057		5 057	
Regional Bureau - Dakar																													
2006-2007	8 842	153	66	18	781	172	217	0	70	319	8	93	79	162	7	6	0	0	8	4	59	0	0	0	2 222	11 063	620	11 684	
2008-2009	8 931	42	27	10	470	83	126		50	200	5	95	35	150	5	200	20		5		8				1 531	10 461		10 461	
Regional Bureau - Kempala																													
2006-2007	6 762	186	0	5	598	28	579	1	53	141	9	44	27	49	3	0	1	0	2	0	0	117	0	0	1 843	8 605	514	9 119	
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Regional Bureau - Johannesburg																													
2006-2007	6 222	71	15	12	248	71	720	0	47	160	15	9	3	296	0	13	21	0	0	0	0	0	0	0	1 699	7 921	435	8 357	
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
South, Central and East Africa (new)																													
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	9 863	10		13	290	20	950		200	703	46	100	60	400	6	100	5		36			400			3 339	13 201		13 201	
Regional Bureau - Panama																													
2006-2007	5 483	21	213	24	273	192	133	0	23	216	7	18	25	82	0	0	0	0	0	0	0	0	0	0	1 228	6 711	373	7 084	
2008-2009	4 974	146	60	40	339	135	75		36	238	8	60	7	134	1	84	5			11	24				1 405	6 378		6 378	
Regional Bureau - Khartoum/Sudan																													
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	506																								0	506		506	
Subtotal Regional Bureaux																													
2006-2007	40 528	936	534	83	2 537	598	2 075	1	241	1 061	50	184	177	722	13	26	34	0	15	4	102	133	1	0	9 529	50 057	2 938	52 994	
2008-2009	35 708	255	96	89	1 954	420	1 754	0	327	1 414	62	293	141	852	13	436	35	0	46	11	86	424	0	0	8 709	44 417		44 417	
Country offices																													
2006-2007	57 454	748	892	107	1 610	739	2 992	0	370	1 152	61	188	819	1 354	66	470	348	257	64	1	662	181	2	5	13 091	70 545	3 595	74 140	
2008-2009	35 732	0	0	0	0	0	0	0	0	0	0	0	23 607	0	0	0	0	0	0	0	0	0	0	0	23 607	59 339		59 339	
TOTAL PROGRAMME SUPPORT - REGIONAL & COUNTRY OFFICES																													
2006-2007	97 982	1 684	1 426	190	4 147	1 337	5 067	2	611	2 213	111	373	996	2 076	79	496	382	257	79	6	764	314	3	5	22 620	120 602	6 533	127 134	
2008-2009	71 441	255	96	89	1 954	420	1 754	0	327	1 414	62	293	141	24 459	13	436	35	0	46	11	86	424	0	0	32 315	103 756		103 756	





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	Staff Cost	Consultancy	Temp Assistance	Overtime	Duty Travel	Training Rental, Utilities, Clean. & Maint. Premises	Staff Transp.	Office Supplies	Comm/IT Services	Insurance	Equipment Repair Vehicle Running Costs	Other Office Expenses	Hospitality	ICT Equip Purchase	Tools & Furniture	Vehicle Purchases	Financial costs	Services from FAO	UN Org Services	Contribution UN bodies	Governing Body	Legal Services	Total Non-Staff Cost	TOTAL	PSA Exchange Variance	GRAND TOTAL
B. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)																										127 134
Operations & Management Department																										
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a
2008-2009	3 058				209				60			30											298	3 356		3 356
Programme Design & Support																										
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a
2008-2009	16 699	56		6	33	18		3	39			2 428											2 583	19 282		19 282
Transport & Logistics Division																										
2006-2007	19 372	214	9	10	341	57	16	0	70	107	0	0	16	2	15	3	0	0	0	0	2	0	863	20 235	1 786	22 021
2008-2009	18 131	320	84	4	922	224		100	206		1	0	17		41	3							1 922	20 054		20 054
Office of Sr. Deputy ED of Operations																										
2006-2007	4 151	139	0	39	345	5	0	0	22	13	0	0	2	11	0	0	0	0	0	0	5	0	580	4 731	383	5 113
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a		n/a
Programme Management																										
2006-2007	6 121	370	6	1	290	93	0	0	2	24	0	0	0	0	16	0	0	0	0	0	0	0	803	6 924	561	7 485
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a		n/a
Analysis Assessment & Preparedness																										
2006-2007	5 594	237	51	1	238	15	0	0	27	85	0	1	0	3	0	0	0	0	0	0	2	0	661	6 255	516	6 771
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)																										
2006-2007	35 238	960	66	51	1 215	170	16	0	121	229	0	1	0	21	13	33	3	0	0	0	8	0	2 907	38 145	3 245	41 390
2008-2009	37 888	376	84	10	1 165	242	0	0	103	304	0	1	0	2 475	0	41	3	0	0	0	0	0	4 804	42 692		42 692

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C. MANAGEMENT & ADMINISTRATION																												
MANAGEMENT																												
Office of Executive Director																												
2006-2007	7 951	1 390	31	103	1 320	104	12	0	35	139	0	5	0	132	50	22	0	0	0	0	0	15	0	3 359	11 310	733	12 043	
2008-2009	9 364	254	52	124	1 245	164	42	54	268		9	0	104	102	63	34					2			2 518	11 882		11 882	
Office of Ombudsman																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	792				58				17				8											84	875		875	
Policy, Planning and Strategy Division																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	5 180												780											780	5 940		5 940	
Comm. & Public Policy Strategy Division																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	8 758	578	191	6	195	23	48	n/a	210	165	n/a	n/a	1 306	5	27	13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2 805	11 563		11 563	
Inspector General & Oversight Services Division																												
2006-2007	6 479	1 219	25	3	1 115	83	0	0	27	94	0	0	6	0	36	0	0	0	0	12	0	10	0	2 630	9 109	597	9 706	
2008-2009	8 133	801	7	6	1 321	111			41	78			18	0	119	6								2 507	10 641		10 641	
Office of Evaluation																												
2006-2007	3 267	2 426	1	0	236	35	0	0	18	11	0	1	272	0	1	0	0	0	0	0	0	12	0	3 013	6 281	301	6 582	
2008-2009	4 000	967			444	25			15	10					5						30	6		1 401	5 401		5 401	
Office of the ASG External Affairs & Resource Development																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	1 750		2	35	180				9	50			5	5	4	0				3				292	2 042		2 042	
Executive Board Secretariat																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	5 482			43	23	7			13	20			40		16							1 156		1 318	6 800		6 800	
Interagency Affairs and NGO Relations Division																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	5 981	172	126		145	15	624	n/a	245	207	n/a	n/a	90	18	10	n/a	n/a	n/a	n/a	40	25	n/a	n/a	1 723	7 704	n/a	7 704	
Government Donor Relations Division																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	14 938	519	366	42	905	134	1 057	n/a	83	363	n/a	n/a	243	41	78	3	n/a	n/a	n/a	n/a	12	7	n/a	3 957	18 896	n/a	18 896	
Private Sector Relations Division																												
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	800				120					34			517											672	1 472		1 472	
Fundraising Department																												
2006-2007	29 011	8 325	508	90	2 187	243	1 240	0	789	1 094	6	32	13	694	57	64	5	0	11	97	8	1 470	38	8	16 980	45 991	2 621	48 612
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Policy and External Affairs Department																												
2006-2007	24 711	3 533	123	127	1 828	376	674	3	377	457	0	2	7	321	45	0	0	1	0	13	269	1 712	0	9 870	34 580	2 270	36 850	
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SubTotal Management																												
2006-2007	71 419	16 893	688	324	6 686	841	1 926	3	1 246	1 796	6	40	20	1 425	152	123	5	13	97	32	1 739	1 787	8	35 852	107 271	6 521	113 792	
2008-2009	65 158	3 190	745	256	4 636	478	1 772	0	670	1 213	11	70	0	3 111	171	323	55	2	75	43	69	1 169	0	18 057	83 215	n/a	83 215	



