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**Executive Board
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WFP BIENNIAL MANAGEMENT PLAN (2010–2011)



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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.

Deputy Executive Director and Chief Financial Officer: Ms G. Casar tel.: 066513-2885

Deputy Chief Financial Officer and Director, Budget and Programming Division: Mr S. O'Brien tel.: 066513-2682

Chief, Office of Budget: Mr J. Crisci tel.: 066513-2704

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact Ms C. Panlilio, Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).



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EXECUTIVE SUMMARY

HIGHLIGHTS

- The total budget proposal for 2010–2011, including operational requirements of US\$8.37 billion, Programme Support and Administrative (PSA) and extra-budgetary resources is US\$9.42 billion.
- Indirect support cost (ISC) income is estimated at US\$476 million, based on an assessment of likely income of US\$7.5 billion, which is approximately 84 percent of the foreseen programme of work of US\$8.95 billion (including ISC).
- The proposed PSA budget of US\$476 million has been set within expected funding levels and represents a small increase over 2009 levels, mainly due to staff cost increases.
- Five priority areas have been established within the proposed PSA budget. These will be fully funded only if income rises above the levels projected.

1. The Management Plan provides an overview of the estimated required resources and planned activities for 2010–2011. The Plan presents to the Board for its consideration and approval the use of the ISC income that is expected to be generated during the biennium. ISC income, and WFP's costs, are functions of the projected size of the operational programme. The Plan provides a forecast and detailed analysis of the operational expenditures for the 2010–2011 biennium.

Operational Context and Strategy

⇒ *Global hunger on the rise*

2. WFP's work in 2010–2011 will take place in a complex operational environment of global financial and food crises, increased natural disasters and growing hunger.
3. The Food and Agriculture Organization of the United Nations (FAO) estimates that 1.02 billion people will go hungry every day in 2009. In absolute numbers, this is an increase of 100 million people from 2008.¹ This increase in hunger is not the consequence of poor global harvests; it is driven by the global economic and food crises, which have resulted in lower incomes, increased unemployment and more expensive food in many countries and increased natural disasters including prolonged drought in the Horn of Africa. These factors, in turn, have reduced access to food for the poor.

¹ Joint FAO/IFAD/WFP News Release, *1.02 Billion People Hungry*, Rome, 19 June 2009



4. The economic crisis comes on the heels of the food and fuel price crisis of 2008. Although food prices on world markets have declined in recent months, domestic commodity prices in 80 percent of developing countries are higher than they were a year ago, according to the FAO. For people with low incomes, who spend the majority of their income on staple foods, this means a continued dramatic reduction in effective purchasing power.
5. As a result of the global economic and food crises, there has been an interruption in major advances made in the fight against poverty and hunger and even reversals in a number of countries. This is a setback in meeting the Millennium Development Goals (MDGs) by 2015.
6. Historically WFP has reached about 10 percent of urgent hunger needs as defined by FAO. Given the dramatic increase in hunger numbers in the past two years, this Management Plan foresees reaching 8 percent of the 1.02 billion hungry people. In addition we have historically projected funding 92 percent of the programme of work. Given projected income for 2008, we are conservatively estimating funding 84 percent of identified need.

⇒ *WFP strategy and results measurement*

7. The WFP Strategic Plan (2008–2011)² provides a strong basis from which WFP can address the rapidly changing context of global hunger. The Plan frames WFP's vision, mission and strategic direction based on five Strategic Objectives and 14 aligned goals. Its aim is to support governmental and global efforts to ensure long-term solutions to the hunger challenge. WFP views all actions through the lens of country-led hunger strategies, United Nations coherence efforts at the country level and through the Secretary-General's High-Level Task Force on the Global Food Security Crisis and Rome-based coherence.
8. WFP has emphasized building strength in increasingly complex and dangerous emergency operations, which have increased 77 percent in the past biennium. Planned requirements for 2010 have doubled, when compared to actual expenditures of 2007.
9. To implement its strategy, WFP is strengthening its targeted tools to respond to critical hunger needs and helping reduce dependency through hand-over strategies. WFP endeavours continually to assess and align its approaches to changes in the external operating and funding environments, and to deploy tools that are as sensitive as possible to local markets and conditions in order to meet hunger and humanitarian needs.
10. Progress in achieving the Strategic Objectives is measured through WFP's Strategic Results Framework.³ This framework provides the basis for aligning country-level monitoring with the Strategic Plan, enabling WFP to track project-level outcomes and outputs, which can then be aggregated to show achievements at the corporate level. WFP's Strategic Results Framework is outlined in Annex VI of this document.
11. WFP continues to execute hand-over strategies, reducing dependence on external aid. The next biennium foresees operations being discontinued in four countries, with new operations in one country (a net reduction of three).

² At its 2009 Annual Session, the Board decided to extend the WFP Strategic Plan by two years, until the end of 2013 (decision 2009/EB.A/3).

³ WFP/EB.1/2009/5-C



Financial Overview

⇒ *The WFP biennial budget proposal 2010–2011*

12. The total budget proposal for 2010–2011, including extra-budgetary resources, is US\$9.42 billion.

TABLE 1: BUDGET PROPOSAL 2010–2011 (US\$ million)	
Operational requirements*	8 367.8
Regular PSA	476.0
General Fund (excluding special accounts and regular PSA)	69.3
Special accounts, trust funds and bilateral contributions	506.0
Total Management Plan budget	9 419.1

* Operational requirements are exclusive of ISC.

13. Of the total proposal, 89 percent relates to direct operational costs and direct support costs (DSC) for WFP's operations – emergency operations (EMOPs), protracted relief and recovery operations (PRROs), development projects (DEVs) and special operations (SOs).
14. The primary consideration in setting PSA expenditures has been expected indirect support cost income, forecast at US\$476 million. Indirect expenditure for the biennium is therefore budgeted at US\$476 million (US\$238 million per annum). The proposed PSA expenditure is approximately 6 percent higher than the US\$225 million approved for 2009. This increase is mainly to cover a rise in standard staff costs, as well as additional funding for priority areas, including the field.
15. General Fund expenditures – including those for capital, security and capacity funds – amount to US\$69.3 million. They comprise: i) one-time supplementary PSA appropriations of up to US\$25.9 million; ii) mandatory costs for the United Nations Department of Safety and Security (UNDSS) of US\$24.4 million; iii) a carry-forward of US\$14.5 million of the US\$22.5 million approved for WFP field security upgrades; and iv) an advance of US\$4.5 million for the private-sector partnerships and fundraising strategy.
16. Extra-budgetary resources, including special accounts, trust funds and bilateral contributions, together account for US\$506 million of projected expenditure for 2010–2011.
17. The forecast income for the biennium is set at US\$7.5 billion. This is based on thorough analysis supported by historical resourcing trends by donor. This income level would generate a minimum of US\$476 million in ISC income, which is in line with the PSA proposal.
18. The predicted levels of ISC income and planned PSA-related expenditures would result in a balance in the PSA Equalization Account of US\$44.5 million at 31 December 2011 and support the continued application of an ISC rate of 7.0 percent.



⇒ *Review of the 2008–2009 biennium*

19. The original WFP Biennial Management Plan (2008–2009)⁴ forecast WFP's programme of work at US\$5.8 billion, inclusive of ISC. Under the Plan, WFP planned to distribute 7.81 million mt of food through EMOPs, PRROs and DEVs to 90 million food-insecure people located in 76 countries.
20. The forecast programme of work contained in that Management Plan was affected significantly by unforeseen events. It was adjusted to reflect two factors: i) an increase in operational requirements; and ii) recosting to reflect changes in operating costs, including commodity prices, fuel costs and US dollar exchange rates. The net adjustment to the programme of work from these recosting exercises was an increase of US\$570 million.
21. The total expenditure for 2008–2009 is estimated to be US\$8.35 billion, 35 percent higher than the original budget of US\$6.17 billion proposed in the Management Plan (2008–2009). The largest increases in operational expenditures are related to emergency operations, which are estimated to be 77 percent or US\$1.05 billion higher than planned. Total indirect expenditure has increased by US\$119 million or 31 percent – less than the overall increase in expenditure of 35 percent.

Operational Requirements

22. The foreseen programme of work of US\$8.95 billion (including ISC) identifies the requirements for WFP operations in 73 countries⁵ addressing the food needs of 83 million beneficiaries, requiring 8.68 million mt of food. WFP estimates that the total number of beneficiaries could reach 100 million during the course of the biennium.
23. Based on historical trends, unforeseen requirements might arise during the 2010–2011 biennium. An assessment of such requirements and its risk factors can be found in Annex VIII.
24. The foreseen programme of work for 2010–2011 represents a decrease of US\$2.83 billion compared to the estimated programme of work for 2008–2009 of US\$11.78 billion.
25. More than half of the foreseen programme of work for 2010 will be carried out in ten countries with the largest WFP programmes. Changes in operational volume or cost in these countries have a major impact on the programme of work. Nine of the top ten countries foreseen for 2010–2011 were also among the top ten in 2009, indicating that WFP's operations for 2010–2011 are not expected to shift significantly compared with the previous year.

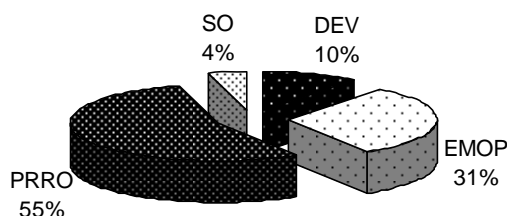
⁴ The original Management Plan (2008–2009) refers to WFP/EB.2/2007/5-A/1, approved by the Board at its Second Regular Session of 2007.

⁵ WFP carries out operations in 73 countries and has a presence in an additional 5 countries, where it monitors food insecurity.



⇒ Programme category analysis

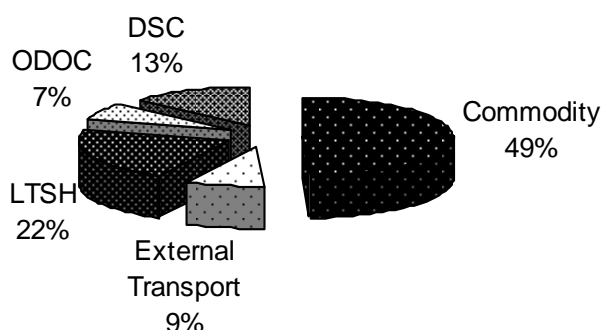
**Figure 1: Operational Requirements for 2010–2011,
by Programme Category**



26. **Emergency operations and protracted relief and recovery operations.** Planned operational requirements for EMOPs are expected to increase by 88 percent compared with the original Management Plan (2008–2009), rising from US\$1.37 billion to US\$2.57 billion. This substantial increase is due to a rise in the number of EMOPs, from 7 in the Management Plan (2008–2009) to 14 in the Management Plan (2010–2011). The largest EMOPs planned for 2010 and 2011 are in the Sudan, Somalia and Chad. There will be fewer PRROs.
27. **Development projects.** Requirements for DEVs are expected to have a slight decrease to 10 percent when compared to the original Management Plan (2008–2009). WFP's largest DEVs in value terms are in Bangladesh, Uganda and Ethiopia.
28. **Special operations (SOs).** The number of SOs is expected to remain at 15, unchanged from the Management Plan (2008–2009). The overall value of these operations is forecast to increase from US\$155 million to US\$354 million, reflecting operations that are larger and of longer duration compared with those in 2008–2009.

⇒ Cost component analysis

**Figure 2: Operational Requirements for 2010–2011,
by Cost Component**



29. **Food costs.** The foreseen food requirements of 8.68 million mt for 2010–2011 are estimated to cost US\$4.10 billion. This represents an 8 percent increase compared with estimated expenditure for 2008–2009, and a 4 percent reduction in the average unit cost per mt.
30. **External transport costs.** WFP estimates that the external transport rate will remain stable into the next biennium. Freight prices on traditional high-volume shipping lanes have been decreasing owing to reduced demand resulting from the global economic crisis. However, there has been less of an impact on the low-frequency and insecure shipping lanes where WFP operates, such as off the coast of West Africa and the Horn of Africa.
31. **Landside transport, storage and handling (LTSH) costs.** LTSH requirements in 2010–2011 are projected to account for 22 percent of total operational requirements, compared with 27 percent in 2008–2009 estimated expenditures. The value is forecast to increase by 23 percent owing to the transportation of more tonnage during the next biennium. While in most WFP operations LTSH rates will remain stable there are a few countries – notably Afghanistan, the Democratic Republic of the Congo (DRC), Chad, Ethiopia, the Sudan and Kenya – where increases have been observed. These increases are due mainly to insecurity, changes in supply routes and modes of deliveries, poor road infrastructure and exchange rate fluctuation. The increase in the average LTSH cost per mt is 9 percent compared to the 2008–2009 estimated expenditures.
32. **Other direct operational costs (ODOC).** ODOC requirements are expected to account for 7 percent of the operational budget, compared with 5 percent in 2008–2009. The increase is partially the result of a reclassification of some costs as ODOC. Increased use of such tools as vouchers, and continuing nutrition programmes such as school meal programmes, are also expected to contribute to the increase in ODOC.
33. **Direct support costs.** The DSC proportion of total operational requirements is forecast to slightly increase to 13 percent compared with the original 2008–2009 Management Plan. This is due to the increasing number of operations in areas with high security-related costs. DSC costs are associated with both food and non-food projects.

⇒ *Regional analysis*

34. The breakdown of operational requirements by region shows that the Southern, Eastern and Central Africa region and the Sudan continue to account for most of WFP's operational requirements. The breakdown also shows increased requirements in the Middle East, Central Asia and Eastern Europe region and the Asia region. A detailed overview of each regional outlook is included in Section II.

⇒ *Tools for improving operational effectiveness*

35. To respond to calls for more targeted tools that are sensitive to local conditions and markets, WFP has scaled up certain initiatives. Interventions being strengthened and further implemented include cash and voucher programmes and Purchase for Progress (P4P). The food basket is being evaluated to ensure that it better targets nutritional requirements and thus is more effective in saving lives and reducing malnutrition. To monitor the impacts of the food and economic crises on local contexts more carefully, WFP has developed the economic shock and hunger index (ESHI). The effectiveness of these and other tools will continue to be assessed.



Programme Support and Administrative Budget

⇒ *PSA budget*

36. The Executive Board is requested to approve PSA appropriations of US\$476 million for the 2010–2011 biennium.

	Actual			Estimated	Projected	
	2006	2007	2008	2009	2010	2011
Programme support – regional bureaux and country offices	66	67	54	65	72.5	72.5
Programme support – Headquarters	49	50	51	59	59.1	59.1
Management and administration	97	97	84	101	106.4	106.4
TOTAL	212	214	189	225	238.0	238.0

* Estimated 2008-09 total amount is US\$414 million that is US\$3 million higher than the US\$411 million level approved by the Board in October 2008. The US\$3 million difference relates to expenditures in 2008 made against prior period obligations.

37. The PSA budget includes management, administration and programme support at regional bureaux, country offices, Headquarters and liaison offices, covering WFP's costs that cannot be related directly to a specific operation.

⇒ *Priorities*

38. Through an organization-wide consultation process WFP has examined all of its PSA activities and costs to ensure the effective prioritization of PSA resources.
39. In order to better support WFP operations, corporate priority areas requiring recurring additional resources over their previous biennium allocations have been identified in the areas of:
- accountability;
 - evaluation;
 - food quality assurance;
 - audit and investigations; and
 - field contingency.
40. It is proposed that US\$8 million be made available for these priority areas for the 2010–2011 biennium. WFP management has decided that appropriations above this level will be requested only if actual ISC income is greater than estimated, or if savings have been achieved elsewhere within the PSA budget.