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	Staff Cost	Consultancy	Temp Assistance	Overtime	Duty Travel	Training	Rentals, Utilities, Clean. & Maint. Premises	Staff Transp.	Office Supplies	Comm/IT Services	Insurance	Equipment Repair	Vehicle Running Costs	Other Office Expenses	Hospitality	ICT Equip Purchase	Tools & Furniture	Vehicle Purchases	Financial costs	Services from FAO	UN Org Services	Contribution UN bodies	Governing Body	Legal Services	Total Non-Staff Cost	TOTAL	PSA Exchange Variance	GRAND TOTAL	
ADMINISTRATION																													
Human Resources Division																													
2006-2007	18 838	3 874	35	23	826	505	0	0	87	32	0	1	0	39	0	9	0	0	0	390	11	54	8	0	5 892	24 730	1 721	26 451	
2008-2009	17 947	219	406	51	1 173	284	0	0	87	149	0	5	0	75	0	0	0	0	0	390	11	54	8	0	2 360	20 307	1 721	20 307	
Information & Comm. Tech. Division																													
2006-2007	17 812	2 932	0	37	868	541	2	0	51	11 720	0	0	0	2	0	7	0	0	0	0	0	0	0	0	16 160	33 972	1 642	35 614	
2008-2009	17 429	2 350	0	112	810	358	2	0	28	3 420	0	505	0	165	0	5 409	0	0	0	0	0	0	0	0	13 156	30 586	1 642	30 586	
Security & Management Services Division																													
2006-2007	9 426	824	6	488	245	51	5 169	333	1	998	0	83	19	1 690	1	0	0	27	0	284	0	0	1	33	10 254	19 679	869	20 548	
2008-2009	10 106	152	11	226	216	113	2 286	290	1 006	655	0	4 159	19	1 288	2	154	109	27	0	731	0	240	1	33	11 639	21 745	869	21 745	
Office of Chief Financial Officer																													
2006-2007	14 974	1 037	0	152	334	75	0	0	158	42	0	8	0	6	0	5	0	0	0	11	0	0	0	0	1 827	16 801	1 381	18 181	
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Office of Legal Services																													
2006-2007	4 594	238	0	4	181	12	0	0	33	97	0	0	0	8	3	5	0	0	0	75	0	0	0	159	814	5 408	424	5 832	
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finance & Legal Division																													
2006-2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008-2009	21 463	529	0	79	411	80	0	0	73	215	0	6	0	783	1	89	0	0	0	0	0	76	0	100	2 441	23 904	0	23 904	
Office of Deputy ED - Administration																													
2006-2007	694	176	0	3	63	1	0	0	2	3	0	0	0	0	1	0	0	0	0	0	0	0	0	0	249	943	64	1 007	
2008-2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SubTotal Administration																													
2006-2007	66 338	9 081	41	707	2 516	1 184	5 171	333	331	12 891	0	92	19	1 745	4	26	0	27	0	760	11	54	9	192	35 196	101 533	6 101	107 634	
2008-2009	66 945	3 249	417	468	2 609	834	2 286	290	1 107	4 439	0	4 675	0	2 310	3	5 652	109	0	0	731	0	316	0	100	29 596	96 542	6 101	96 542	
Central Appropriations/Reassignm. Costs																													
2006-2007																									5 680	5 680		5 680	
2008-2009	6 750																								12 045	18 795		18 795	
TOTAL MANAGEMENT & ADMINISTRATION																													
2006-2007	137 756	25 974	730	1 031	9 202	2 025	7 097	336	1 577	14 687	6	133	40	3 170	156	149	5	27	13	857	44	1 793	1 796	200	76 728	214 484	12 622	227 106	
2008-2009	138 853	6 439	1 162	724	7 246	1 313	4 058	290	1 777	5 652	11	4 745	0	5 422	174	5 975	164	0	2	805	43	385	1 169	100	59 699	198 552	12 622	198 552	
GRAND-TOTAL																													
2006-2007	270 976	28 618	2 222	1 272	14 564	3 532	12 179	338	2 309	17 129	117	506	1 036	5 267	249	678	390	285	92	863	808	2 107	1 807	205	102 255	373 231	22 400	395 631	
2008-2009	248 182	7 071	1 342	823	10 365	1 975	5 811	290	2 207	7 370	73	5 039	141	32 355	187	6 452	201	0	47	817	129	810	1 169	100	96 818	345 000	22 400	345 000	



ANNEX III

ENHANCING WFP'S EVALUATION CAPACITY: 2008–2009 WORK PLAN FOR EVALUATION

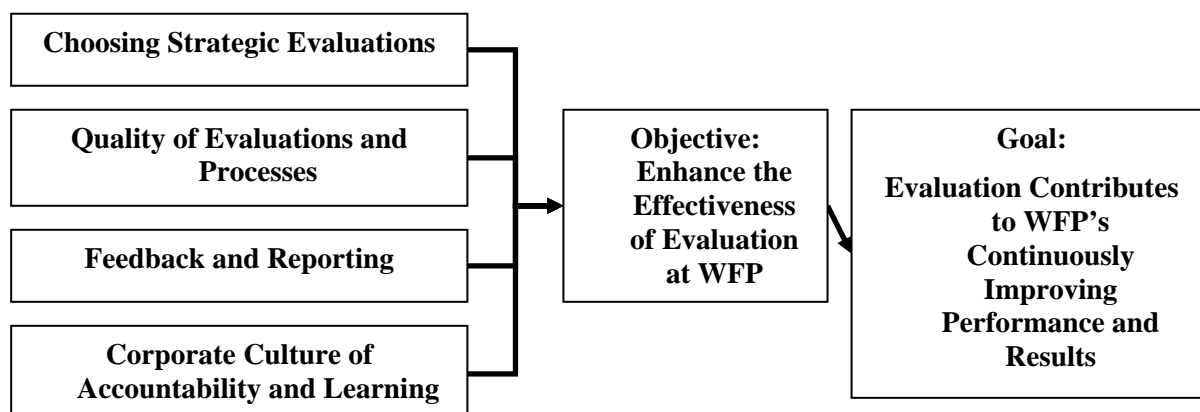
Introduction

1. **Building on Current Foundations.** The Office of Evaluation (OEDE) workplan for 2008–2009 is based on the existing evaluation policies.¹ It considers the experience of past biennia and WFP's changing business environment and builds actions taken in 2006–2007 to improve WFP's evaluation capacity: hiring an evaluation specialist with a proven track record as Director, committing to having two or three evaluation specialists in OEDE and making OEDE directly responsible to the Executive Director. OEDE's strategy for building on these actions is reflected in this biennial workplan.
2. **New Features.** This workplan presents a systematic approach to securing impartial evaluations; independence and utility are its central features. It introduces new methods for choosing, planning, conducting and communicating evaluations. These measures will contribute to greater accountability and learning at WFP.
3. **Further Changes in 2008–2009.** The 2008–2009 biennium will bring further changes: an independent peer review of WFP's evaluation function will be submitted to the Board at its First Regular Session of 2008. The recommendations of the review and the decisions of the Board and WFP management may call for a revision of the evaluation policy, which would be done in 2008. The organizational changes that WFP is undergoing may also require further changes to evaluation.

Strategy

4. **Independence and Utility.** OEDE's strategy will enhance WFP's evaluation capacity. It is based on internationally agreed principles for evaluation: independence and utility. Independence is essential to achieve impartiality; utility ensures that evaluation contributes to decision-making and organizational learning. Figure 1 illustrates OEDE's strategy.

Figure 1: Strengthening Evaluation Capacity Strategy



¹ "A Policy for Results-Oriented Monitoring and Evaluation in the World Food Programme" (WFP/EB.A/2002/5-C) April 2002, and "WFP's Evaluation Policy" (WFP/EB.3/2003/4-C) September 2003.



5. **Ensuring Impartiality.** Two factors are necessary to ensure impartiality: (i) the independence of the evaluation function from undue pressure, which normally translates into establishing reporting lines outside the management function responsible for the operations evaluated; and (ii) the professional integrity of the evaluators. These conditions are necessary but they may not be sufficient to guarantee impartiality and utility. OEDE has adopted a Systematic Approach to Enhancing Utility and Independence. The strategy is in four parts, each addressing different aspects of utility and independence (see Table 1).

Table 1: A Systematic Approach to Enhancing Utility and Independence

	Utility	Independence
Choosing strategic evaluations	Consultation process in the selection of strategic evaluations	Objective criteria for selecting operations for evaluation OEDE makes the final choice
Quality of evaluations and processes	Predictability Comparability Identification of systemic issues	Objectivity Transparency Quality-assurance process
Feedback and reporting	Learning Inputs into corporate and operational change	Reporting without censorship Documenting comments and changes to reports
Corporate culture of accountability and learning	Receptiveness to evaluation findings	Impartiality

6. **Making Strategic Choices.** The evaluation policy recognized that stakeholders should be consulted on development of the workplan; this has been done. In 2007, OEDE took further steps to improve the consultation process, particularly to enhance the selection of strategic evaluations (see paragraph 13), which will enhance their usefulness. Independent preparation of an evaluation workplan, particularly for operations, is assured with the establishment of selection criteria. The current evaluation policy provides such criteria, but their validity and practicality need to be reviewed. This will be done when the evaluation policy is revised.
7. **Quality Standards for Evaluations and Processes.** Quality is fundamental to the credibility of evaluations. In 2007, OEDE developed quality standards for various evaluation reports and processes to increase impartiality. The standards enhance the objectivity of reports and the transparency and predictability of processes. Making evaluations comparable improves their usefulness and helps to identify common issues. OEDE will use the standards to conduct evaluations and to assess the quality of evaluation work at WFP. The standards will be reviewed and revised at the end of the biennium if necessary.



8. **Feedback and Reporting.** Providing feedback for decision-making is essential to ensure that evaluation lessons are learned and applied. WFP has a number of mechanisms that OEDE uses to disseminate findings: (i) the programme quality and project review processes, (ii) annual consultations with stakeholders, (iii) meetings of the Board and the Internal Evaluation Committee, and (iv) evaluation reports. Some of the processes and bodies are undergoing changes, which are followed by OEDE to identify opportunities whereby evaluation findings can be brought into decision-making processes in a timely way.
9. **Annual Evaluation Report.** During the 2008–2009 biennium, the Annual Evaluation Report – as produced for the last three years – will undergo serious scrutiny. The purpose of the report is to give an overview of WFP’s performance and to analyse trends. However, the sample of operations evaluated has been too small for meaningful annual analysis or analysis of trends over a number of years. The selection of operations evaluated was biased towards large operations and so is not representative of WFP as a whole. OEDE will therefore develop a new biennial report on strategic evaluations; once the quality standards are introduced, it will produce an annual report of operational evaluations.
10. **Corporate Culture for Accountability and Learning.** The measures above are designed to ensure high professional standards for OEDE. They are: (i) reporting lines that ensure independence from operations; (ii) measures for choosing evaluations that ensure their quality and feed evaluation findings into decision processes, constituting a system for evaluation performance; and (iii) a code of conduct to ensure the integrity of evaluation professionals. OEDE will also undertake in the 2008–2009 biennium a support programme to enhance capacities for decentralized evaluations (paragraph 16), which will contribute to a corporate culture of learning and accountability.
11. **Results-Based Approach.** All these measures are part of OEDE’s strategy to ensure the effectiveness of evaluation – the extent to which evaluation brings about change. Evaluations are undertaken to fulfil accountability requirements, but if they do not result in or contribute to organizational change and learning they would be an expensive investment with insufficient returns. For the 2008–2009 biennium, OEDE’s objective is to enhance the effectiveness of evaluation, which will be measured in the responses to evaluation recommendations. A tracking system for determining these changes will be developed.

Evaluation Workplan for 2008–2009

12. **Overview.** During the biennium, OEDE will produce evaluations in three categories: (i) strategic evaluations (see paragraph 13), (ii) country-level evaluations (see paragraph 14) and (iii) single-operation evaluations (see paragraph 15), each with a distinct management objective. OEDE will also support the development of capacities for conducting decentralized evaluations (see paragraph 17), which have to become an important part of WFP's accountability and learning framework.
13. **Strategic Evaluations.** OEDE will undertake four or five strategic evaluations in the 2008–2009 biennium that will inform decision-making by the Board and management on issues of strategic importance to WFP. The process of identifying these issues involves stakeholders from (i) the annual informal consultation on evaluation and statements made during Board meetings, (ii) the Internal Evaluation Committee, (iii) programme quality assurance and other mechanisms, (iv) findings from evaluations that point to systemic issues and (v) new trends that indicate a need to scrutinize WFP's operations to determine whether they are relevant, effective and efficient in changing circumstances. Issues arising will be grouped into themes to ensure that strategic evaluations in a biennium address



different aspects of inter-related issues such as different phases of the project cycle, different programme categories and different modalities. This approach would enable OEDE to produce a biennial report that summarizes findings and draws conclusions from the strategic evaluations undertaken during the biennium. In 2008–2009, OEDE will submit to the Board the evaluations of HIV and AIDS responses, Enhanced Commitments to Women (ECW) and capacity-building. New strategic evaluations will focus on WFP's emergency preparedness and response.