41. **Corporate priority areas requiring non-recurring additional resources.** WFP has traditionally used the PSA Equalization Account to fund non-recurring investments in systems and infrastructure development and other major management initiatives. For the 2010–2011 biennium, WFP proposes to make one-off allocations totalling US\$25.9 million for investments in the following areas:

- implementation of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) project to enhance internal control and enterprise risk management (ERM);
- completion of the Learning and Development Programme;
- information technology (IT) system upgrades and initiatives;
- cluster leadership; and
- United Nations reform of internal justice system – WFP impact.

42. During the next biennium, WFP's currently foreseen programme of work is US\$8.95 billion, with a proposed increase of 10 PSA-funded positions.

⇒ *Tools for improving resource management and accountability*

43. During the past biennium, WFP has improved its range of tools to manage its programme of work more efficiently and transparently. This includes:

- the creation of the Strategic Resource Allocation Committee (SRAC) which will examine the changing needs and environment in which WFP operates to prioritize the allocation of resources;
- the adoption and successful implementation of International Public Sector Accounting Standards (IPSAS) since 1 January 2008, providing a more robust set of financial information on WFP operations and activities;
- transition to the new WFP Information Network and Global System (WINGS II) environment from July 2009, generating a better IT support infrastructure more suited to its needs;
- greater use of contingency mechanisms to reduce food costs and delivery times; and
- the development of a WFP-specific cereal index and a crude oil index to monitor prices.

44. During 2010–2011, WFP intends to build on this success by:

- adopting and implementing higher standards of internal control and better risk management processes through implementation of the COSO project;
- developing a more effective performance management framework that clearly links management performance to the strategic results framework;
- reviewing its internal budget setting and monitoring processes to ensure that resource planning, utilization and reporting lead to clearer lines of internal accountability;
- enhancing the Inspector General and Oversight Division's ability to provide WFP management with independent and objective investigation and assurance services designed to add value and improve WFP's operations;



- strengthening the evaluation capacities of the Office of Evaluation to build on its strong performance in the previous biennium and promote a corporate culture of learning and accountability, giving the Executive Board an opportunity to provide strategic guidance; and
- investing in food quality assurance to ensure that WFP food items are safe and palatable, meet nutritional needs and are produced and processed in accordance with good practices.

⇒ *Changes in organizational structure*

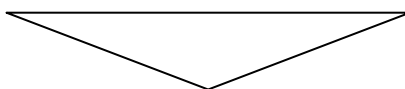
45. WFP has changed its organizational structure to provide a clearer, single focus on both resource management and accountability issues and to streamline and adapt reporting lines in business processes. The new organizational structure will facilitate more efficient and effective decision-making.
46. The revised structure has four pillars. Three departments are led by Deputy Executive Directors covering Operations; Resource Management and Accountability; and External Relations. A Deputy Executive Director also heads the Office of Hunger Solutions, which provides leadership and advocacy on hunger issues in the United Nations system and globally.
47. Oversight- and governance-related structures such as the Inspector General, the Office of Evaluation, the Office of the Ombudsman and the Ethics Office remain under the direct supervision of the Executive Director.

⇒ *Providing certainty for PSA budget implementation through currency hedging*

48. In June 2009, the Board authorized WFP to hedge euro expenditure for 2010 and 2011 to the amount of €5 million per month. Hedging arrangements were entered into in July 2009, and the exchange rate was fixed at €1 to US\$1.41. This allowed the Secretariat to incorporate the average Euro/US\$ rate into the new standard position costs, which results in certainty of the US\$ value for Euro-denominated PSA expenditure. This lent greater predictability to the PSA budget planning process.



DRAFT DECISION*



Having considered WFP's Biennial Management Plan Budget for 2010–2011, as submitted by the Executive Director in document WFP/EB.2/2009/5-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\$8.37 billion, excluding any provision for unforeseen emergencies and including Direct Support Costs (DSC), as outlined in Section II;
- iii) **takes note** that the Programme Support and Administrative (PSA) budget proposal assumes a funding level of 84 percent of the programme of work;
- iv) **approves** a PSA appropriation of US\$476 million for the following purposes:

Programme support: regional bureaux and country offices	US\$145.014 million
Programme support: Headquarters	US\$118.140 million
Management and administration	US\$212.848 million
Total	US\$476.002 million
- v) **approves** one-time supplementary Programme Support and Administrative appropriations of up to US\$25.9 million funded from the Programme Support and Administrative Equalization Account as outlined in Section III;
- vi) **approves** expenditures of up to US\$24.4 million funded from the General Fund for the United Nations Department of Safety and Security (UNDSS) for WFP field security upgrades;
- vii) **approves** the carry forward of US\$14.5 million of the US\$22.5 million approved for allocation from the General Fund at EB.2/2008 for WFP field security upgrades;
- viii) **approves** an advance of US\$4.5 million from the General Fund for the private-sector partnerships and fundraising strategy;
- ix) **approves** an indirect support cost (ISC) recovery rate of 7.0 percent for the 2010–2011 biennium; and
- x) **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 levels outlined in Section II.

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



SECTION I: FINANCIAL OVERVIEW

49. This section presents the overall financial position and budget proposal of the WFP. The purpose is to present the total estimated requirements for 2010–2011 to be resourced from: i) programme-related income; ii) capital and general funds; and iii) extra-budgetary resources.
50. The section includes:
- the WFP biennial budget proposal;
 - review of the 2008–2009 biennium (as background);
 - overview of resource requirements for the 2010–2011 biennium;
 - breakdown of funding of the budget proposal, including ISC rate, PSA Equalization Account and the General Fund; and
 - summary of extra-budgetary resources.

The WFP Biennial Budget Proposal

Operational requirements*	8 367.8
Regular PSA	476.0
General Fund (excluding special accounts and regular PSA)	69.3
Special accounts, trust funds and bilateral contributions	506.0
Total Management Plan budget	9 419.1

* Operational requirements are exclusive of ISC.

51. The total budget proposal for 2010–2011, including operational requirements, PSA and extra-budgetary resources is US\$9.42 billion. Of the total proposal, 89 percent relates to direct operational requirements for WFP's operations – EMOPs, PRROs, DEVs and SOs. Indirect expenditure for the biennium is budgeted at US\$476 million for PSA expenditures, and US\$69.3 million for the General Fund.
52. General Fund expenditures – including those for capital, security and capacity funds – comprise: i) one-time supplementary PSA appropriations of up to US\$25.9 million; ii) mandatory costs for the UNDSS of US\$24.4 million; iii) a carry-forward of US\$14.5 million of the US\$22.5 million approved for WFP field security upgrades; and iv) an advance of US\$4.5 million for the private-sector partnerships and fundraising strategy.
53. Extra-budgetary resources, including special accounts, trust funds and bilateral contributions, together account for US\$506 million of projected expenditures for 2010–2011.
54. Within operational requirements 171 assistance projects are envisaged during the biennium, providing 8.68 million mt of food to 83 million beneficiaries located in 73 countries where WFP has operations.



Background – Review of the 2008–2009 Biennium

55. Table I.2 shows the WFP Biennial Management Plan (2008–2009) total budget, together with the currently estimated expenditure for 2008–2009. 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.
56. The Management Plan (2008–2009) forecast WFP's programme of work at US\$5.8 billion (inclusive of ISC). Under the Management Plan (2008–2009), WFP planned to distribute some 7.81 million mt of food through EMOPs, PRROs and DEVs to 90 million food-insecure people located in 76 countries.
57. The forecast programme of work in the Management Plan (2008–2009) was affected significantly by unforeseen events. It was adjusted to reflect two factors: a significant increase in operational requirements; and re-costing to reflect changes in operating costs, including food and fuel costs and US dollar exchange rates. The first two recostings resulted in upward adjustments to take into consideration high increases in food prices, the cost of fuel and the strong variance in the value of the US dollar. The third recosting, in mid-2008, was undertaken after prices in international markets decreased and resulted in a downward adjustment in the programme of work. The net adjustment to the programme of work from the three recosting exercises was an increase of US\$570 million. Increased operational requirements of US\$5.42 billion brought the total programme of work for 2008–2009 to US\$11.78 billion, as outlined in the Fifth update on the WFP Management Plan (2008–2009) (WFP/EB.A/2009/6-F/1).
58. Food and fuel price increases had a major impact on the programme of work budget in 2008, but global market prices have stabilized in 2009. The Secretariat has developed a cereal index and a crude oil index to monitor prices.
59. The WFP cereal index is intended to broadly represent the impact of changing prices on the cost of WFP cereals. It comprises four commodities: wheat, maize, sorghum and rice. The price of the WFP cereal basket, calculated as the weighted average of these four cereals, is indexed from 1 January 2002. The weight of each cereal in the index is based on its value in the 2007 food basket. Wheat accounts for 28.2 percent of the index, maize 23.8 percent and sorghum and rice 24.0 percent each. Prices are based on the FAO's International Commodity Prices database.
60. The crude oil index tracks the price of crude oil, indexed from January 2002. It is based on Brent crude futures.
61. The WFP cereal index and the crude oil index are included in Annex VII of this document.



TABLE I.2: ORIGINAL BUDGET VS. ESTIMATED EXPENDITURES, 2008–2009 (US\$ million)		
	2008–2009 Original budget	2008–2009 Estimated expenditures
Sources of funds, by programme category		
EMOP	1 367	2 414
PRRO	3 297	3 858
DEV	595	567
SOs	155	357
Bilateral and other operations	179	427
General fund	575	722
TOTAL	6 168	8 345
Use of funds by cost component		
Food	2 427	3 794
External transport	593	641
LTSH	1 476	1 518
ODOC	292	457
DSC	626	786
Total operational expenditure	5 414	7 196
Regular PSA	345	411
Capital and capacity funds	37	90
Total indirect expenditure	382	501
Other support costs/special funds	371	648
TOTAL	6 168	8 345

62. The total increase in expenditure for 2008–2009 is estimated to be US\$2.18 billion or 35 percent of the original budget proposed in the Management Plan (2008–2009). This reflects a substantial increase in the value of the programme of work during the biennium.
- The largest increase in operational expenditures is from EMOPs, which are estimated to be 77 percent or US\$1.05 billion higher than planned.
 - Expenditures on SOs (which are frequently linked to EMOPs) are estimated to be US\$202 million or 130 percent higher than the 2008–2009 original Management Plan.
 - Expenditures on DEVs is estimated to be US\$28 million, or 5 percent lower than planned.
 - The largest cost increase is for food, with costs estimated to be US\$1.37 billion, or 56 percent higher than planned.
 - DSC costs are estimated to have increased by US\$160 million or 26 percent, which is lower than the percentage increase in overall expenditure.
 - ODOC costs are estimated to have increased by US\$165 million or 57 percent, partly because of a reclassification of certain costs to the ODOC category.



- Total indirect expenditure is estimated to have increased by US\$119 million or 31 percent, which is less than the 35 percent overall increase in expenditure.

Overview of Resource Requirements for 2010–2011

63. As detailed in Table I.3, WFP's operational requirements for the 2010–2011 biennium come to US\$8.37 billion. With ISC income of US\$476 million, the total comes to US\$8.85 billion. Of this, 55 percent relates to PRROs, followed by EMOPs with 31 percent, DEVs with 10 percent and SOs with 4 percent.

TABLE I.3: RESOURCES REQUIRED AND UTILIZATION 2010–2011 (US\$ million)							
	General Fund/ Other	DEV	EMOP	PRRO	SO	Special accounts, trust funds and bilaterals	Total
CONTRIBUTIONS AND INCOME*							
Contributions		909	2 784	4 783	368		8 844
Other income	69					506	575
Transfer of ISC to General Fund	476	-35	-215	-212	-14		0
TOTAL	545	874	2 569	4 571	354	506	9 419
OPERATIONAL REQUIREMENTS							
Commodities	-	509	985	2 611	-	-	4 105
External transport	-	79	229	416	-	-	724
LTSH	-	126	887	856	-	-	1 869
ODOC	-	61	57	182	284	-	584
DSC	-	99	411	506	70	-	1 086
TOTAL OPERATIONAL COSTS	-	874	2 569	4 571	354	-	8 368
Regular PSA	476		-	-	-	-	476
Other**	69		-	-	-	506	575
TOTAL BUDGET	545	874	2 569	4 571	354	506	9 419
Volume (million mt)***	-	1.21	2.46	5.01	-	-	8.68

* For the purposes of this table, contributions and income figures reflect 100 percent funding of all requirements.

** Includes one-off allocations, security costs, General Fund expenditures

*** "Volume" represents 100 percent funding of requirements.



64. Table I.4 shows the trend of expenditures over three biennia.

TABLE I.4: EXPENDITURE TRENDS (US\$ million)*			
	2006–2007 Actual expenditures	2008–2009 Estimated expenditures	2010–2011 Projected expenditures
Programme Category funds	4 948.0	7 196.0	7 028.9
Regular PSA	425.5	411.1	476.0
General Fund (including one-time costs and security costs)	36.8	136.0	69.3
Bilateral contributions, trust funds and special accounts	495.5	602.2	506.0
TOTAL EXPENDITURES	5 905.8	8 345.3	8 080.2
PSA expenditures as a percentage of Programme Category expenditure	8.6	5.7	6.8

* 2010–2011 direct expenditures are estimated to be 84 percent of the operational requirements (US\$8.37 billion), which is consistent with the resourcing forecast.

65. The proposed PSA expenditure of US\$238 million per annum (US\$476 million for the biennium) is approximately 6 percent higher than the approved PSA for 2009 of US\$225 million. The increase in PSA expenditure is due to a rise in standard staff costs, estimated at US\$9 million per annum and; additional funding for priority areas, estimated at US\$4 million per annum, which include US\$1.5 million per annum for the field contingency fund.

TABLE I.5: PROPOSED PSA INCOME AND EXPENDITURE FOR 2010–2011 (US\$ million)			
	2010	2011	2010–2011
<i>Projected PSA income</i>	238	238	476
Projected PSA expenditure (status quo)	225	225	450
Staff variance	9	9	18
Priority areas	4	4	8
TOTAL	238	238	476

Funding the Proposed Budget

⇒ *Income assumptions*

66. Ideally, WFP would be able to fund all the needs identified in the programme of work. However, for budgeting purposes WFP has based its PSA proposal on a funding scenario that takes into account both the financial climate and historical funding patterns.
67. Management has determined a forecast income for the biennium of US\$7.5 billion. This is based on a thorough analysis supported by historical resourcing trends by donor. This level of income would generate a minimum of US\$476 million in ISC income, which is sufficient to fully fund the proposed PSA.



68. Based on forecast contributions of US\$7.5 billion, 84 percent of the programme of work would be met. The historical level of funding of operational requirements has averaged slightly over 80 percent.
69. WFP is hopeful that announced plans of action on food security in the 2009 G8 Summit in L'Aquila, Italy, will translate into additional resources for the coming biennium. World leaders pledged US\$20 billion over three years to substantially increase aid to comprehensive action on agriculture and food security, including through multi-year resource commitments. This pledge will be implemented through a coordinated, comprehensive strategy focused on sustainable agriculture development, while keeping a strong commitment to ensure adequate emergency food aid assistance.

⇒ *ISC rate*

70. Based on the methodology approved by the Executive Board,⁶ the WFP Secretariat is recommending that the ISC rate of 7.0 percent be maintained for the 2010–2011 biennium. Thus, the Board is requested to approve an ISC recovery rate of 7.0 percent for another two years.

⇒ *General Fund*

71. The General Fund is an accounting entity established for recording, under separate accounts: i) ISC recoveries; ii) interest income and miscellaneous income; iii) operational reserves; and iv) contributions received that are not designated to a specific programme category, project or bilateral operation. To improve the transparency of reporting on ISC income and PSA expenditure, the PSA Equalization Account was created in 2002 as a subset of the General Fund.

i) PSA Equalization Account balances and use

72. Table I.6 below presents the planned funding and use of the PSA Equalization Account.

1 January 2010 estimated opening balance	70.4
2010–2011 projected income	476.0
2010–2011 projected PSA expenditures	(476.0)
2010–2011 one-time allocation	(25.9)
31 December 2011 forecast	44.5

⁶ WFP/EB.A/2006/6-C/1



73. The PSA Equalization Account is projected to have a positive opening balance of US\$70.4 million by January 2010. This is significantly larger than the balance of US\$1.1 million forecast in the Management Plan (2008–2009) due to an increase in resourcing levels. This increase reflects the fact that resourcing of WFP operations in 2008–2009 was much higher than expected following a doubling of the programme of work.
74. WFP's target is to maintain in the PSA Equalization Account an amount equivalent to a minimum of four months of expected PSA expenditure. For the PSA budget level proposed for 2010–2011, four months of operations would amount to about US\$75 million.
75. For the 2010–2011 biennium, it is expected that a one-off allocation of US\$25.9 million from the PSA Equalization Account will be necessary to fund the completion and implementation of non-recurring capital expenditure and capacity-building costs.

Implementation of the COSO project to enhance internal control and ERM	3.1
Completion of Learning and Development Programme	3.8
IT initiatives	11.0
Clusters leadership	6.0
United Nations reform of internal justice system – WFP impact	2.0
TOTAL ONE-OFF ALLOCATIONS	25.9

ii) General Fund (excluding the PSA Equalization Account)

76. Table I.8 provides an overview of the forecasted balance of the unearmarked portion of the General Fund at the beginning and the end of the 2010–2011 biennium.

1 January 2010 estimated opening balance		14.0
2010–2011 interest income		16.0
Miscellaneous income		16.0
United Nations Department of Safety and Security	(24.4)	
Security Fund	(14.5)	
Private-Sector Fundraising loan	(4.5)	
Subtotal		(43.4)
31 December 2011 forecast		2.6



77. The sources of income for the General Fund are interest income and miscellaneous income. Interest income from WFP investment portfolios and bank and money market accounts for 2010–2011 is estimated to be US\$16 million. Miscellaneous income includes: i) recoveries arising from disposal of redundant or unserviceable equipment; ii) value-added tax refunds and other types of recoveries; and iii) excess income arising from closure of third-party agreements.
78. WFP anticipates that it will utilize the unearmarked portion of the General Fund to cover its portion of the UNDSS security costs. Furthermore, WFP will carry over the balance of funds approved by the Executive Board during the 2008–2009 biennium to complete existing security upgrade projects to make country offices minimum operating security standards (MOSS)-compliant.
79. The Board approved at its 2008 First Regular Session the Private-Sector Partnerships and Fundraising Strategy and the self-financing model for the WFP Private-Sector Branch. The self financing model included a provision for an advance of up to US\$19 million from the General Fund to be drawn down in tranches through 2012. Repayment of the advances are scheduled to start in 2013 with final repayment in 2017.
80. An advance of up to US\$9 million from the General Fund was approved in the Management Plan (2008–2009). The Private-Sector Branch drew down US\$7.44 million to cover its 2008–2009 budget and estimates an advance of up to US\$4.5 million for 2010–2011.
81. The biennium budgets and required General Fund advances are lower than foreseen in the Private Sector Partnerships and Fundraising Strategy for two reasons: i) WFP took a more graduated approach of increasing its private sector staff to ensure the strategy could be sustained despite the financial impact of the global economic crisis; and ii) WFP adjusted its staffing priorities to strengthen alignment with the roll-out of the strategy.

Extra-Budgetary Resources

82. Extra-budgetary resources for improvement of the quality of programmes, capacity development and new partnership frameworks provide support critical to WFP at all levels given new challenges coupled with the constraints of its financial framework. Implementing WFP's Strategic Plan in different contexts and assisting governments to achieve their social objectives, capacity and accountability require advance, predictable and multi-year cash funding not linked to food tonnages. For smaller country offices with low-tonnage programmes, cash support is crucial for securing technical expertise and developing methods adapted to local needs, in line with the Paris Declaration on Aid Effectiveness and United Nations reform.
83. Extra-budgetary resources are forecast to total US\$506 million in 2010–2011, consisting of special accounts at US\$280 million, trust funds at US\$214 million and bilaterals at US\$12 million.
84. According to WFP's Financial Regulations, special accounts are established by the Executive Director for specified purposes. Special accounts for 2010–2011 include the United Nations Humanitarian Response Depot (UNHRD), aviation, Dubai, junior professional officer (JPO) administration and logistics.



85. Trust funds and bilateral operations are identifiable subdivisions of the WFP Fund established by the Executive Director in order to account for contributions whose purpose, scope and reporting procedures have been agreed with a donor. Trust funds can be country-specific, totalling US\$170.7 million, or general (for institutional capacity), totalling US\$43.3 million.
86. Country-specific trust funds are generally more operational in nature and are most often funded by host governments. They provide complementary resources for programmes administered in partnership with governments and/or non-governmental organizations (NGOs), such as school meals programmes, and target the poorest population groups. Most country-specific trust fund activities are in Latin America.
87. General trust funds are institutional and are intended to strengthen WFP's capacity-building activities. They usually involve one-off expenditures to improve the quality of WFP's work, funding activities not covered under the PSA or operational budgets. They are managed centrally in Headquarters on the basis of agreements reached between the donor and WFP. WFP activities initially funded through general trust funds include vulnerability analysis and mapping (VAM), needs assessments and contingency planning – which support quicker, better targeted responses to unforeseen needs.
88. Bilaterals consist of projects and services carried out by WFP at the request of a donor. WFP designs, implements and monitors the projects, or provides services such as transport and procurement to a non-WFP project.





SECTION II: DIRECT OPERATIONAL AND DIRECT SUPPORT COST BUDGET

Introduction

89. The total operational requirements for the 2010–2011 biennium are projected at US\$8.37 billion. This sum includes the planned direct expenditure associated with 171 WFP projects and 8.68 million mt of food for 83 million beneficiaries⁷ in 73 countries where WFP has operations. WFP estimates that the caseload could reach up to 100 million beneficiaries when taking into account unforeseen needs.
90. When ISC is included, the total WFP programme of work for 2010–2011 is US\$8.95 billion.

TABLE II.1: OVERVIEW OF PROPOSED WFP OPERATIONAL REQUIREMENTS FOR 2010–2011 (US\$ billion)			
	2010	2011	2010–2011
Projected operational requirements – excluding ISC	4.31	4.06	8.37
Programme of work – including ISC	4.60	4.35	8.95

91. In absolute numbers, world food security has deteriorated during the past two to three years, and it is estimated that in 2009 1.02 billion people will go hungry every day, according to research published by FAO.¹ The most recent increase in hunger is linked to the world economic crisis that has resulted in lower incomes and increased unemployment, thus reducing access to food for the poor.
92. The economic crisis comes in the wake of the food and fuel price crisis. Although food prices on world markets have declined over past months, domestic prices in developing countries have been slower to decline. At the end of 2008, food prices in developing countries remained on average 24 percent higher in real terms than in 2006, and 33 percent higher than in 2005.¹ For low-income earners, who spend more than 60 percent of their incomes on staple foods, this means a strong reduction in their purchasing power.
93. According to FAO's latest hunger estimates, a combination of the global economic slowdown and high food prices in many countries will push some 100 million more people into chronic hunger and poverty in 2009. This sobering account of the world hunger situation coincides with the projections of WFP's regional bureaux and country offices which foresee high requirements for the approaching 2010–2011 biennium.

⁷ A WFP beneficiary is a targeted person who is provided with WFP food under at least one WFP intervention – EMOP, PRRO, DEV 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. Special operations do not have beneficiaries, and people receiving food through bilateral operations and trust funds are considered beneficiaries of the donor country and thus not counted as WFP beneficiaries.



Methodology

94. The operational requirements were compiled by aggregating the expected operational requirements for approved projects, projects to be approved by the end of December 2009 and their logical extensions. Logical extensions are extensions of existing projects that are likely to be approved during 2010–2011.
95. Indicators at the project level, such as past requirements, project implementation, income trends and budget performance by cost component, were used to assess the accuracy of projected requirements.

Operational Principles

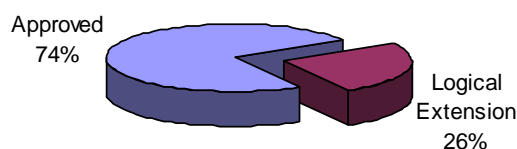
96. WFP's Strategic Objectives are derived from its mandate, its Mission Statement and the MDGs agreed by all United Nations Member States. The Strategic Objectives reflect the changing nature of food aid and hunger, and WFP's history, experience and comparative advantages.
97. In response to new global challenges, the Board approved the WFP Strategic Plan (2008–2011) in June 2008, enabling WFP to strengthen emergency response to operate in ways that do not disrupt markets; and undertake other activities to ultimately enable hand-overs.
98. In response to rapid changes in the global environment and new challenges resulting from the economic and financial crisis, WFP has implemented initiatives aimed at improving the efficiency and effectiveness of its operations.
99. WFP's toolkit is broad and flexible. It includes cash and voucher transfers in addition to or instead of food transfers, innovative nutritious food products to prevent and treat malnutrition, and P4P to leverage food procurement and support programmes that over time provide small-scale farmers with access to new markets and encourage increased production. It also includes enhanced assessment aimed at strengthening programme interventions and increasing dialogue and partnership with national governments, United Nations agencies and NGOs.
100. In view of the continued deterioration of the food security status of populations in parts of the world subject to the increased frequency and "violence" of weather-related shocks or affected by conflict, or a combination of both, it is expected that the majority of resources will be utilized in relief and early recovery.



OPERATIONAL REQUIREMENTS OVERVIEW

101. Total operational requirements⁸ for the biennium are projected at US\$8.37 billion, consisting of US\$4.31 billion for 2010 and US\$4.06 billion for 2011. Of this US\$8.37 billion, US\$4.42 billion is for approved programmes and US\$3.95 billion for foreseen logical extensions. As shown in Figure II.1, of the 171 projects foreseen for the biennium, 74 percent are approved, and the remaining 26 percent are logical extensions to existing projects that are likely to be approved during 2010–2011.

Figure II.1: 2010–2011 Composition of Operational Requirements by Number of Projects



102. Of the US\$8.37 billion operational requirements for 2010–2011, US\$4.10 billion is for food, US\$723 million for external transport costs, US\$1.87 billion for LTSH, US\$584 million for ODOC and US\$1.09 billion for DSC.

103. Food commodity costs are expected to account for 49 percent of operational requirements in 2010–2011, up from 45 percent in the original Management Plan of 2008–2009, principally because of an expected 0.867 million mt increase in volume.

104. During 2010–2011, in southern Africa and the Horn of Africa, WFP plans to provide food for longer periods and/or provide food with higher nutritional content.

105. Freight prices on traditional high-volume shipping lanes have been decreasing owing to reduced demand resulting from the global economic crisis. However, there has been less of an impact on the low-frequency and insecure shipping lanes where WFP operates, such as off the coast of West Africa and the Horn of Africa. WFP estimates that the external transport rate will remain stable into the next biennium.

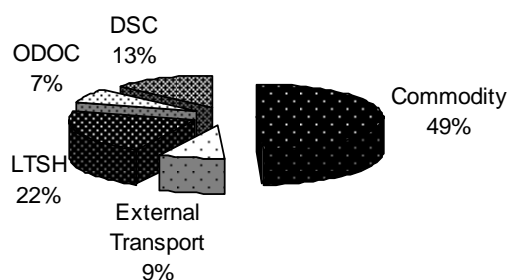
106. LTSH requirements in 2010–2011 are projected to account for 22 percent of total operational requirements, compared with 27 percent in the original Management Plan (2008–2009).

107. ODOC requirements are expected to account for 7 percent of the operational budget, compared with 5 percent in 2008–2009. Increased use of such tools as vouchers, and continuing nutrition programmes such as school meal programmes, are expected to contribute to the increase in ODOC.

108. The DSC proportion of total operational requirements is forecast to slightly increase to 13 percent compared with the original Management Plan (2008–2009).

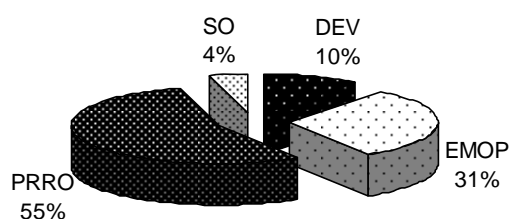
⁸ Please note that all operational figures in this section are exclusive of ISC unless otherwise indicated.

**Figure II.2: 2010–2011 Operational Requirements by Cost Component
(in value terms)**



109. PRROs are forecast to decrease by 6 percent compared with the original 2008–2009 Management Plan.⁹
110. Conversely, requirements for EMOPs as a proportion of total operational requirements are forecast to increase, owing to expected large EMOPs such as those in the Sudan, Somalia and Chad.
111. In 2010–2011, DEVs as a share of total operational requirements are expected to have a slight decrease to 10 percent when compared to the original Management Plan (2008–2009), but to increase in dollar terms, mainly because of higher food volumes.
112. SOs are expected to account for approximately the same proportion of overall operational requirements as in 2008–2009.

**Figure II.3: 2010–2011 Operational Requirements by Programme Category
(in value terms)**



⁹ A further decrease is expected if changes proposed in the financial framework are introduced.

OPERATIONAL REQUIREMENTS BY PROGRAMME CATEGORY

113. Tables II.2 and II.3 compare the programme categories by metric tonnage and dollar value in different biennia. The comparisons are based on actual expenditures in the 2006–2007 biennium, estimated expenditures for 2008–2009 and expected requirements for 2010–2011.
114. The tables show an increase in projected resource requirements across all programme categories, principally due to a substantial rise in projected food distribution from 7.71 million mt in 2008–2009 to 8.68 million mt as outlined in the Management Plan (2010–2011).

TABLE II.2: VOLUME OF OPERATIONS BY PROGRAMME CATEGORY (million mt)					
	2006–2007 actual	2008–2009 estimated	2010 projected requirements	2011 projected requirements	Total 2010–2011 projected requirements
EMOP	1.86	2.55	1.37	1.09	2.46
PRRO	4.25	4.43	2.56	2.45	5.01
DEV	1.23	0.73	0.58	0.63	1.21
TOTAL	7.34	7.71	4.51	4.17	8.68

TABLE II.3: TOTAL OPERATIONAL EXPENDITURES BY PROGRAMME CATEGORY (US\$ million)					
	2006–2007 actual expenditures	2008–2009 estimated expenditures	2010 projected requirements	2011 projected requirements	Total 2010–2011 projected requirements
EMOP	1 445.4	2 414.2	1 386.0	1 182.9	2 568.9
PRRO	2 522.5	3 858.5	2 326.0	2 245.0	4 571.0
DEV	577.5	566.9	409.9	463.5	873.4
SO	402.6	356.7	183.1	171.4	354.5
TOTAL	4 948.0	7 196.3	4 305.0	4 062.8	8 367.8

Emergency Operations

115. Operational requirements for EMOPs were estimated at US\$1.37 billion in the original 2008–2009 Management Plan. This was subsequently revised upwards to US\$2.41 billion in the 2008–2009 estimated expenditures.
116. In the 2010–2011 biennium, operational requirements for EMOPs are expected to increase to US\$2.57 billion owing to a greater number of EMOPs and the continuation of some of the largest EMOPs. The largest EMOPs planned for 2010 and 2011 are in the Sudan, Somalia and the Chad.