14. **Country-Level Evaluations.** OEDE will undertake three country-level evaluations in the 2008–2009 Biennium that will inform strategic decision-making by country and regional directors. These evaluations will (i) cover all activities and operations during a given timeframe, (ii) analyse the internal coherence of the full spectrum of WFP's work, including strategic choices and synergies among operations in a country, and (iii) determine ways in which WFP can operate in the context of "Delivering as One" and other United Nations reform and harmonization initiatives. These evaluations are more cost-effective than evaluations of single operations and will contribute to the development of a multi-year cycle before evaluation returns to a country, which will reduce the burden on country offices while maintaining evaluation coverage. Once the number of such evaluations increases, they will be summarized in a biennial report that highlights common issues and identifies trends. The method for this type of evaluation will be developed and tested during 2008–2009; it will include defining the selection criteria for identifying countries that should be covered.
15. **Single-Operation Evaluations.** OEDE will undertake 20 evaluations of single operations during 2008–2009, partly funded from the Programme Support and Administrative (PSA) budget and partly from direct support costs (DSC). OEDE will use the 2008–2009 biennium to enhance WFP's capacity for decentralized evaluations to enhance their quality and credibility. WFP aims to undertake 30 evaluations per year, of which a third will be done by OEDE and two thirds by regional bureaux and country offices. At the end of 2008, an annual report will be produced that summarizes the findings of the evaluations and provides an assessment of the quality of the evaluation reports.
16. **Enhancing Decentralized Evaluation Capacities.** To enhance the culture of evaluation in WFP and support the regional bureaux and country offices in undertaking single-operation evaluations, OEDE will provide the following support services, (i) clarifying the different types of decentralized evaluations, which may be done in the revised evaluation policy, (ii) providing accessible and consistent guidance, for example through the monitoring and evaluation (M&E) guidelines, the *Programme Guidance Manual* and a reactivated website, (iii) developing and sharing templates and quality standards for evaluation products such as guides for decentralized evaluations, (iv) supporting the preparation of terms of reference for evaluations, selection of consultants, management of evaluation process and standards for evaluation reports, (v) developing training programmes on evaluation methods for WFP staff in the field and Headquarters and identifying funding for them and (vi) providing quality assurance for final evaluation reports. This is essential to enhance WFP's culture of accountability and learning.
17. **Additional Activities.** OEDE will also be (i) upgrading and managing the website and information-sharing system, (ii) partnering in joint evaluations, (iii) developing and maintaining a tracking system to assess the effectiveness of evaluations, (iv) providing feedback into operations, including effective communication mechanisms, and (v) working in international evaluation associations such as the United Nations Evaluation Group (UNEG) and the Active Learning Network for Accountability and Performance (ALNAP).



OEDE Budget

18. The OEDE 2008–2009 PSA budget of US\$5.4 million consists of US\$4.0 million for staff costs and US\$1.4 million for non-staff costs. The increase in staff costs is a result of the increase in Headquarters costs, accounting for the funding required to maintain the current staffing levels.
19. In addition to the US\$5.4 million in PSA resources, US\$6 million from DSC and other non-PSA resources will be used for the 60 evaluations of single operations mentioned in paragraph 15, and possibly the country-level evaluations mentioned in paragraph 14. These evaluations are directly linked to accountability and learning in operations and thus justify the use of DSC funds to finance the non-staff cost of evaluations managed by OEDE and by regional bureaux and country offices, with OEDE providing quality assurance and support.
20. The non-staff cost from PSA, DSC and other funding will cover the recruitment of evaluation consultants, travel costs related to evaluations and other duty travel, training and staff development, contributions to international professional associations and office expenses. The average cost per evaluation has increased, but it will be monitored to ensure that evaluation resources are used prudently.

OEDE Staffing

21. The seven professional staff positions in the 2006–2007 biennium are maintained in the 2008–2009 biennium – three senior evaluation officers (P5) and four evaluation officers (P4). OEDE will have 12 staff positions, including the Director (D2) and four support staff.





ANNEX IV

BUDGET METHODOLOGY

Staff Costs

1. The Programme has analysed actual costs versus the standard rates applied for 2006-2007 using information on staff-related expenditures extracted from WINGS. The analysis included all staff on the WFP payroll and was carried out in a way that reflected funding sources. This analysis is the basis for establishing standard rates for the coming biennium.
2. The calculations take into account all payroll costs incurred by WFP in terms of grade, salary, post adjustment and rental subsidy, and include all entitlements paid outside the payroll, such as assignment grants, repatriation grants and removal of household effects.
3. Proposed new staff rates have been developed based on actual payouts for 2006 including exchange rates and cost/salary increases over the period. The exchange rate assumptions for the US\$/Euro is established at US\$1.33 = Euro 1.
4. Staff cost increases for the coming biennium are estimated at 1.8 percent on an annual basis for Headquarters and Liaison Office locations and 2.8 percent for field locations including estimated inflation, which would impact post adjustments, and expected salary-scale increases.

Lapse Factor

5. The lapse factor is an allowance for theoretical savings arising from delays in filling vacant posts, to the extent that such savings are not used to finance other posts.
6. No lapse factor has been applied to the cost estimates because the standard costs are based on actual costs; the lapse factor is thus implicitly calculated.
7. It is important to note that WFP since 2004 has made more active use of savings from vacant positions during the biennium to support new initiatives and other unforeseen costs.
8. WFP intends to continue this active use of savings under the new Management Plan. Savings can also be used to offset unexpected cost increases or low income levels.

Exchange Rate Effects

9. The Management Plan is developed using US dollars, so exchange rates with other currencies can have a major impact on the budget. Exchange-rate information is drawn from the Economist Intelligence Unit and analysis of exchange rates in 2005. The budget has been cast using an exchange rate of 1.33 between US\$/Euro.

Rounding

10. In some tables, totals do not add up as a result of rounding.

Other

11. All monetary values are in United States dollars, unless otherwise stated. All quantities of food commodities are in metric tons unless otherwise stated.





ANNEX V

IMPLICATIONS OF IPSAS

1. As part of ongoing United Nations reform and to improve the accountability, comparability, transparency and harmonization of financial reporting in the United Nations, WFP will implement International Public Sector Accounting Standards (IPSAS) with effect from 1 January 2008. The requirements of IPSAS have required changes in WFP accounting practices and financial rules and regulations: for example, IPSAS requires that organizations present annual audited financial statements and provide a comparison of budgeted appropriations with actual expenditure.

Annual Budget Amounts

2. Adoption of IPSAS does not require an annual budget cycle. However, to facilitate the comparison of budget and actual figures, the present Management Plan budget is shown in annual amounts in Table 1.

TABLE 1: BUDGET PROPOSAL 2008–2009 (US\$ million)			
	2008	2009	2008–2009
Operational expenditure	2 903.1	2 511.0	5 414.1
Regular PSA	175.4	169.6	345.0
Capital, security and capacity funds	23.9	13.3	37.2
Trust fund, bilaterals, special accounts and General Fund expenditures	231.4	140	371.4
Total Management Plan expenditure	3 288.1	2 879.6	6 167.7

TABLE 2: PSA, BY APPROPRIATION LINE, ANNUAL BUDGETS (US\$ thousand)			
	2008	2009	2008-2009
	Total cost	Total cost	Total cost
Programme support– Regional bureaux and Country Offices	52 559	51 196	103 756
Programme support– Headquarters	21 388	21 304	42 692
Management and Administration	101 413	97 139	198 552
TOTAL	175 360	169 640	345 000



Fixed Assets

3. IPSAS requires organizations to record and depreciate fixed assets separately on their balance sheets. To facilitate future recording and depreciation of fixed assets, data on fixed assets with a value over US\$5,000 was collected during the Management Plan exercise and is presented in Table 3 for information.