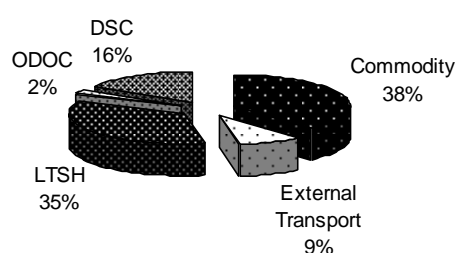


117. The average cost per mt for EMOPs is US\$1,046, which is relatively high, primarily because of the elevated cost of operations in the Sudan, Somalia and Chad, where beneficiaries are in isolated locations, local infrastructure is poor and there are high security costs.

118. The average cost per mt for EMOPs is expected to increase by 6 percent compared with the original 2008–2009 Management Plan due to the increased complexity of WFP emergency operations.

TABLE II.4: EMERGENCY OPERATIONS	
Total budget	US\$2 568.9 million
Number of EMOPs	14
Food volume	2.46 million mt
Average cost per mt	US\$1 046
Percentage of total operational requirements	31
Largest EMOP	Sudan

Figure II.4: EMOP 2010–2011 Operational Requirements by Cost Component (in value terms)



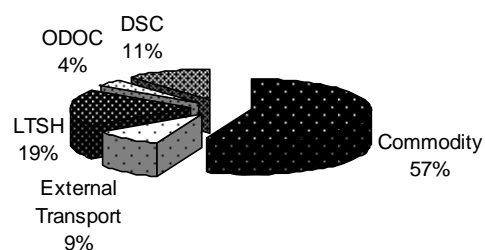
Protracted Relief and Recovery Operations

119. The number of PRROs is expected to decrease from 83 in the original Management Plan (2008–2009) to 77 in 2010–2011.

120. The average cost per mt is expected to increase by 43 percent compared with the original 2008–2009 Management Plan. Further analysis of this development is provided in the following section on cost components. In the 2010–2011 biennium, large PRROs are foreseen for Ethiopia, Afghanistan and DRC.

TABLE II.5: PROTRACTED RELIEF AND RECOVERY OPERATIONS	
Total budget	US\$4 571.0 million
Number of PRROs	77
Food volume	5.01 million mt
Average cost per mt	US\$912
Percentage of total operational requirements	55
Largest PRRO	Ethiopia

Figure II.5: PRRO 2010–2011 Operational Requirements by Cost Component (in value terms)

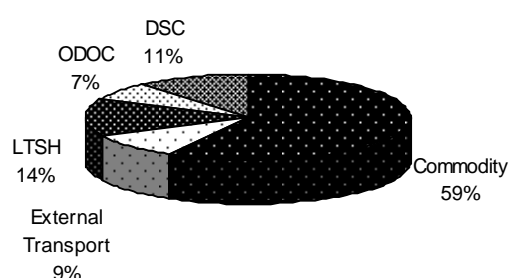


Development Projects

121. Operational requirements for DEVs are forecast to increase by 47 percent compared with the original 2008–2009 Management Plan, partly owing to nine additional DEVs, which will increase requirements by US\$278 million, and a 54 percent increase in the average cost per mt, from US\$470 to US\$722. Despite these increased requirements, DEVs are expected to account for a smaller proportion of overall operational requirements.
122. 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 DEVs, usually sound local infrastructure, including established transport and warehousing infrastructure, and – in most countries – better security conditions.
123. WFP’s largest DEVs in value terms are in Bangladesh, Uganda and Ethiopia.

Total budget	US\$873.4 million
Number of DEVs	65
Food volume	1.21 million mt
Average cost per mt	US\$722
Percentage of total operational requirements	10
Largest DEV	Bangladesh

Figure II.6: DEV 2010–2011 Operational Requirements by Cost Components (in value terms)



Special Operations

124. SOs address the operational bottlenecks that hinder the flow of humanitarian assistance to beneficiaries; they are usually linked to EMOPs or PRROs. These operations cover many activities, such as emergency road repairs and logistics augmentation and coordination, aiming to increase efficiency and capacity and prevent WFP’s overall costs from increasing further. SOs are also used to provide services to WFP’s partners, for example United Nations Humanitarian Air Service (UNHAS).
125. Expected SO requirements of US\$354.5 million comprise US\$286.5 million for UNHAS, US\$39 million for other common service SOs, and US\$29 million for augmented WFP logistics, emergency infrastructure and emergency preparedness.

TABLE II.7: SPECIAL OPERATIONS REQUIREMENTS – TOP FIVE COUNTRIES		
Country office	SO costs (US\$ million)	% of total SO costs
Sudan	178.5	50
Afghanistan	52.8	15
Somalia	46.5	13
Chad	31.7	9
DRC	23.6	7

126. In value terms, planned operational requirements for SOs have more than doubled compared to the Management Plan (2008–2009), mainly owing to large and complex SOs. The planned number of SOs has remained unchanged since that Management Plan, but may increase during the biennium, as these operations are often linked to emergency relief operations.

TABLE II.8: SPECIAL OPERATIONS		
	2008–2009	2010–2011
Total budget (US\$ million)	155	354
Number of projects	15	15

OPERATIONAL REQUIREMENTS BY COST COMPONENT

127. The following analysis of operational requirements by cost component compares overall values and costs per mt among biennia. The comparisons are based on actual expenditures for 2006–2007, estimated expenditures for 2008–2009 and planned requirements for 2010–2011.
128. The operational requirements for all cost components in 2010–2011 are higher than the estimated expenditures in the previous biennium, owing principally to a forecast 0.97 million mt increase in food tonnage and complexity of operations.
129. Table II.9 compares 2010–2011 projected requirements by cost component with expenditures in the previous two biennia.
130. The average cost to deliver one mt of food for 2010–2011 is projected to increase by 4 percent compared with 2008–2009 estimated expenditures.



TABLE II.9: FOOD PROJECT COSTS BY COST COMPONENT (US\$ million)				
	2006–2007 actual	2008–2009 estimated	2010–2011 projected	2008/2009– 2010/2011 % change
Food	2 116.5	3 794.1	4 104.2	8
External transport	459.9	640.7	723.4	13
LTSH	1 320.5	1 517.8	1 869.2	23
ODOC	111.5	156.5	300.1	92
DSC	537.1	730.7	1 016.5	39
Total expenditure for food projects	4 545.5	6 839.8	8 013.3	17
Average unit cost food (US\$/mt)	619.3	886.8	923.5	4
Special operations	402.6	356.6	354.5	-1
Sub-total: not related to food projects	402.6	356.6	354.5	-1
TOTAL EXPENDITURE	4 948.1	7 196.3	8 367.8	16

Food Costs

131. The foreseen food requirements of 8.68 million mt for 2010–2011 are estimated to cost US\$4.10 billion. This represents a 8 percent increase compared with estimated expenditure for 2008–2009, and a 4 percent reduction in the average unit cost per mt.
132. Cereals are projected to account for 71 percent of the food basket, compared with 79 percent in 2006. WFP will purchase greater quantities of certain processed and ready-to-eat foods, owing to their demonstrated effectiveness in improving beneficiaries' nutrition.

TABLE II.10: FOOD COSTS						
	2006–2007 actual	2008–2009 estimated	2010 projected	2011 projected	2010–2011 projected	2008–2011 % change
Expenditures (US\$ million)	2 116.5	3 794.1	2 097.4	2 006.8	4 104.2	8
Average unit cost (US\$/mt)	288.4	491.9	465.0	481.6	473.0	-4

133. In 2010–2011, voucher and cash transfers are projected to account for US\$300.4 million of the total food cost value, as WFP expands its use of these innovative transfers to reduce hunger.



External Transport Costs

134. Freight prices on traditional high-volume shipping lanes have been decreasing owing to the reduced demand resulting from the global economic crisis. However, the global crisis has had less of an impact on the low-frequency shipping lanes where WFP operates, such as off the coast of West Africa and the Horn of Africa, prices have remained stable and are expected to be stable into the next biennium.
135. It is foreseen that external transport prices may start to increase towards the end of the biennium, but a time lag between price increases and effect on WFP's external transport costs makes it highly unlikely that the increases would be significant.

	2006–2007 actual	2008–2009 estimated	2010 projected	2011 projected	2010–2011 projected	2008–2011 % change
Expenditures (US\$ million)	459.9	640.7	373.5	349.9	723.4	13
Average unit cost (US\$/mt)	62.7	83.1	82.8	84.0	83.4	0

Landside Transport, Storage and Handling Costs

136. In 2010–2011, LTSH requirements are expected to increase in value to US\$1.87 billion, 23 percent more than estimated LTSH expenditure for 2008–2009.
137. In the 2010–2011 biennium, LTSH requirements are projected to account for 22 percent of total operational requirements, a decrease when compared to the original Management Plan (2008–2009).

	2006–2007 actual	2008–2009 estimated	2010 projected	2011 projected	2010–2011 projected	2008/2009– 2010/2011 % change
Expenditures (US\$ million)	1 320.5	1 517.8	976.9	892.3	1 869.2	23
Average unit cost (US\$/mt)	179.9	196.8	216.6	214.1	215.4	9

138. The projected 23 percent increase in LTSH expenditure is primarily due to the higher tonnage requirements that are expected to be transported during the next biennium.
139. While in most WFP operations LTSH rates remain stable there are a few countries – notably Afghanistan, DRC, Chad, Ethiopia, the Sudan and Kenya – where increases have been observed. These are due mainly to insecurity, changes in supply routes and modes of deliveries, poor road infrastructure and exchange rate fluctuations. The overall increase in the average LTSH cost per mt is 9 percent compared to the 2008–2009 estimated expenditures.



Other Direct Operational Costs

140. The ODOC budget is expected to account for 7 percent of operational requirements for 2010–2011. ODOC requirements are projected to increase by 92 percent compared with the 2008–2009 Management Plan estimates; the average ODOC per mt is projected to increase by 70 percent.

	2006–2007 actual	2008–2009 estimated	2010 projected	2011 projected	2010–2011 projected	2008–2011 % change
Expenditures (US\$ million)	111.5	156.5	154.4	145.7	300.1	92
Average unit cost (US\$/mt)	15.2	20.3	34.2	35.0	34.6	70

* Food projects only; excludes SOs

141. The increase is the result of WFP's shift from food aid to food assistance, particularly the increased capacity-building and partnership enhancement with implementing partners, whose costs are now budgeted under ODOC.
142. In addition, increased interventions such as the use of cash and vouchers are also expected to increase ODOC in light of the additional training and monitoring costs associated with these innovative tools.

Direct Support Costs

143. The total DSC budget of US\$1.02 billion represents 13 percent of total operational requirements for 2010–2011, representing a slight increase compared to the original Management Plan (2008–2009) because of more operations in areas with high security-related costs. As with ODOC, DSC costs are linked to food and non-food projects.
144. Table II.14 shows that under the projected expenditures for 2010–2011 the DSC cost per mt is expected to increase compared with the 2008–2009 estimates. DSC costs are particularly high in complex operations such as those in Sudan, Somalia, Afghanistan and Chad, which comprise over 50 percent of the overall DSC requirements for the 2010–2011 biennium. Costs of security and technical support necessary for operations to function effectively, safely and appropriately also contribute to the increase in average cost per mt of food delivered. Any further weakening of the US dollar, affecting all cost components, would also negatively affect DSC costs.
145. DSC savings are expected to result from use of the Global Vehicle Leasing Programme (GVLP), which allows centrally administered vehicle leasing and the purchase of vehicles at preferential prices directly from manufacturers. The sharing of facilities with other United Nations agencies through United Nations Common Services is also expected to reduce expenditure for WFP.



	2006–2007 actual	2008–2009 estimated	2010 projected	2011 projected	2010–2011 projected	2008–2011 % change
Expenditures (US\$ million)	537.1	730.7	519.9	496.6	1 016.5	39
Average unit cost (US\$/mt)	73.2	94.7	115.3	119.2	117.1	24

* Food projects only; excludes SOs

146. DSC requirements include security costs necessary to ensure MOSS and minimum security telecommunications standards (MISTS).

OPERATIONAL REQUIREMENTS BY REGION

147. WFP carries out operations in 73 countries in six regions and has a presence in an additional five countries where it monitors food insecurity. Details of operational requirements by regional bureau and programme category are provided in Table II.15.

	OMB	OMC	OMD	OMJ	OMP	OMS	Total
Volume of operations (thousand mt)							
EMOP	68.1	118.6	264.7	742.2	2.1	1 259.7	2 455.4
PRRO	1 344.7	684.0	543.5	2 163.0	276.8	-	5 012.0
DEV	449.6	79.6	212.6	408.5	41.9	17.8	1 209.9
TOTAL	1 862.4	882.2	1 020.8	3 313.7	320.7	1 277.5	8 677.2
%	21	10	12	38	4	15	100
Value of operations (US\$ million)							
EMOP	42.9	109.9	356.5	668.2	4.0	1 387.4	2 568.9
PRRO	1 116.9	620.2	553.4	1 983.3	297.2	-	4 571.0
DEV	203.2	49.8	195.8	364.6	47.8	12.1	873.4
SO	58.0	-	47.3	70.1	0.7	178.5	354.5
TOTAL	1 421.0	779.9	1 153.0	3 086.2	349.6	1 578.0	8 367.8
%	17	9	14	37	4	19	100



Southern, Eastern and Central Africa Region

- **18 countries**
- **26 million beneficiaries**
- **3.31 million mt of food**
- **US\$3.086 billion budget**
- **39 operations**

148. In the Southern, Eastern and Central Africa Region (OMJ), WFP has operations in 18 countries: Burundi, Congo, Djibouti, DRC, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Rwanda, Somalia, Swaziland, the United Republic of Tanzania, Uganda, Zambia and Zimbabwe. In Eritrea, WFP monitors the food-security situation but has no operations. In Angola,

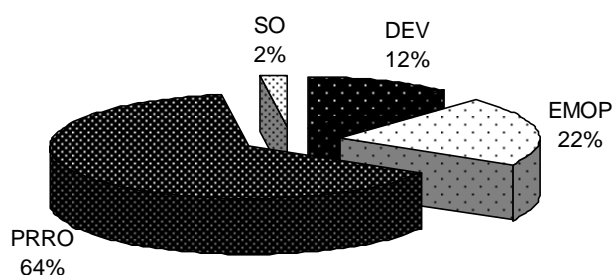
the current PRRO is expected to terminate in December 2009, and the programme for 2010–2011 is still under discussion.

149. OMJ's operational requirements for 2010–2011 are estimated at US\$3.09 billion: US\$1.63 billion for 2010 and US\$1.46 billion for 2011. This represents 37 percent of WFP's overall budget for the biennium and is an increase of US\$1.05 billion compared with the 2008–2009 original Plan. Food costs are forecast to total US\$1.51 billion over the biennium, accounting for 49 percent of OMJ's total operational requirements. During 2010–2011, OMJ plans to purchase about 34 percent of its food requirements at competitive prices on local and regional markets in Africa. WFP plans to assist 26 million beneficiaries in the region over the biennium.

150. OMJ plans to implement 21 PRROs, accounting for 64 percent of its operational requirements, with the largest in Ethiopia, DRC and Zimbabwe.

151. The Somalia EMOP will account for 22 percent of OMJ's operational requirements; the seven DEVs and seven country programmes for 12 percent; and the three SOs in Somalia and DRC for 2 percent.