LTSH	11.68
ODOC	1.43
DSC	5.78
Total fixed assets under operational budget	18.89
PSA	0.25
Total fixed asset budget	19.14

4. It is important to note that the definition and accounting of fixed assets and the threshold amount are still under review. The actual recording of fixed assets and depreciation methods will be more formally defined according to updated IPSAS guidance.

Employee Benefits

5. The United Nations decided in March 2007 that it is appropriate to recognize all end-of-service accrued benefit liabilities in the financial statements of United Nations organizations through to 31 December 2006 and for subsequent financial periods; this decision was made independently of the issue of IPSAS adoption. It is estimated that US\$98 million of liabilities to be recognized are currently unfunded. Because these liabilities become payable over time, WFP will devise a long-term plan for funding the employee benefit liabilities in line with best practices in accounting.

WFP MANAGEMENT OBJECTIVES RESULTS MATRIX

The core PSA goal for 2008–2009 is to continue to support WFP's operational programmes to meet the Strategic Objectives and the MDGs through food-assisted interventions targeted to poor and hungry people.

MO1 – Build strong partnerships to end hunger

Expected result 1.1 Strengthened partnerships at the global, regional and country levels with United Nations agencies, NGOs and other partners.

Indicator 1.1.1 Percentage of programmes and projects jointly designed with United Nations, International organizations and cooperating partners.

Indicator 1.1.2 Percentage of WFP projects where WFP collaborates with partners (United Nations organizations, international organizations and NGOs) in the provision of mutually complementary inputs and services.

MO2 – Be the employer of choice for competent staff committed to ending hunger

Expected result 2.1 Staff satisfied with WFP as its employer of choice. They feel supported and their skills are recognized, developed and managed.

Indicator 2.1.1 Average staff satisfaction rating.

Expected result 2.2 WFP has a staff composition with the appropriate mix of gender, nationalities, competencies and motivation in place to respond to the diversity of needs.

Indicator 2.2.1 Percentage of required competencies that are met through PACE.

Indicator 2.2.2 Percentage of staff by gender and geographical distribution.

MO3 – Excellence in implementing efficient and effective programmes

Expected result 3.1 WFP's capacity to identify impending crises and resulting needs is strengthened.

Indicator 3.1.1 Percentage of new EMOPs and PRROs with basic preparedness tools in place prior to the project being launched.

Indicator 3.1.2 Percentage of Comprehensive Food Security and Vulnerability Analyses (CFSVA) available for Priority Countries.

Expected result 3.2 Adequate, timely and effectively managed food-aid response.

Indicator 3.2.1 Cost of post-delivery commodity losses as a percentage of cost of commodity handled, by programme category.

Indicator 3.2.2 Percentage of EMOPs and PRROs approved during the period that are supported by needs assessment and VAM documentation.



WFP MANAGEMENT OBJECTIVES RESULTS MATRIX

The core PSA goal for 2008–2009 is to continue to support WFP's operational programmes to meet the Strategic Objectives and the MDGs through food-assisted interventions targeted to poor and hungry people.

MO3 – Excellence in implementing efficient and effective programmes, (cont'd)

Expected result 3.3 Corporate results-based planning, monitoring and performance analysis is strengthened.

Indicator 3.3.1 Percentage of new WFP project documents submitted to the Project Review Committee (PRC) for approval that follow RBM principles.

Indicator 3.3.2 Percentage of country offices, regional bureaux, and Headquarters units carrying out work planning and performance reviews according to RBM guidelines.

MO4 – Build and share knowledge on hunger to Inform combined efforts to end hunger

Expected result 4.1 Policy development and knowledge generation improve project design and implementation.

Indicator 4.1.1 Percentage of WFP projects designed in accordance with WFP policies and strategies.

Indicator 4.1.2 Percentage of evaluation recommendations implemented, categorized by type of recommendation.

MO5 – Provide technical and operational infrastructure services to support effective operations

Expected result 5.1 Security and safety of staff in WFP operational areas ensured.

Indicator 5.1.1 Percentage change in total staff detained, injured or killed in operations.

Indicator 5.1.2 Percentage of staff successfully evacuated or relocated.

Expected result 5.2 Connectivity between offices and access to information inside and outside WFP is ensured

Indicator 5.2.1 ICT infrastructure reliability.

MO6 – Be transparent, accountable and manage risk

Expected result 6.1 Improved transparency, oversight and accountability ensured.

Indicator 6.1.1 Percentage of audit, inspection and investigation recommendations implemented.

Indicator 6.1.2 Percentage of monthly financial statements produced in required timeframe.

Expected result 6.2 Best practices in cash and financial contribution management adopted and improved upon.

Indicator 6.2.1 Percentage of cash held in earning accounts.

Indicator 6.2.2 Percentage of contributions receivable.



WFP MANAGEMENT OBJECTIVES RESULTS MATRIX

The core PSA goal for 2008–2009 is to continue to support WFP's operational programmes to meet the Strategic Objectives and the MDGs through food-assisted interventions targeted to poor and hungry people.

Expected result 6.3 Corporate results-based reporting capacity is strengthened.

Indicator 6.3.1 Percentage of standard project reports (SPRs) that received a satisfactory rating for reporting outcome level results.

MO7 – Raise resources to meet needs

Expected result 7.1 Increased awareness of WFP and its mission among donor government officials, the media, influential people and the general public.

Indicator 7.1.1 Number of mentions of WFP in targeted print and online media in major countries.

Indicator 7.1.2 Number of parliamentarians, congressional representatives, government officials and journalists who visited WFP projects on visits organized by WFP.

Expected result 7.2 Total volume of contributions is increased; higher percentage of operational needs is met; and an increased proportion of flexible donations meets WFP's resource needs.

Indicator 7.2.1 Contributions to WFP by donors: (i) Total by value of contributions; (ii) proportion of contributions that are multilateral; (iii) proportion of contributions that are cash; (iv) proportion of contributions that are unrestricted; (v) number of donors; and (vi) percentage of resources contributed by the top ten donors.

Indicator 7.2.2 Percentage of assessed needs met.

Indicator 7.2.3 Difference between forecast income and actual contributions.





ANNEX VII

TABLE 1 : EXPECTED RESULTS AND PERFORMANCE INDICATORS FOR STRATEGIC OBJECTIVE 1			
Outputs	Output indicators	Outcomes	Outcome indicators
Output 1.1 Timely provision of food in sufficient quantity for targeted beneficiaries in conflict and disaster affected areas.	Output indicator 1.1.1 Actual beneficiaries receiving WFP food assistance through each activity as a percentage of planned beneficiaries, by project category, age group, sex.	Outcome 1.1 Reduced and/or stabilized acute malnutrition in identified populations in conflict and disaster affected areas.	Outcome indicator 1.1.1 Prevalence of acute malnutrition among under-5s in an identified population by gender, assessed using weight-for-height.
	Output Indicator 1.1.2 Actual mt of food distributed through each activity as a percentage of planned distributions, by project category, commodity.	Outcome 1.2 Reduced and/or stabilised mortality in an identified population in conflict and disaster affected areas.	Outcome Indicator 1.2.1 Crude mortality rate in an identified population (pilot indicator – SMART initiative).
	Output Indicator 1.1.3 Percentage of general food distributions occurring more than 7 days later than the planned date of distribution (pilot indicator).		Outcome Indicator 1.2.2 Under-5 mortality rate in an identified population (pilot indicator – SMART initiative).

TABLE 2: EXPECTED RESULTS AND PERFORMANCE INDICATORS FOR STRATEGIC OBJECTIVE 2			
Outputs	Output indicators	Outcomes	Outcome indicators
Output 2.1 Timely provision of food in sufficient quantity for targeted beneficiaries in crisis and transition situations or vulnerable to shocks.	Output indicator 2.1.1 Actual beneficiaries receiving WFP food assistance through each activity as a percentage of planned beneficiaries, by project category, age group, sex.	Outcome 2.1 Increased ability to meet food needs within targeted households in crisis situations or vulnerable to shocks.	Outcome indicator 2.1.1 Proportion of beneficiary household expenditures devoted to food.
	Output indicator 2.1.2 Actual mt of food distributed through each activity as a percentage of planned distributions, by project category, commodity.	Outcome 2.2 Increased ability to manage shocks within targeted households in crisis situations or vulnerable to shocks.	Outcome indicator 2.1.2 An indicator on dietary diversity is under review.
	Output Indicator 2.1.3 Actual participants in each activity as a percentage of planned participants, by sex.		Outcome indicator 2.2.1 Appropriate indicators under discussion.



TABLE 3: EXPECTED RESULTS AND PERFORMANCE INDICATORS FOR STRATEGIC OBJECTIVE 3

Outputs	Output indicators	Outcomes	Outcome indicators
Output 3.1 Timely provision of nutritious food in sufficient quantity for targeted young children, mothers and other targeted beneficiaries vulnerable to nutrition and health risks.	Output indicator 3.1.1 Actual beneficiaries receiving WFP food assistance through each activity as a percentage of planned beneficiaries, by project category, age group, sex.	Outcome 3.1 Reduced level of malnutrition among targeted children.	Outcome indicator 3.1.1 Prevalence of under-5 malnutrition among targeted children (assessed using height, weight and age, disaggregated by gender).
	Output indicator 3.1.2 Actual metric tons of food distributed through each activity as a percentage of planned distributions, by project category, commodity.	Outcome 3.2 Reduced level of malnutrition among targeted women.	Outcome indicator 3.2.1 Prevalence of malnutrition among targeted women of child-bearing age, assessed using body mass index (BMI) and/or low birth weight. (Pilot continuing.)
	Output indicator 3.1.3 Actual participants in each activity as a percentage of planned participants, by beneficiary category, sex.	Outcome 3.3 Reduced level of anaemia among targeted beneficiaries.	Outcome indicator 3.1.3 Prevalence of anaemia among targeted pregnant and lactating women and children. (Pilot continuing.)
	Output indicator 3.1.4 Percentage of micronutrient-fortified food delivered through WFP-supported nutrition interventions.		
Output 3.2 Provision of deworming tablets for targeted children and mothers in WFP-supported activities.	Output indicator 3.2.1 Actual beneficiaries provided with deworming pills through WFP-supported activities as a percentage of planned beneficiaries of deworming pills, by beneficiary category, sex.	Outcome 3.4 Improved quality of life of beneficiaries targeted in HIV/AIDS-supported programmes.	Outcome indicator 3.4.1 Weight gain among beneficiaries (provisional). Outcome indicator 3.4.2 Treatment adherence rate by specific treatment and care programmes (duration of programme, percent treatment compliance etc.).

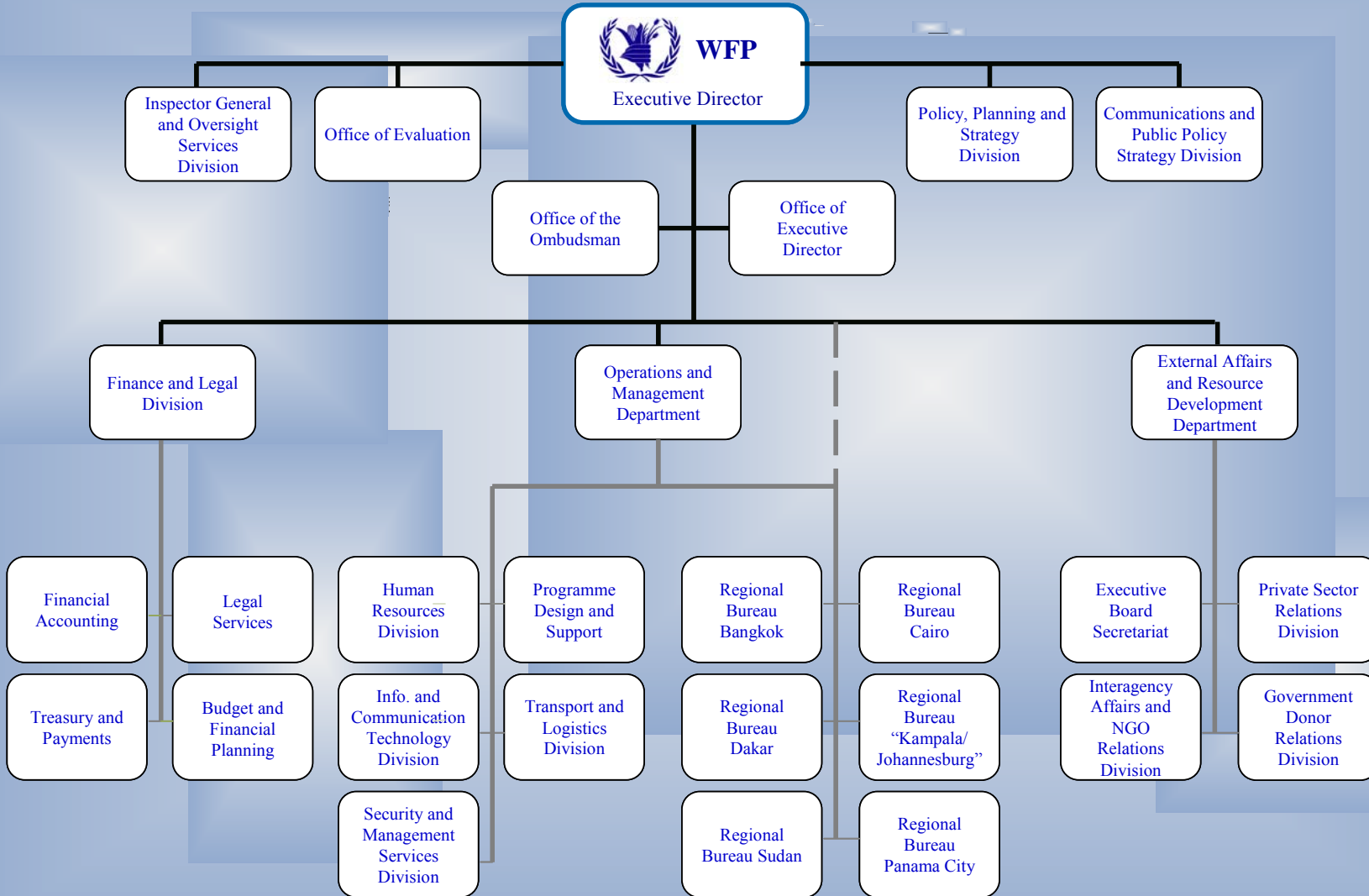
**TABLE 4: EXPECTED RESULTS AND PERFORMANCE
INDICATORS FOR STRATEGIC OBJECTIVE 4**