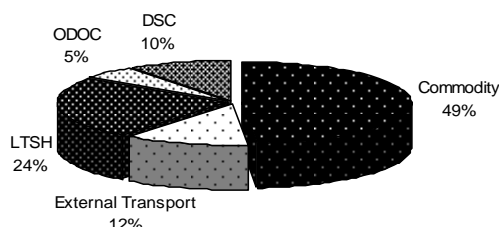
Figure II.7: OMJ Operational Costs by Programme Category (in value terms)



152. The three major relief operations in the region (Ethiopia, DRC, Zimbabwe) are likely to continue to require most of WFP's resources in the region. In the Horn of Africa alone, more than 18 million people require relief assistance. A multitude of factors – HIV/AIDS, weather-related shock, high food, fuel and input prices and the financial crisis – are combining to create more complex hunger and nutrition challenges and a growing hunger problem in the OMJ region.

153. Further loss of incomes and employment and reduced access to government social services throughout the region may result in increased food assistance requirements for the most vulnerable. Political instability, such as the volatile situation in DRC and Somalia, and the growing needs in Kenya may also require an upward revision of beneficiary numbers.

Figure II.8: OMJ Operational Requirements by Cost Component (in value terms)



154. In addition to traditional procurement, WFP will continue to build P4P programmes to help small farmers increase their production and their participation in the market economy. In Malawi, the P4P programme will benefit nearly 38,000 small-scale farmers. In Zambia, as part of the P4P programme, WFP promotes smallholder agriculture through the Zambia Agricultural Commodities Exchange (ZAMACE), which provides a transparent trading platform for the agriculture sector. In Mozambique, smallholders use WFP forward contracts to obtain access to micro-credit programmes.

155. As a response to high food prices and the financial crisis, WFP – together with governments and other partners – has undertaken urban vulnerability assessments in 11 countries of the region. These assessments provided information for the design of social protection and safety net programmes involving school meal and nutrition programmes, and baselines for monitoring the impact of volatile food prices and the global financial crisis.

156. An estimated 10.8 million people live with HIV/AIDS in the 18 OMJ operational countries. These people are among the most vulnerable to hunger and food insecurity, and represent 33 percent of the global total of people living with HIV/AIDS. Of these 10.8 million people, 1.2 million are obtaining anti-retroviral therapy (ART) and a further 2.6 million are in need of it. Adequate nutrition is critical to ensuring ART adherence and success. The number of malnourished people on ART receiving nutrition support is increasing substantially; 16 of the 18 operational countries in the OMJ region now provide this type of support.

157. In Southern, Eastern and Central Africa, chronic and acute malnutrition rates in children under 5 are among the highest in the world. During the coming biennium, WFP will forge stronger partnerships with the United Nations Children's Fund (UNICEF) to combat child hunger and malnutrition in the region through the Renewed Efforts Against Child Hunger (REACH) initiative. To reduce acute malnutrition and improve the general food basket, the regional bureau is pursuing food fortification options. School meal programmes are also being implemented in 16 OMJ countries, targeting 5 million beneficiaries.

158. WFP will continue working in partnership with governments to strengthen their capacities in early warning, disaster preparedness, assessments and food distribution.

Asia Region

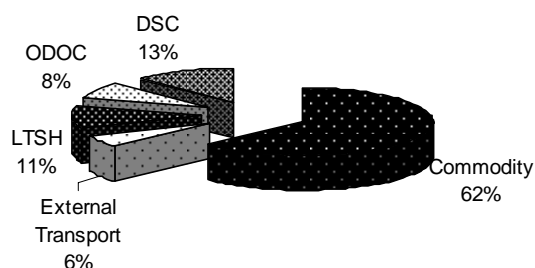
- **14 countries**
- **27 million beneficiaries**
- **1.86 million mt of food**
- **US\$1.421 billion budget**
- **41 operations**

159. In the Asia Region (OMB), WFP operates in 14 countries: Afghanistan, Bangladesh, Bhutan, Cambodia, the Democratic People's Republic of Korea (DPRK), India, Indonesia, Lao People's Democratic Republic (Lao PDR), Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka and Timor Leste.

160. In this region, WFP plans to assist approximately 27 million beneficiaries with approximately 1.86 million mt of food. This will be carried out through a total of 41 operations: 25 ongoing and 16 logical extensions. OMB's total operational requirements for the 2010–2011 biennium are estimated at US\$1.42 billion: US\$733 million for 2010 and US\$688 million for 2011. This represents 17 percent of WFP's overall operational requirements for the biennium.

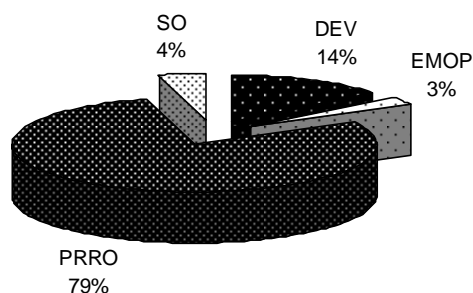
161. The total operational requirements of US\$1.42 billion are made up of food costs of US\$894 million, accounting for 62 percent of OMB's total operational requirements, and non-food costs of US\$527 million. This represents an overall increase of US\$469 million compared with the original estimates for the current biennium. The increases in operational costs are mainly due to the increasing caseload of internally displaced persons (IDPs) in Pakistan and Sri Lanka, most of whom will continue to require assistance as they return to their home areas, and to food-insecure people greatly affected by the high food prices in Afghanistan, Bangladesh, Cambodia and Nepal.

**Figure II.9: OMB Operational Requirements by Cost Component
(in value terms)**



162. OMB anticipates that EMOPs will account for 3 percent of its operational requirements during the biennium; the 18 PRROs planned for 2010–2011 will account for 79 percent; the eight ongoing DEVs and six logical extensions for 14 percent; and the five SOs for the remaining 4 percent.

**Figure II.10: OMB Operational Costs by Programme Category
(in value terms)**



163. Emergency preparedness and response continues to be a priority in the region, including establishment of the Asia Emergency Preparedness and Response (AEPR) facility. In 2010–2011, OMB will focus on some additional priority issues, including investments in the development of different types of ready-to-eat foods that are appropriate for children under 2 years of age and that can be provided in the immediate aftermath of a disaster, to help save lives and prevent acute hunger and malnutrition. The distribution of such foods is currently being piloted in India. OMB will strive to increase its fundraising activities with the fast-growing private sector in this region and will enter into partnerships with enterprises.
164. The Asia region has seen an acceleration in conflict, leading to the displacement of people. Of the 14 countries where OMB operates, only two are without a United Nations security phase. In four countries, WFP works in highly insecure areas that are classified as United Nations Security Phase III and/or above, and in Afghanistan and Pakistan armoured vehicles are necessary for staff transportation.
165. OMB will continue providing assistance to beneficiaries through a variety of interventions including nutrition programmes, post-conflict disaster rehabilitation and assistance for refugees, mother-and-child nutrition programmes and school meal programmes.
166. Rising unemployment, combined with falling incomes and remittances caused by the global economic downturn, are contributing to a rapid increase in the number of hungry poor people. A recent report on food security¹⁰ states that “for 583 million people across Asia and the Pacific, the financial crisis has become a food crisis”. The same report notes that “despite rapid economic growth in Asia-Pacific, the region is home to 62 percent of the world’s undernourished”.

Sudan Region

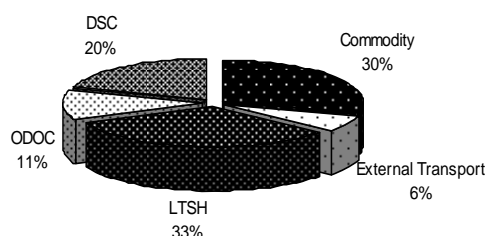
- **6 million beneficiaries**
- **1.28 million mt of food**
- **US\$1.578 billion budget**
- **7 operations**

167. The Sudan Region (OMS) contains four large sub-offices: Darfur; the South; the Three Areas of Abyei, Blue Nile and South Kordofan; and the East.

¹⁰ United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP). Report on Sustainable Agriculture and Food Security in Asia and Pacific, Bangkok, Thailand, April 2009.

168. The US\$1.58 billion operational requirements for the biennium – US\$803 million for 2010 and US\$775 million for 2011 – represent 19 percent of WFP’s overall operational requirements and is an increase of US\$336 million compared with 2008–2009. This increase is due to the continued presence of large numbers of IDPs and conflict-affected households in Darfur, and continued insecurity and political instability in the South and the Three Areas, leading to substantial new displacement. Food costs are forecast to total US\$472 million over the biennium, accounting for 30 percent of total operational costs. This is a low proportion compared with other regions owing to the high operational costs resulting from the security situation and limited infrastructure in many parts of the country. WFP plans to assist 6 million beneficiaries over 2010–2011 – 0.5 million more than planned for the 2008–2009 biennium.

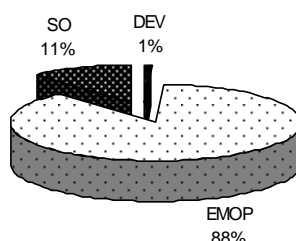
**Figure II.11: OMS Operational Requirements by Cost Component
(in value terms)**



169. During 2010–2011, WFP anticipates that EMOPs in OMS will account for 88 percent of operational requirements. WFP also plans one DEV, accounting for 1 percent of total operational requirements for the region, and four SOs.

170. WFP’s largest emergency continues to be in the Sudan owing to a combination of conflict, large-scale population displacement and poverty. The one-year EMOPs planned for the Sudan 2010 and 2011 will maintain the emergency focus, providing support to large populations in need of general food rations, supplemented by other food safety net interventions.

**Figure II.12: OMS Operational Costs by Programme Category
(in value terms)**



171. Of the cost components, non-food costs account for 70 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. The cost of providing direct programme

support, management and administration in insecure areas also affects the budget significantly and any further deterioration in security would have a significant impact.

172. Activities in the Sudan will be dominated by EMOPs for the foreseeable future. For at least the next two years, long-term support to displaced populations – primarily through general food rations – is expected to remain the largest component of assistance. Darfur will continue to account for the majority of food assistance needs, but the percentage of assistance going to the South and the Three Areas could increase if there is a rise in political tension in the lead-up to the 2010 elections and the 2011 referendum on the future status of the South.
173. OMS intends to expand the supply of milling vouchers to beneficiaries in 2010. Vouchers have been shown to reduce the need for beneficiaries to sell part of their entitlements to cover the cost of milling, and improve the level of consumption of cereal rations.
174. Following an assessment carried out in 2008, OMS also intends to launch a P4P activity in Central and Western Equatoria, purchasing maize and sorghum from farmers' associations.
175. WFP plans to continue its partnerships with NGOs and other United Nations organizations, particularly through UNHAS, although the funding for this important initiative remains unsure.

Middle East, Central Asia and Eastern Europe Region

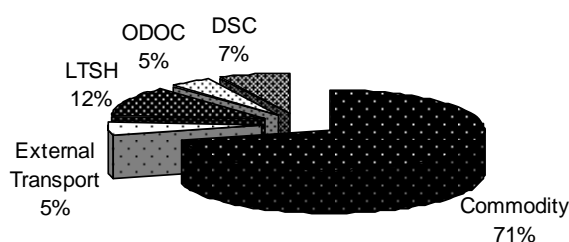
- **11 countries**
- **7 million beneficiaries**
- **0.882 million mt of food**
- **US\$780 million budget**
- **21 operations**

176. In the Middle East, Central Asia and Eastern Europe Region (OMC), WFP operates in 11 countries: Algeria, Armenia, Egypt, Georgia, the Islamic Republic of Iran, Iraq, Kyrgyzstan, the Occupied Palestinian Territory, the Syrian Arab Republic, Tajikistan and Yemen. In Azerbaijan and the Kingdom of Jordan, WFP monitors the food security situation but does not have operations.

177. The total operational requirements of US\$780 million for the biennium consist of US\$387 million for 2010 and US\$393 million for 2011, representing 9 percent of WFP's overall operational requirements for the biennium. This US\$780 million is made up of food costs of US\$552 million, representing 71 percent of the total, and non-food costs of US\$228 million. This overall increase of US\$484 million from the original Management Plan (2008–2009) is mainly due to the expansion of operations in Yemen.
178. WFP plans to assist 7 million beneficiaries in the region during 2010–2011. In Yemen, the worsening food security situation is expected to lead to higher numbers of vulnerable, food-insecure individuals in need of assistance. Operations assisting IDPs will continue in the region.

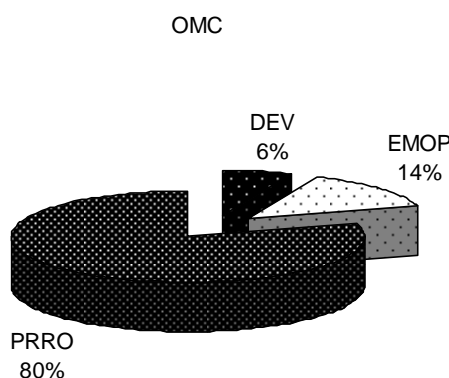


**Figure II.13: OMC Operational Requirements by Cost Component
(in value terms)**



179. During the 2010–2011 biennium, WFP anticipates that five EMOPs – four ongoing and one logical extension – will account for 14 percent of regional budget requirements, 13 PRROs for 80 percent, and 3 DEVs for the remaining 6 percent.

**Figure II.14: OMC Operational Costs by Programme Category
(in value terms)**



180. The region encompasses projects responding to: i) refugee and IDP situations in Algeria, Georgia, the Islamic Republic of Iran and Yemen; ii) the global economic downturn, which most recently has affected Armenia, Kyrgyzstan and Tajikistan; and iii) post-conflict situations in the Occupied Palestinian Territory and Iraq. OMC also includes middle-income countries with functioning markets, such as Egypt, where there is fertile ground for implementing capacity-building and social safety-net interventions.

181. WFP plans to use new initiatives to address the needs of beneficiaries in the region. For example, the Occupied Palestinian Territory EMOP includes a cash voucher component to address high food prices and inject new investment into the Palestinian economy. The use of vouchers will also be considered in the design of a new PRRO for Yemen to assist malnourished and pregnant and lactating women and malnourished children aged 6 to 24 months.

182. WFP is also currently implementing school meal programmes for 716,000 beneficiaries in Algeria, Egypt, the Islamic Republic of Iran, Iraq, the Occupied Palestinian Territory, the Syrian Arab Republic, Tajikistan and Yemen.

183. WFP will continue to operate with partner organizations to provide food assistance in the region. For example, in Egypt WFP is working with the Global Alliance for Improved Nutrition (GAIN) on vitamin A fortification of vegetable oil; this will be followed by a study of the stability of vitamin A in the oil.

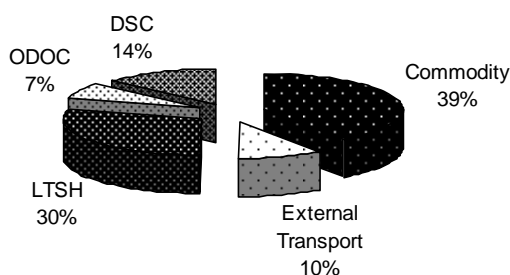
West Africa Region

- **19 countries**
- **11 million beneficiaries**
- **1.021 million mt of food**
- **US\$1.153 billion**
- **43 operations**

184. In the West Africa Region (OMD), 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.

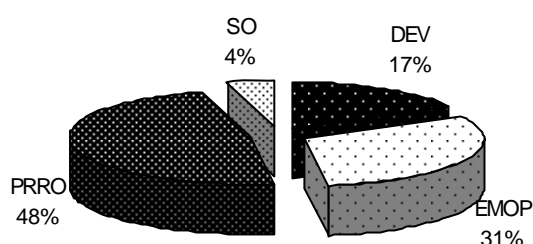
185. The US\$1.15 billion operational requirements for the biennium consist of US\$567 million for 2010 and US\$586 million for 2011. This represents 14 percent of WFP's overall operational requirements for the biennium and an increase of US\$539 million and 0.3 million mt of food compared with the 2008–2009 Management Plan. Food costs estimated at US\$464 million account for 39 percent of OMD's operational requirements, and non-food costs at US\$689 million for 61 percent.