Outputs	Output indicators	Outcomes	Outcome indicators
Output 4.1 Timely provision of food in sufficient quantity for targeted children, adolescent girls and adults to improve access to education in schools and non-formal education centres.	<p>Output indicator 4.1.1 Actual beneficiaries receiving WFP food assistance through each activity as a percentage of planned beneficiaries, by project category, age group, sex.</p> <p>Output indicator 4.1.2 Actual metric tons of food distributed through each activity as a percentage of planned distributions, by project category, commodity.</p> <p>Output indicator 4.1.3 Actual participants in each activity as a percentage of planned participants, by beneficiary category, sex.</p>	Outcome 4.1 Increased enrolment of boys and girls in WFP assisted schools.	<p>Outcome indicator 4.1.1 Absolute enrolment: Numbers of boys and girls enrolled in WFP-assisted primary schools and, if applicable, pre-schools and secondary schools.</p> <p>Outcome indicator 4.1.2 Net enrolment rate: percentages of primary school age boys and girls enrolled in WFP-assisted primary schools and, if applicable, pre-schools and secondary schools.</p> <p>Outcome indicator 4.1.3 School enrolment rates for orphans and vulnerable children from households receiving take-home rations.</p>
		Outcome 4.2 Improved attendance of boys and girls in WFP-assisted schools.	<p>Outcome indicator 4.2.1 Attendance rate: percentages of boys and girls attending classes in WFP-assisted primary schools and, if applicable, pre-schools and secondary schools.</p> <p>Outcome indicator 4.2.2 Attendance rate: percentage of orphans and vulnerable children from households receiving take-home rations attending classes in schools.</p>
		Outcome 4.3 Improved capacity to concentrate and learn among boys and girls in WFP-assisted schools.	Outcome indicator 4.3.1 Teachers' perception of children's ability to concentrate and learn in school as a result of school feeding.
		Outcome 4.4 Reduced gender disparity between boys and girls in WFP-assisted primary and secondary schools and non-formal education centres.	<p>Outcome indicator 4.4.1 Ratio of girls to boys enrolled in WFP assisted schools.</p> <p>Outcome indicator 4.4.2 Ratio of women and adolescent girls to men completing food for training activities.</p>

**TABLE 5: EXPECTED RESULTS AND PERFORMANCE
INDICATORS FOR STRATEGIC OBJECTIVE 5**

Outputs	Output indicators	Outcomes	Outcome indicators
Output 5.1 Provision of capacity-building assistance to country and regional entities involved in food assistance and hunger reduction efforts.	<p>Output indicator 5.1.1 Actual counterpart staff at local, regional and national levels trained under WFP's technical assistance activities as a percentage of the planned number.</p> <p>Output indicator 5.1.2 Number of areas of technical services and cooperation where capacity-building activities were provided.</p>	Outcome 5.1 Increased capacity to identify food needs, develop strategies and carry-out food based programmes within targeted countries.	Outcome indicator 5.1.1 To be determined.

Organizational Chart 2008-2009





ANNEX IX

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, budget preparation and financial terms and definitions linked to WFP have also been used.

Descriptions of the programme activity type that WFP will support to meet beneficiary needs are also provided in this Annex.

Account

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

Allotment

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

Appropriation

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

Appropriation line

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

Bilateral contribution

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

Board

The Executive Board of WFP and its predecessors.

Broad-based appeal

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

Capacity-building

Capacity-building encompasses a range of non-food activities that stimulate a learning process among individuals, organizations, or within a society to improve the ability of a country or a region to respond to and reduce hunger. WFP's capacity-building activities share WFP's expertise and methods to identify hunger needs, to develop strategies to reduce hunger



and to carry out food-based programs and to measure impact. *Examples of activities are:* Counterpart training, exchange visits; technical advice, secondment of staff, guidelines and manuals; counterpart involvement in WFP processes and surveys; workshops and consultations; information sharing and support to networks, support to community organization and decision-making, support to local government and civil society organizations, support to public awareness campaigns and resource mobilization strategies

Contributions

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

Country programme

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

Directed multilateral contribution

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

Direct support cost

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

Emergency infrastructure rehabilitation

In order to permit timely and efficient delivery of food assistance to meet emergency and protracted relief needs, WFP may be required to undertake Special Operations to rehabilitate components of the logistics infrastructure of a particular country. For example, undertaking emergency rehabilitation of part of a rail or road network in a given country or the rehabilitation of non-functional or run-down ports or airports to ensure that there are no delays in food movements at these points.

Emergency preparedness and response

Emergency Preparedness consists of 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 building (training), readiness of stand-by capacities, as well as augmentation capacity and funding mechanisms. Effective preparedness leads to a more efficient response. *Emergency Response* consists of 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 for life saving and livelihood protection purposes.



Executive Director

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

Ex Gratia payment

A payment made when there is no legal liability, but for which there is a moral obligation to make such payment desirable.

Finance Committee

The Finance Committee of FAO.

Financial period

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

Financial Rules

The rules established under Financial Regulation 2.2.

Financial statements

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

Food for Assets/Food for work

‘Food for assets’ activities are undertaken through community-based, participatory processes which 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.

Food for demobilization and reintegration

Food provided to disarmed ex-combatants and their dependents as part of a comprehensive UN-supported demobilisation, reinsertion and reintegration programme. WFP also provides targeted assistance to address the needs of vulnerable groups, especially children affiliated with armed forces and groups, disabled combatants and HIV/AIDS affected beneficiaries. Depending on the programme design, WFP may continue to support the process of reintegration through programmes targeting the communities of resettlement, with possible interventions including general food distribution, food-for-work and food-for-training.

Food for training

The provision of food to improve access to training programmes for individuals from food insecure households.



Full-cost recovery

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

Fund

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

General food distribution

The provision of food 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.

General Regulations

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

General Rules

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

HIV-Aids and OVC Programming

HIV/AIDS Programming consists of food supported programmes targeting food insecure HIV/AIDS positive individuals, and their families, who are enrolled in programmes such as those providing antiretroviral therapy (ART), the prevention of mother to child transmission (PMTCT) of HIV, and tuberculosis (TB) management. This category also includes food support provided through home-based care (HBC) programmes in which chronically ill HIV positive persons receive care at home and as well as livelihood support for HIV affected families.

WFP also supports HIV/AIDS prevention programmes that do not include a food component directly but use WFP's distribution sites and/or logistics capacities as a platform for prevention education.