**Figure II.15: OMD Operational Requirements by Cost Component
(in value terms)**



186. OMD plans 16 PRROs, accounting for 48 percent of its total operational requirements and assisting beneficiaries in post-conflict and livelihood recovery activities. The three planned EMOPs account for 31 percent of total planned operational requirements.

**Figure II.16: OMD operational costs by programme category
(in value terms)**



187. The increase in EMOP requirements results from the need for scaled-up interventions due to the Chad emergency, and a continued deterioration of the situation in the Central African Republic.
188. OMD plans 21 DEVs, including 12 country programmes, representing 17 percent of total operational requirements and assisting beneficiaries in non-emergency contexts in coping with problems of malnutrition, chronic food insecurity and asset rehabilitation. Access to many areas in the region is difficult owing to poor or non-existent transport networks, often rendered impassable by rains. To overcome these constraints and ensure that food assistance is provided, three SOs totalling US\$47.3 million are planned.
189. Although long-lasting conflicts in the region have been settled – such as in Liberia and Sierra Leone – many countries continue to suffer from political instability and are in post-conflict phases. Upcoming presidential elections in Guinea, Côte d’Ivoire, Guinea-Bissau, Niger and Mauritania may be accompanied by increased instability, which could compromise the implementation of some WFP activities. The region continues to be severely affected by high food and fuel prices, the financial crisis and weakening of government structures.
190. With four P4P implementing countries in the region – Burkina Faso, Liberia, Mali and Sierra Leone – requiring a total of US\$5.4 million, OMD is striving to enhance local procurement and strengthen market access for poor farmers. As another tool for contributing to safety nets, the school meal programmes implemented in all 19 OMD countries target 3.9 million schoolchildren for 2010, through improved nutrition and enhanced access to education, and represent 24 percent of the overall activity portfolio.

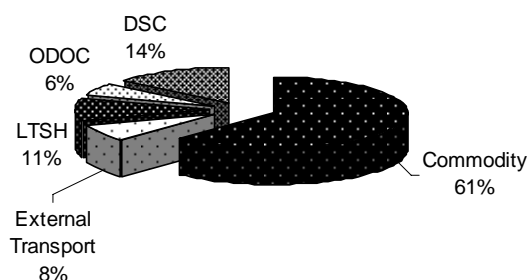
Latin America and the Caribbean Region

- **10 countries**
- **6 million beneficiaries**
- **0.32 million mt of food**
- **US\$350 million budget**
- **20 operations**

191. In the Latin America and the Caribbean Region (OMP), WFP operates in ten countries: Bolivia, Colombia, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Peru. It also maintains offices to support capacity development in government programmes in the Dominican Republic.

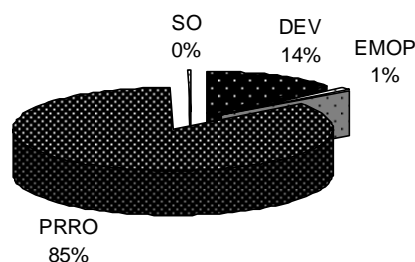
192. Total operational requirements for 2010–2011 are US\$350 million: US\$185 million for 2010 and US\$165 million for 2011. This represents 4 percent of WFP's overall operational requirements for the biennium. Non-food costs are projected to make up 39 percent of the total, as a large portion of the food is procured regionally and locally and many of the LTSH and food distribution costs are borne by governments. In 2010–2011, WFP plans to assist 6 million beneficiaries in the region.

Figure II.17: OMP Operational Requirements by Cost Component (in value terms)



193. OMP is planning to assist beneficiaries during the next biennium through six single-country PRROs – which, together with one regional PRRO, account for 85 percent of the region's planned requirements – 11 development and country programmes, one EMOP and one SO.

Figure II.18: OMP Operational Costs by Programme Category (in value terms)



194. OMP has the world's most unequal income distribution, leading to large variations in poverty and undernutrition rates within the region, and within individual countries. Chronic undernutrition affects 16 percent, or 9 million children under 5, rising to



70 percent among indigenous populations. Micronutrient deficiencies, especially anaemia, are widespread in most countries within the region, with the highest national rates reported in children under 2, reaching 83.8 percent in Bolivia and 83.3 percent in some areas of Haiti. The vulnerability of at-risk populations is exacerbated by recurrent natural disasters, including hurricanes, earthquakes, flooding and droughts, which have been increasing throughout the region in number and intensity in recent years, owing to weather-related shock.

195. The financial crisis has already led to a significant reduction in employment and remittances. Meanwhile, rural households are suffering from decreased purchasing power due to high prices of food, agricultural inputs and raw materials.
196. In the Central American countries of El Salvador, Guatemala, Honduras and Nicaragua, WFP is piloting the P4P initiative to provide a platform for sustainable development in the region by increasing agricultural production while improving the livelihoods of smallholder farmers. The emphasis on linking farmers to government food-based programmes and private industry will ensure that project results are sustained beyond the pilot phase.
197. OMP will work closely with governments to complement and strengthen food-based social safety net programmes that ensure access to food for the most vulnerable groups. WFP programmes and initiatives will focus on the most marginalized populations including indigenous peoples, afro-descendants and people with HIV.
198. OMP will also continue to support the improvement/development, production and distribution of fortified complementary foods (FCFs) and micronutrient supplements designed for children under 2 to 3 years and pregnant women, based on successful experiences in priority countries in the Central America and Andean subregions – particularly Guatemala, Bolivia and Ecuador – and the strengthening of national fortified food programmes for general consumption.

IMPROVING OPERATIONAL EFFECTIVENESS

Introduction

199. WFP continues to refine its operational systems and response mechanisms to enable it to cater more effectively for the needs of planned beneficiaries and to prepare it to respond quickly and efficiently to emerging needs and unforeseen emergencies. As well as strengthened business processes, this requires continuous efforts and innovations in the areas of preparedness, operations planning and management.

Resource Allocation

200. To ensure the effective use of resources, WFP has formed a management committee that will maintain a strategic overview of needs and incoming resources. The SRAC will examine the changing needs and changing environment in which WFP operates, including the volatility of commodity prices, to prioritize the allocation of resources.

201. The SRAC will:

- oversee strategic prioritization for the allocation of all resources, including extra-budgetary funds and advance financing;
- maintain a strategic overview of needs and shortfalls in WFP operations and their associated impacts;
- prioritize areas for major appeal and fundraising; and
- ensure development of and compliance with policies, guidelines and procedures within the WFP financial framework.

202. The SRAC will oversee subsequent phases of the financial framework review process, including meetings with Board members and the preparation of Board documents. Outside experts from the World Bank and other partners may be consulted as appropriate.

Strengthened Assessments and Analysis

203. WFP will continue to monitor the food security situation at the global and country levels, and assess the vulnerability of food-insecure populations. WFP's VAM uses cutting-edge analytical approaches to identify country-specific causes of food insecurity and monitor risk factors that could aggravate household food insecurity. This helps inform the design of appropriate humanitarian and longer-term responses to complex food crises and hunger challenges.

204. Advanced technologies such as satellite imagery, personal digital assistants (PDAs) and mobile telephones allow the quick transmission of data. Analytical tools such as forecasting and scenario building help determine the impact of food availability, access and utilization challenges at the household level. The food consumption score (FCS) – a composite score based on dietary diversity, food frequency and the relative nutritional importance of different food groups – is increasingly used to classify levels of food insecurity for targeting purposes. Geographic information system (GIS) techniques link geographic factors to socio-economic and political information to improve understanding of the root causes of hunger and vulnerability. VAM is also used to monitor potential threats to food security through global and country-specific networks and partnerships.



205. WFP needs assessments – conducted in cooperation with FAO, other United Nations agencies, host governments, cooperating partners and donor representatives – analyse the impact of a shock on the food security situation, to ensure appropriate response and improved targeting and for advocacy purposes. The FAO/WFP crop and food supply assessment missions (CFSAMs) determine the national food supply situation after emergencies and the need for international food assistance.
206. During the 2010–2011 biennium, WFP will continue its efforts to incorporate nutrition and market data into VAM and needs assessment tools; encourage national participation and ownership, particularly of food security monitoring systems; and strengthen the assessment and analysis capacity of its own, government and partner staff. WFP also continues to improve linkages between assessment and response.

⇒ *Economic shock and hunger index*

207. As the global economic recession threatened to push more people into hunger and poverty, WFP developed and deployed the economic shock and hunger index (ESHI) to improve understanding of which countries are likely to become more vulnerable to food insecurity owing to the financial and economic crisis. ESHI analysis considers key financial and economic factors, as well as broader food security indicators, to understand the food security implications on lower- and middle-income countries. In five countries, ESHI analysis has been followed by case studies to assess the effects of the financial crisis on the ground and to observe the specific channels through which different countries could be affected, such as remittances, exports, currency depreciations, foreign direct investments and official development assistance. While the impact of the economic crisis is still evolving, the most affected population groups appear to be urban, unskilled workers; families who rely on remittances; retrenched workers from the export sectors; miners and tourism sector workers; and poor households. Households affected by the economic crisis are currently coping by diversifying their income sources, withdrawing children from school, delaying or reducing expenditures on health care, reducing the number of meals eaten per day and/or eating less nutritious but cheaper foods.
208. ESHI analysis has informed country-specific responses in two countries, and is being used more broadly as a tool for engaging governments in discussion of national action plans and the need to strengthen safety nets and social protection systems for affected groups. It is also feeding into nascent, New York-based efforts, led by the Secretary-General, to develop a global vulnerability index and alert system.

Improved Programme Response

209. The Strategic Plan (2008–2011) outlines a more focused and robust set of tools for responding to emergency and other critical hunger needs. WFP continues to develop and test its new tools in a range of contexts, and intends to begin mainstream implementation during the 2010–2011 biennium.

⇒ *Emergency preparedness and response*

210. Strengthened preparedness requires that information be at hand and plans in place before a crisis. WFP's Emergency Preparedness and Response branch continues to refine systems to ensure WFP's response is rapid, effective and cost-efficient, taking into account existing beneficiary caseloads and new, potential needs. Whether adapting to climate change, preparing for a pandemic, or confronting a volatile world, preparedness is crucial. WFP



preparedness includes contingency and continuity planning, pandemic preparedness, information management, early warning and GIS/mapping.

211. WFP is also strengthening partnerships with leading academic and scientific institutions, which provide it with external expertise and ground-breaking technology, such as satellite data, free of charge, and support risk mapping and early impact analysis. For instance, the Polytechnic of Turin has established the Information Technology for Humanitarian Assistance Cooperation and Action (ITHACA) Institute to help WFP develop flood and drought modelling systems. Within 24 hours of a sudden natural disaster, early impact satellite maps are produced for use by WFP response teams and, increasingly, national authorities in managing their response, as witnessed last year in Mozambique, Central America and Asia.
212. Taking into account the results of a recent evaluation, WFP plans to integrate corporate processes for contingency planning, business continuity planning and risk analysis into a single preparedness plan.

⇒ *Cash transfers and vouchers*

213. Following the Executive Board's adoption of the policy on cash and voucher transfers in 2008, WFP continues to adapt systems, processes and capacities to implement such transfers. Moving towards a situation in which all resource transfer modalities will have equal status for WFP, the choice of transfer modality will be based increasingly on each modality's comparative advantage in meeting beneficiary food assistance needs and achieving programme objectives in the most efficient, effective, timely, safe and context-specific manner. During the 2010–2011 biennium, WFP and cooperating partners will continue to develop cash transfers and vouchers in different contexts and towards different outcomes, and will strengthen technical support to country offices. WFP will also roll out guidelines, and continue building staff and partner capacities to make appropriate choices and to design and manage programmes involving cash and voucher transfers.

⇒ *Enhanced efforts to reduce malnutrition and strengthen partnerships*

214. In accordance with the Strategic Plan and previous institutional policies, WFP must improve its overall approach to nutrition by giving full consideration to the nutritional content of food rations, recognizing the undisputed role of food as a means of providing optimum nutrition and that hunger and undernutrition are major determinants of mortality, economic growth and prosperity. This entails broadening WFP's nutrition agenda from a niche to a mainstream activity focused on prevention and treatment of undernutrition, including delivery of nutritious food interventions tailored to the specific needs of beneficiaries.
215. The growing availability of new nutritionally enhanced food products, increased proportions of cash donations – coupled with new programme solutions such as conditional cash transfers and vouchers – and growing private sector support have created a unique opportunity for WFP to strengthen its approach to nutrition and make lasting gains in the fight against hunger. WFP will enhance its institutional and human capacity, especially in the areas of problem assessment and analysis; innovative programming, including the development and use of nutritionally enhanced food products; effective collaboration with partners, including the private sector; and improved monitoring and evaluation and documentation of results. WFP will also encourage the production, processing and purchase of local nutritious foods, while ensuring the highest food quality and safety standards.



216. This enhanced approach to nutrition will inform WFP's engagement in REACH, which is an increasingly important vehicle for forging global and national partnerships and action to reduce the proportion of underweight children globally by 2015, in line with MDG 1. WFP has signed a joint letter with UNICEF, FAO and the World Health Organization (WHO) to formalize their leadership of the REACH partnership, which includes NGOs, academics, the private sector and governments. Currently operational in two countries as a pilot, WFP expects and encourages REACH to expand country-level efforts during the biennium, drawing on its success to date.
217. Partnerships to fight hunger and undernutrition will increasingly feature in WFP's work throughout the 2010–2011 biennium. Implementing the Strategic Plan requires that WFP make long-term solutions to the hunger challenge part of a coherent global strategy, led by governments and including all stakeholders. This requires dialogue, compromise, equality and sharing of costs, and may entail surrendering a degree of independence. In pursuing partnerships, WFP may focus on specific capacity-building initiatives, or hand-over strategies developed with national, sub-national, or local institutions, whose engagement is based on their comparative advantages. Partnerships with regional institutions such as the African Union (AU) and the Association of Southeast Asian Nations (ASEAN), may also help to create a coalition in which humanitarian actors are equal partners with governments and citizens in strategy, policy and programme dialogue.

⇒ *Purchase for Progress*

218. During the biennium, WFP will continue to implement the five-year Purchase for Progress (P4P) pilot, through which it aims to learn how best to use its market presence in developing countries to improve the incomes and livelihoods of smallholder/low-income farmers by increasing their production of staple commodities and enhancing their access to markets for their surpluses. With technical contributions from partners, P4P is expected to have a significant and direct impact on farmers' incomes and to contribute to breaking the hunger-poverty cycle.
219. The P4P pilot will inform future changes in WFP's procurement policies and procedures. During its five-year pilot, P4P expects to reach at least 400,000 smallholder/low-income farmers in the 21 P4P pilot countries.

⇒ *Programme Review Committee*

220. WFP has revamped its internal Programme Review Committee (PRC) to ensure greater quality control and consistency across its worldwide programmes. The PRC recommends projects for approval to the Executive Director, and supports disciplined and realistic project design by drawing on expertise from throughout WFP, including specialists in programme activity areas, nutrition, logistics, procurement, finance, budget, policy and fundraising.



Logistics and Information and Communications Technology

⇒ *United Nations Humanitarian Response Depots Network*

221. To optimize the response capacity of WFP and the wider humanitarian community, WFP logistics set up the UNHRD Network in five strategic locations close to disaster-prone areas: Ghana, the United Arab Emirates, Southeast Asia, Panama and Italy. The Network enables all users to pre-position emergency supplies – food and other essential relief items – and logistics support equipment. When disaster strikes, stored relief items can be delivered to the affected areas anywhere in the world within 24 to 48 hours.
222. Finalizing the Network expansion will help to ensure not only that WFP meets its corporate goal of being prepared to respond to four emergencies at any one time, but also that the overall humanitarian response is more cohesive, faster and cheaper, saving lives and making funds go further.

⇒ *Emergency response clusters*

223. As the designated global logistics cluster lead, WFP continues to prioritize preparedness at the global and local levels through inter-agency logistics training, information sharing, standardization and building of common tools, such as a tracking system for relief items, logistics GIS and common guidelines and manuals. Investments in the global logistics cluster support cell significantly improve the overall coordination of humanitarian emergency responses through established networks, increased knowledge of overall logistics capacities on the ground, and standardization to improve efficiency, leading to an aligned response.
224. The global logistics cluster support cell provides support to field operations, especially in identifying logistics capacities and gaps during emergencies and establishing coordination mechanisms to ensure an efficient and effective logistics response. When required, WFP provides logistics services to the humanitarian community through the logistics cluster. Support from the global level, coordination and cooperation on the ground, and the provision of inter-agency services are crucial to WFP in meeting its responsibilities as cluster lead.
225. The emergency telecommunications cluster (ETC) ensures timely, predictable and effective provision of inter-agency telecommunications services in support of humanitarian operations – clusters and humanitarian partners – from the onset of an emergency. Global ETC leadership is provided by two agencies: the Office for the Coordination of Humanitarian Affairs (OCHA) as process owner, and WFP as service provider for security communications and data communications. WFP provides country-level ETC leadership in most emergencies. WFP is also playing a key role in initiatives such as the Global Partnership for Emergency Communications involving WFP, the Vodafone Foundation and the United Nations Foundation. WFP has developed the information technology (IT) Emergency Preparedness and Response (EPR) management training programme to teach best practices and enhance emergency response.



Advance Financing and other Business Processes

⇒ *Advance financing mechanisms*

226. There are three internal advance financing facilities available to country offices: i) the Immediate Response Account (IRA) of US\$70 million; ii) the DSC Advance Facility (DSCAF) of US\$35.9 million; and iii) the working-capital financing (WCF) facility of US\$180 million. During the 2008–2009 biennium, US\$668.96 million in advance financing was loaned to support food and non-food operations.
227. Implementation of advance financing mechanisms, which will continue throughout the biennium, helps reduce lead-times by allowing funds to be made available based on forecast contributions.

⇒ *Forward Purchase Facility*

228. WFP established the Forward Purchase Facility (FPF) to reduce further the lead-time from when a contribution is confirmed to when the aid reaches the beneficiary. US\$60 million was used from the WCF to allow WFP to commence the forward purchasing of commodities for the Southern Africa region and the Horn of Africa.
229. The objective of this special account is to allow WFP to commence purchasing commodities at an earlier stage than in the existing process, so as to hasten the delivery of food to beneficiaries and exploit favourable market conditions. At the time of purchase, the commodities purchased are not tied to individual projects. Instead purchases are based on the aggregated project needs for a region and the related aggregated resource forecasts. This allows WFP to make purchases earlier than it would otherwise, reducing the required lead-time by as much as 90 days.
230. In the FPF Special Account's first eight months of operation, 315,000 mt of mainly cereals was purchased and allocated to operations in the Southern Africa region and the Horn of Africa. Use of the special account is planned to continue and may possibly expand during the biennium.

⇒ *Multilateral contributions*

231. In an increasingly fragmented aid environment and in the wake of the global food and financial crises, predictable, multilateral funding is particularly important to WFP. Multilateral funding allows WFP's donors to support aid effectiveness and good humanitarian donorship. It adds a significant degree of stability, predictability and confidence to WFP's financial planning, and improves WFP's ability to manage operations and associated risks. Confirming multilateral contributions early in the year enhances their benefits.
232. In 2009, multilateral funding has allowed WFP to react more quickly and effectively when new emergencies occur, such as when supporting IDPs in Pakistan; when pre-positioning stocks ahead of the rainy season in Darfur; when supporting low-profile emergencies, such as in the Central African Republic; and in protracted refugee situations. Multilateral funds play a key role in the efficient use of WFP's advance financing mechanisms, such as the IRA, which has helped bridge severe resourcing gaps in key EMOPs in 2009, including in Gaza. During the 2010–2011 biennium, WFP hopes to increase the proportion of its resources that come through multilateral channels, including improving the resources processes in the context of the financial framework review process.



⇒ *WINGS II*

233. The major upgrade of the WINGS II went live in July 2009. WINGS II promotes better planning at the project preparation stage and improved programming during the implementation of operations. It will result in more efficient utilization of resources in 2010–2011 and beyond.
234. WINGS II provides better and automated systems to support IPSAS-compliant processes. IPSAS was implemented in WFP in January 2008. It enhances comparability with other public sector entities, and increases the accountability and transparency of WFP.
235. WINGS II has simplified advance-financing management and administration, facilitating projects' use of their forecast contributions as collateral. This will lead to better decision-making for the utilization of resources and allow quicker access to resources, avoiding project pipeline breaks.
236. Country offices, regional bureaux and liaison offices are now represented in WINGS II as distinct Business Areas, enabling WFP managers in the field to improve their management and control of the resources under their responsibility. The introduction of Business Areas makes it easier for managers to monitor and control financial transactions, supply chain activities, financial performance, budgetary status and human resources and to make decisions for utilizing their resources as efficiently and effectively as possible.

SECTION III: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET

Introduction

237. This section sets out WFP's Programme Support and Administrative (PSA) budget for the 2010–2011 biennium and describes the associated organizational structure of WFP. The PSA budget provides for management, administrative and programme support at Headquarters, regional bureaux and country offices. One-off allocations for capital and capacity expenditures from the PSA Equalization Account are also described in this section.

Overview, Methods and Assumptions

238. The PSA budget is funded from ISC recoveries from contributions, in line with WFP's full-cost recovery policy.

239. The PSA budget for 2010–2011 is based on projected income of US\$7.5 billion, which would generate a minimum US\$476 million in ISC income. The PSA budget takes into account resources that are expected to be made available from the funding of approved operations and their logical extensions, and the balance of current reserves.

240. Given the uncertainty created by the global economic crisis, the proposed PSA expenditure of US\$238 million per annum – US\$476 million for the biennium – is only 6 percent higher than the approved PSA for 2009 of US\$225 million. The modest increase in proposed PSA results from a rise in standard staff costs of US\$9 million per annum and additional funding for priority areas of US\$4 million per annum, which includes an increase in the field contingency fund of US\$1.5 million per annum.

241. WFP's priority areas for PSA are: i) accountability; ii) evaluation; iii) food quality assurance; iv) audit and investigations; and v) the field. Table III.1 shows the annual budgets by appropriation line to reflect the projected budget for 2010–2011, which is based on the approved PSA level of 2009, plus the minimal increase for the priority areas and an increase in standard staff costs.

	Actual			Estimated	Projected	
	2006	2007	2008	2009	2010	2011
Programme support – regional bureaux and country offices	66	67	54	65	72.5	72.5
Programme support – Headquarters	49	50	51	59	59.1	59.1
Management and administration	97	97	84	101	106.4	106.4
TOTAL	212	214	189	225	238.0	238.0

* Estimated 2008-2009 total amount is US\$414 million that is US\$3 million higher than the US\$411 million level approved by the Board in October 2008.

The US\$3 million difference relates to expenditures in 2008 made against prior period obligations.



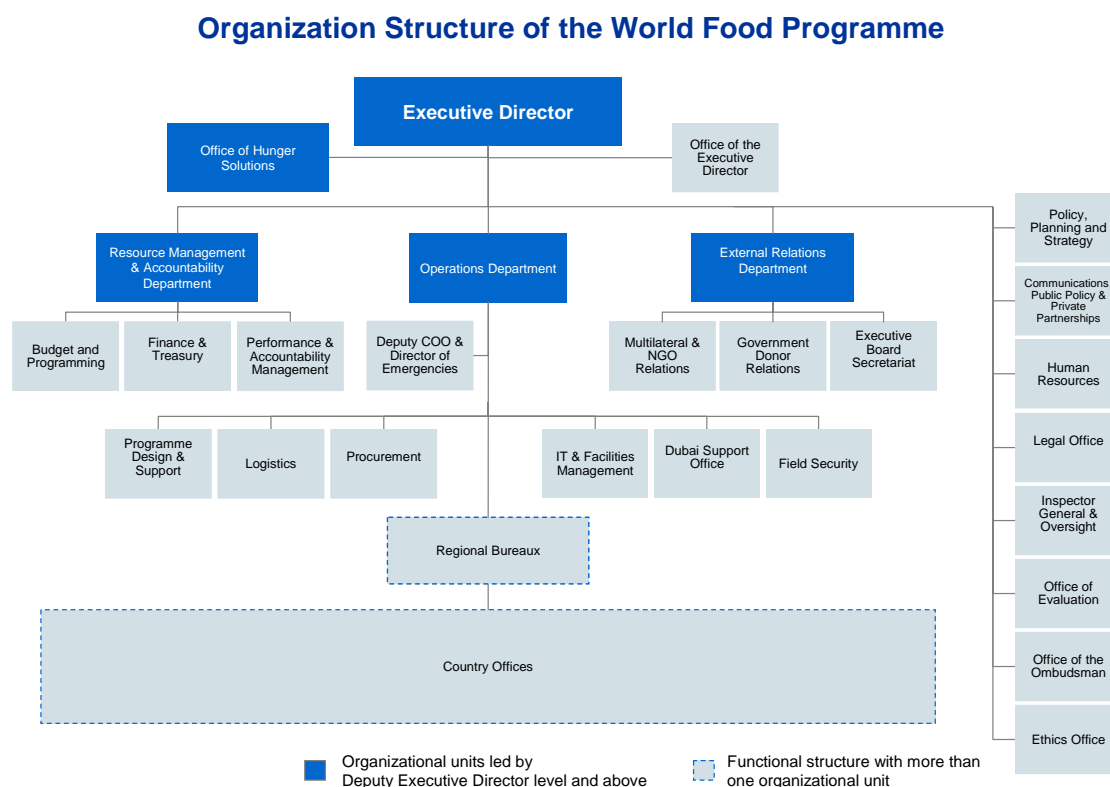
242. To ensure the most effective prioritization of PSA resources for 2010–2011, WFP has reviewed its internal organization and consolidated processes for improving support for field offices and adjusted the PSA resource allocations to address a limited number of priority areas to increase efficiency, transparency and accountability and improve field response.

243. The opening balance of the PSA Equalization Account at the beginning of the 2010–2011 biennium is expected to be substantially higher than at the beginning of the 2008–2009 biennium. This is because of substantial PSA reductions in 2008, combined with the rise in the funding for operations, which led to an increase in ISC income.

Organizational Changes

244. Following the establishment of WFP's new leadership team through the appointment of three new Deputy Executive Directors, WFP concluded its restructuring in April 2009. The organizational changes, in line with the Strategic Plan (2008–2011), enhance WFP's ability to assist its beneficiaries efficiently and cost-effectively and provide a stable platform from which to address the changing operational environment with minimal increases in the number of staff positions. In restructuring, WFP consolidated a number of units and divisions to align processes, improve efficiency and stability and address the needs of field offices more effectively.

Figure III.1: Organizational Structure



245. The four main sections in the revised structure are: i) the Operations Department; ii) the Resource Management and Accountability Department; iii) the External Relations Department; and iv) the Office of Hunger Solutions.

246. The Operations Department is headed by a Deputy Executive Director, who is also the Chief Operating Officer. It has direct management responsibility for field operations and systems that support WFP's work such as the supply chain, programme design, IT and facilities management. The regional bureaux will continue to report directly to the COO.
247. The Resource Management and Accountability Department is headed by a Deputy Executive Director, who is also the Chief Financial Officer. The department integrates financial management functions and promotes better systems for external and internal accountability; it will also oversee resource allocation, including budgeting and contribution programming. Three divisions will report to the Deputy Executive Director for Resource Management and Accountability: i) the Budget and Programming Division; ii) the Finance and Treasury Division; and iii) the Performance and Accountability Management Division.
248. The External Relations Department is headed by a Deputy Executive Director. It will maintain WFP's relations with partners such as governments, United Nations agencies and NGOs. The department is WFP's interface with the United Nations system, which is critical in the current reform environment. The Government Donor Relations Division, the Multilateral and NGO Relations Division and the Executive Board Secretariat report to the Deputy Executive Director for External Relations.
249. The Office of Hunger Solutions is headed by a Deputy Executive Director. It will continue to work with regional institutions throughout the globe, including the African Union (AU), the New Partnership for Africa's Development (NEPAD) and the regional bureaux on coherent action on hunger and global advocacy and leadership on hunger issues in the United Nations system.

Overview of Responsibilities of Regional Bureaux, Country Offices and Headquarters

⇒ *Regional bureaux*

250. The regional bureaux are fundamental to WFP's ability to implement large-scale operations. They also develop and strengthen partnerships with governments, United Nations agencies and international organizations within regional and subregional policy frameworks. They support WFP's country offices primarily in:
- oversight of programme implementation and technical support in nutrition, VAM, HIV/AIDS needs assessments, and reporting;
 - financial management and support;
 - logistics and tracking of food deliveries;
 - regional advocacy, fundraising and pipeline reporting;
 - coordination with United Nations agencies and NGOs; and
 - IT and WINGS II support.
251. The regional bureaux ensure that: i) adequate logistics support is provided; ii) active corridors are managed; iii) local food procurement is handled according to WFP procedures; iv) resources are safeguarded and utilized efficiently through the financial oversight functions; and v) media and advocacy strategies are provided to support



country offices implementing operations. Most bureaux also support country offices in ICT, human resources management and regional fundraising.

⇒ *Country offices*

252. The core responsibility of country offices is to implement projects and programmes in accordance with the Strategic Plan (2008–2011). The food and nutrition security situation in each country is regularly monitored, with a focus on vulnerable groups such as IDPs, refugees and people affected by conflict; contingency planning and emergency preparedness are developed accordingly. With the support of the regional bureaux and Headquarters, the country offices ensure the implementation of WFP-assisted activities and utilization of resources in line with policies. Country offices support development and humanitarian activities and develop joint programmes in the context of United Nations Development Assistance Frameworks (UNDAFs) and other United Nations programmes.
253. The country offices work in partnerships with donors, host governments, other United Nations agencies, local institutions and NGOs. They support capacity development to facilitate the hand-over of WFP-assisted activities and take the lead in advocating for the hungry poor and developing media and public information material.
254. The Management Plan (2010–2011) includes 78 country offices, of which 5 do not have operational activities but are involved in the analysis of food and nutrition security.

⇒ *Headquarters*

255. The primary responsibility of Headquarters is to ensure that WFP achieves its mandate, guided by the Board. It helps to formulate policies on the basis of inputs from the regional bureaux and country offices, and in turn provides them with normative guidance, advice and support. In the current world recession, units in Headquarters are monitoring global vulnerability and food insecurity and the impact of fluctuations in food prices. Headquarters helps the regional bureaux and country offices in food security monitoring and contributes to the launch of new initiatives.
256. Core responsibilities are to ensure coherence in the assessment, design and implementation of WFP activities by providing advice and expertise in VAM, project design, logistics, procurement and IT, and to provide management support in human resources, finance and security.
257. Headquarters takes the lead in resource mobilization and is responsible for the allocation of resources and prioritization of activities in recipient countries. It is also involved in advocacy in favour of the hungry poor through the media; this also involves developing partnerships with governments, United Nations agencies, international and regional organizations, and civil society.