Targeting is based on food insecurity and not on HIV/AIDS status alone, and in most cases family rations are provided.

OVC Programming consists of food supported programmes targeting orphans and other vulnerable children (OVC). An orphan is defined as a child below the age of 18 years who has lost one or both parents; a vulnerable child is one with no or restricted access to basic needs, a child living in a food insecure household, whether he or she lives with a parent or not. OVC programmes strive to identify and support children living in difficult situations for instance, in households with a chronically-ill parent or children living outside of their immediate family.



Emphasis is placed on ensuring their access to formal and non-formal education (e.g. community schools and vocational, agricultural and life skills training). Children in-school meals and take-home rations are provided to families as an incentive to keep children in school and in family settings

IEFR

The International Emergency Food Reserve.

Indirect support cost

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

IRA

The Immediate Response Account of the IEFR.

Management Plan

The biennial comprehensive plan of work approved by the Board, inclusive of planned outcomes and indicators of achievement, together with the WFP Budget.

MCH/Supplementary/therapeutic and vulnerable group feeding

Activities aimed at improving the nutritional status of selected and particularly vulnerable beneficiaries, including clinic-based Mother Child Health programmes .

Supplementary feeding is the provision of food, additional to a ration, in order to supplement energy and nutrients missing from the diet of those with special nutritional needs.

Therapeutic Feeding is provided under close medical supervision for the severely malnourished, to rehabilitate their nutritional status.

Multilateral contribution

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

Obligation

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

Operational costs

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



Operational reserve

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

Passenger air service

WFP may provide air transport services on a case-by-case basis through a Special Operation by using privately owned aircraft, charter services or business owned aircraft to transport passengers in compliance with aviation regulations set by international bodies. At the request of the humanitarian community, a Special Operation for Passenger Air Service can be undertaken if (i) no alternative mode of transport (road/rail etc) is available due to lack of infrastructure and there is no alternative safe and secure mode of transport; (ii) commercial air transport is unreliable and/or unable to satisfy the air transport needs of the humanitarian community.

Programme category

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

Programme category fund

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

Programme support and administrative budget

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

Project

A separately identified undertaking within a programme category.

Project agreement

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

Repatriation packages

A repatriation package is a mix of commodities and/or cash provided to people who have been displaced and are returning to their place of origin to help to maintain their health and nutrition status while they re-settle. The package is determined by the nature of displacement, length of displacement and access to own assets. Food is included in a repatriation package if it is determined that the returning population will need food while they re-establish their lives in the place of origin. A repatriation package can be followed by re-integration assistance when the returning population requires longer-term assistance to re-establish their lives and livelihoods



School feeding

The daily distribution, throughout the school year, of school meals - any one or a combination of breakfast, mid-morning snack and lunch - to encourage school attendance and to address children's short-term hunger.

Take-home rations are usually take-home family rations 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

The four-year plan that highlights the main features of the proposed programme of work for the ensuing financial period and that is prepared every two years on a rolling basis.

Support to safety net programmes

A safety net programme is a suite of policy and programme instruments such as general food subsidies, targeted income transfers, public works, school feeding, social funds, and small scale credit designed to reduce poverty and protect the income entitlements of particularly vulnerable groups. WFP provides food in support of such programmes, usually through vulnerable group feeding, MCH, school feeding and food for work.

Trust fund

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

WFP Budget

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





ANNEX X**ACRONYMS USED IN THE DOCUMENT**

AD	Administration Department
APR	Annual Performance Report
ART	anti-retroviral therapy
ASG	Assistant Secretary-General
AU	African Union
BPR	Business Process Review
CAF	Capital Asset Fund
CCA	Common Country Assessment
CEB	Chief Executives' Board
CERF	Central Emergency Response Fund
CFO	Chief Financial Officer
CP	country programme
DEV	development project
DOC	direct operational costs
DPRK	Democratic People's Republic of Korea
DRC	Democratic Republic of the Congo
DSC	direct support costs
DSCAF	Direct Support Cost Advance Facility
DSS	United Nations Department of Safety and Security
ECW	Enhanced Commitments to Women
EMOP	emergency operation
ERM	enterprise risk management
ERR	emergency-response roster
ERT	emergency-response training
FAO	Food and Agriculture Organization of the United Nations
FD	Fundraising and Communications Department
FDC	Communications Division
FFA	food for assets
FFE	food for education
FFT	food for training
FFW	food for work



FITTEST	Fast Information Technology and Telecommunications Emergency Support Team
FSCO	field security coordination officer
FSO	field security officer
GCCC	government counterpart cash contribution
GFD	general food distribution
GHP	global humanitarian platform
GSS	Global Staff Survey
HDI	Human Development Index
HIV/AIDS	human immunodeficiency virus/acquired immune deficiency syndrome
HLCM	High-Level Committee on Management
HR	Human Resources
IASC	Inter-Agency Standing Committee
IASMN	Inter-Agency Security Management Network
ICSC	International Civil Service Commission
ICT	information and communications technology
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
IPSAS	International Public Sector Accounting Standards
IRA	immediate response account
ISC	indirect support costs
ISP	Institutional Strengthening Partnership
JIU	Joint Inspection Unit
JPO	junior professional officer
LDC	least-developed country
LIFDC	low-income, food-deficit country
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
MAIP	Malicious Acts Insurance Policy
MCH	mother-and-child health
MCHN	mother-and-child health and nutrition
MCN	mother-and-child nutrition
MDG	Millennium Development Goal
MISTS	minimum security telecommunications standards
MOSS	minimum operating safety standards
NBM	New Business Model



NGO	non-governmental organization
OD	Operations Department
ODB	Asia Regional Bureau
ODC	Middle East, Central Asia and Eastern Europe Regional Bureau
ODD/Y	West Africa Regional Bureau
ODJ	Southern Africa Regional Bureau
ODJ/K	Southern, Eastern and Central Africa Region
ODK	East and Central Africa Regional Bureau
ODOC	other direct operating costs
ODP	Latin America and Caribbean Regional Bureau
ODS	Sudan Regional Bureau
OECD	Organisation for Economic Co-operation and Development
OVC	orphans and other vulnerable children
PDB	Executive Board Secretariat
PDP	Strategy, Policy and Programme Support Division
PMTCT	prevention of mother-to-child transmission
PPT	project planning tool
PRC	Project Review Committee
PRRO	protracted relief and recovery operation
PRSP	Poverty Reduction Strategy Paper
PSA	Programme Support and Administrative (budget)
RBM	results-based management
RDT	Regional Directors' Team
SFM	strengthening financial management
SMT	senior management team
SO	special operation
SOLA	special operations living allowance
SPR	standard project report
SWAP	sector-wide approach
TB	tuberculosis
TCPR	Triennial Comprehensive Policy Review
UNCT	United Nations country team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Project
UNFPA	United Nations Population Fund



UNHAS	United Nations Humanitarian Air Service
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNICEF	United Nations Children's Fund
UNJLC	United Nations Joint Logistics Centre
UNJSPF	United Nations Joint Staff Pension Fund
UNSMS	United Nations Security Management System
VAM	vulnerability analysis and mapping
VGf	vulnerable group feeding
WCF	working capital financing facility