Funding of the Budget Proposal

258. If the foreseen programme of work of US\$8.95 billion for programmes and operations is fully funded, US\$585 million of ISC resources would be expected to be generated. This would cover the proposed PSA budget of US\$476 million.
259. WFP's contribution income forecast is based on the more conservative assumption that 84 percent of requirements will be funded. On the basis of a foreseen programme of work of US\$8.95 billion, forecast contribution income would amount to US\$7.50 billion for the 2010–2011 biennium. With a 7.0 percent ISC rate, this would generate a minimum of US\$476 million in ISC income, without considering income that might be generated for unforeseen requirements.

PSA Budget Proposal 2010–2011

260. Table III.2 compares the proposed 2010–2011 PSA by appropriation line with 2006–2007 actual and 2008–2009 estimated costs and posts.

	2006–2007 actual			2008–2009 estimated			2010–2011 projected		
	Post count		Total cost [*]	Post count		Total cost [*]	Post count		Total cost [*]
	Prof.	Total		Prof.	Total		Prof.	Total	
Programme support: regional bureaux and country offices	212	817	133.06	173.5	653	118.54	176	655.5	145.01
Programme support: Headquarters	142	266	98.79	159.0	301	108.83	159	302.0	118.14
Management and administration	293	530	193.66	264.0	492	183.76	266	498.5	212.85
TOTAL	647	1 613	425.51	596.5	1 446	411.13	601	1 456.0	476.00

^{*} Total cost column reflects staff and other costs.

261. The period during which WFP had the highest number of PSA-funded positions was 2004–2007, when the number peaked at 1,613; the programme of work was approximately US\$6 billion for each biennium. Because of funding uncertainties during the 2008–2009 biennium, PSA-funded positions were reduced to 1,324, with an expected programme of work of US\$5.8 billion. Because the programme of work for the biennium doubled, the Board approved additional positions in October 2008 to bring the total to 1,446. During the next biennium, WFP's currently foreseen programme of work is US\$8.95 billion, with a proposed increase of ten PSA-funded positions.



Indirect Support Costs

262. At the Board's Annual Session in 2006, the Secretariat, at the request of the Board, presented a comprehensive review of the ISC rate.¹¹ On the basis of the review, the Board requested the Secretariat to apply a methodology outlined in the document to set the ISC rate for future Management Plans. For 2010–2011, applying the methodology presented results in the following proposal for the ISC rate:

- | | | |
|----|---|--------|
| 1) | Establish the baseline rate from latest available financial statements: | |
| | 2008 Baseline (from audited financial statements) | 4.52% |
| 2) | Adjust for any changes to planned indirect expenditure: | |
| | Increase for higher indirect expenditure in 2010–2011 | +1.46% |
| 3) | Adjust for funding projections: | |
| | Increase for lower funding forecast | +0.71% |
| 4) | Adjust for target level of the reserve in the PSA Equalization Account: | |
| | Increase for four months PSA expenditures | +0.37% |

263. Applying the approved methodology for the 2010–2011 biennium, the ISC rate would have to be raised to 7.06 percent.

264. At this time, the Secretariat recommends that the ISC rate of 7.0 percent be maintained.

¹¹ "Review of Indirect Support Costs Rate" (WFP/EB.A/2006/6-C/1).



PROGRAMME SUPPORT – REGIONAL BUREAUX AND COUNTRY OFFICES

Overview

265. Table III.3 shows the distribution of PSA posts and costs in regional bureaux and country offices for 2010–2011 compared with 2006–2007 and 2008–2009.

	2006–2007 actual			2008–2009 estimated			2010–2011 projected		
	Post count		Total cost *	Post count		Total cost *	Post count		Total cost *
	Prof.	Total		Prof.	Total		Prof.	Total	
Asia (OMB)	37.50	127.00	21.22	31.50	139.00	20.30	32.50	140.00	24.53
Middle East, Central Asia and Eastern Europe (OMC)	35.00	152.00	22.38	22.50	106.00	16.41	24.00	107.50	19.13
West Africa (OMD)	50.00	211.00	31.00	44.50	127.00	27.61	45.00	128.00	32.89
Southern, Central and Eastern Africa (OMJ)	61.00	216.00	37.48	48.00	166.00	30.87	47.00	165.00	39.59
Latin America and Caribbean (OMP)	28.50	111.00	18.96	26.00	114.00	17.79	26.50	114.00	21.08
Regional Bureau - Sudan (OMS)	n/a	n/a	n/a	1.00	1.00	0.56	1.00	1.00	0.80
Field Contingency Fund	-	-	2.01	-	-	3.00	-	-	7.00
Field Security Fund in 2009	n/a	n/a	n/a	n/a	n/a	2.00	-	-	-
TOTAL	212.00	817.00	133.06	173.50	653.00	118.54	176.00	655.50	145.01

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

Regional Bureaux

⇒ *Asia*

266. The Regional Bureau in Bangkok (OMB) continues to build its capacity to respond to a changing operational environment that has seen mass displacements of people and increased food insecurity and vulnerability. To support its country offices, OMB will administer VAM, assessments, nutrition interventions, project management and programme design, and will increase EPR capacities such as logistics and ICT.

⇒ *Middle East, Central Asia and Eastern Europe*

267. The Regional Bureau in Cairo (OMC) supports its country offices in an increased number of life-saving EMOPs and PRROs that also aim to rebuild livelihoods and reduce chronic hunger. Under the Strategic Plan (2008–2011), OMC is providing enhanced support for new initiatives such as cash and voucher programmes, capacity support for the reform of social safety nets and partnerships with the private sector food-processing



industry. These initiatives are in addition to programme support for country offices, oversight responsibility for contingency planning, and emergency preparedness in countries where WFP is not operationally present.

⇒ *West Africa*

268. The Regional Bureau in Dakar (OMD) will continue to support its country offices with a focus on life-saving activities where people are affected by disasters. It will continue to work with governments to enhance their capacity to assist populations. In Cape Verde, São Tomé and Príncipe and possibly Benin, Côte d'Ivoire and Ghana, the country offices are building the capacity of governments to manage school meal programmes with a view to handing them over.

⇒ *Southern, Eastern and Central Africa*

269. The Regional Bureau in Johannesburg (OMJ) will continue to provide support to ensure an effective response to major emergencies. It will help to address the impact of the global financial crisis and high food prices in the region through assistance to governments in developing social safety nets, including school meals and cash voucher programmes. The Bureau will build on its government partnerships to further strengthen livelihoods to combat the impact of weather related shocks. Together with partners such as UNICEF, it will assist in developing nutrition programmes to address chronic and acute malnutrition as well as combat the effects of HIV/AIDS within the region. OMJ will continue to develop and implement P4P programmes.

⇒ *Latin America and the Caribbean*

270. The Regional Bureau in Panama City (OMP) oversees WFP's activities in the region and provides policy and technical support for its country offices. It provides leadership in South-South cooperation and capacity development in support of the move to providing food assistance. Most of WFP's work is delivered through cooperation agreements whereby WFP provides services in which it has experience – school meals, food procurement and distribution services – and supports the improvement of government capacity to achieve their social objectives.

⇒ *The Sudan*

271. The Regional Bureau for the Sudan (OMS) will ensure that staff skills continue to be appropriate for operations in the Sudan and will continue to provide technical support and oversight for its sub-offices and to support partner NGOs and United Nations agencies, particularly through the United Nations Humanitarian Air Service (UNHAS).



Country Offices

272. The PSA for country offices is allocated according to a standard structure based on country size, as shown in Table III.4.

TABLE III.4: STANDARD STRUCTURE OF COUNTRY OFFICES*		
Size of office	PSA allocation	Number
Large	One country director	24
Medium	One country director plus US\$300,000 in local operating costs, including national PSA-funded staff	23
Small	One country director plus one professional staff member plus US\$400,000 for local operating costs, including national PSA-funded staff	17
Very small	One country director plus one professional staff member plus US\$400,000 for local operating costs, including national PSA-funded staff; some will receive a lower allocation if the office can be managed from a different location	14
TOTAL		78

* WFP has operations in 73 countries and has a presence in 5 additional countries where it monitors food insecurity.

Field Contingency Fund

273. Since the 2006–2007 Management Plan, WFP has maintained a Field Contingency Fund to cover unforeseen needs. In 2008–2009 the fund was used to cover costs such as those related to the Algeria bombing and medical evacuations. The approved level of the fund in 2008–2009 was US\$3 million; it is proposed to increase this to US\$7 million in 2010–2011 to ensure that WFP has a flexible way of meeting unforeseen regional and country needs quickly. The COO controls this fund.



PROGRAMME SUPPORT – HEADQUARTERS

274. Table III.5 shows the distribution of PSA posts in Headquarters for 2010–2011 compared with 2006–2007 and 2008–2009.

	2006-2007 actual			2008-2009 estimated			2010-2011 projected		
	Post count		Total cost *	Post count		Total cost *	Post count		Total cost *
	Prof.	Total		Prof.	Total		Prof.	Total	
Operations Dept. Office of COO	8	17	6.16	6	9	3.89	6	9	4.34
Deputy COO and Director of Emergencies	n/a	n/a	n/a	5	7	2.04	5	7	2.74
Programme Design and Support Division	14	19	6.45	38	48	17.98	37	48	17.92
Logistics Division	41	72	18.84	37	68	18.08	37	68	20.69
Procurement Division	10	19	4.85	13	24	5.76	14	25	8.86
Information Technology and Facilities Management Division	66	135	61.48	56	140	59.25	56	140	61.47
Field Security Division	3	4	1.01	4	5	1.83	4	5	2.12
TOTAL	142	266	98.79	159	301	108.83	159	302	118.14

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

The Operations Department

275. The Operations Department provides leadership, support and guidance for its divisions, regional bureaux and country offices to enable WFP to achieve its operational objectives. It does this by implementing logistics, procurement and programme design and support activities and coordinating operations in response to emergencies. The office is also responsible for services such as IT, management facilities and security.

Office of the Deputy Chief Operating Officer and Director of Emergencies

276. The office of the Deputy Chief Operating Officer and Director of Emergencies coordinates WFP's responses to emergencies, with a focus on the Horn of Africa.

277. The Emergency Preparedness and Response Branch, which is part of this office, is central to WFP's work in humanitarian crises. It directs contingency and continuity planning, pandemic preparedness, information management through EP Web,¹² early warning, geographic information systems (GIS) and mapping. It has partnerships with academic and scientific institutions to improve early warning and risk mapping, which in turn contribute to better planning and responses, and with United Nations agencies, governments and commercial partners. The branch is integrating the processes for

¹² Event management software produced in Saskatoon, Canada.



contingency planning, business continuity planning and risk analysis into a single preparedness plan.

Programme Design and Support Division

278. The Programme Design and Support Division leads the design and deployment of programmes to achieve the objectives in WFP's Strategic Plan. It ensures that WFP remains at the cutting edge of operational assessment and analysis and has primary responsibility for developing the tools used by country offices and guides their application in the field. The division brings together small teams of experts in food security analysis, nutrition, livelihoods, school meals, cash and voucher programmes and monitoring.

Logistics Division

279. The Logistics Division provides logistics services through its shipping, aviation and land transport branches and the UNHRDs. The global logistics cluster support cell fosters coordination in the humanitarian community in emergencies with a view to maximizing individual and combined performance.

280. The core purpose of the division is to save lives and protect livelihoods by providing leadership and logistics capacity to ensure that humanitarian supplies reach the right people at the right time in good condition.

Procurement Division

281. The Procurement Division makes cost-effective and timely purchases of food, other goods and services. The merging of the Food Procurement and Goods and Services Procurement branches builds on synergies between the two and improves efficiency, leading to better services for WFP's country offices and ultimately its beneficiaries.

282. A new subunit has been created in the Procurement Division dedicated to food safety and quality issues. WFP is working to provide food items that are safe, palatable and have higher nutritional value, and are produced in accordance with good farming and manufacturing practices. This is increasingly important as WFP continues to broaden its food basket and strengthen its local procurement.

283. To ensure high food quality, WFP's procedures must be modern and flexible enough to regulate a technologically advanced food industry; at the same time it must provide safeguards in smaller traditional food businesses, particularly in the context of P4P.

Information Technology and Facilities Management Division

284. The Information Technology and Facilities Management Division provides a client service and supports relationships with WFP's business divisions. It aims to reduce the unit costs of IT services and develops initiatives to underpin WFP's business activities. Maintenance and support for WINGS II will be transferred to the division during the 2010–2011 biennium. The FoodSat satellite network is being expanded to meet increasing demand for information sharing. An overview of Information Technology Initiatives is provided in Annex IV.

285. The Facilities Management and Administrative Services Branch provides services in building and infrastructure management, Headquarters security, administration, travel, policy formulation and support for decision-making by WFP management.



286. Following the adoption of IPSAS and WINGS II, the new Assets Management Unit will be responsible for recording the fixed assets for programmes.

Field Security Division

287. The Field Security Division works to ensure the safety and security of WFP staff, assets and operations by identifying and addressing threats and insecurity. It analyses and reports on security issues and advises senior managers and field staff on security improvements. The division is responsible for coordination with the UNDSS and other United Nations bodies to promote safety and security.



MANAGEMENT AND ADMINISTRATION

288. Table III.6 shows the distribution of PSA posts in Management and Administration for 2010–2011 compared with 2006–2007 and 2008–2009.

	2006–2007 actual			2008–2009 estimated			2010–2011 projected		
	Post count		Total cost *	Post count		Total cost *	Post count		Total cost *
	Prof.	Total		Prof.	Total		Prof.	Total	
Office of the Executive Director	19	30	11.84	9	19	8.69	9	19	9.31
Policy, Planning and Strategy	37	53	20.65	17	22	8.84	17	22	10.48
Communications, Public Policy and Private Partnerships	31	46	24.07	32	47	19.88	29	44	22.84
Human Resources	44	94	28.54	42	92.5	25.62	42	93	27.48
Legal Office	9	23	6.07	11	24	6.58	11	24	7.26
Office of Inspector General and Oversight Services	20	30	10.31	23	31	11.65	25	33	13.85
Office of Evaluation	8	11	5.73	8	11	6.70	8	11	9.59
Office of the Ombudsman	1	2	0.84	1	2	0.93	1	2	0.94
Ethics Office	n/a	n/a	n/a	1	2	0.92	1	2	1.09
Office of Hunger Solutions	3	5	2.68	3	6	2.48	3	6	2.85
External Relations Department	3	5	1.88	2	4	1.65	2	4	1.69
Multilateral and NGO Relations	14	23	8.62	17	26	9.54	17	26	11.54
Government Donor Relations	41	65	25.02	35	66.5	21.35	35	66.5	24.44
Executive Board Secretariat	7	22	7.52	8	22	8.39	8	22	9.22
Subtotal Management	237	409	153.76	209	375	133.22	208	374.5	152.58
Resources Management and Accountability Department - Office of the Chief Financial Officer	3	7	2.17	3	5	2.05	3	5	2.41
Budget and Programming	23	48	12.65	19	42	10.17	19	44	12.19
Finance and Treasury	30	66	15.23	26	59	14.27	29	64	17.83
Performance and Accountability Management	0	0	4.13	7	11	2.75	7	11	4.12
Subtotal Administration	56	121	34.18	55	117.0	29.24	58	124.0	36.56
Central appropriations			5.72			21.30			23.71
TOTAL	293	530	193.66	264	492	183.76	266	498.5	212.85

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



Office of the Executive Director

289. The Office of the Executive Director supports the Executive Director in her leadership and management of WFP. The Office provides day-to-day support to all activities of the Executive Director, including scheduling, briefing and correspondence, as well as counsel and coordination of longer-term initiatives. It also manages and supports interaction with high-level government officials, delegates, heads of United Nations agencies and international organizations, and provides assistance for the Executive Director's participation in selected United Nations conferences and in her role as chair of the High-Level Committee on Management (HLCM). The Office of the Executive Director is managed by the Chief of Staff.
290. The Inspector General and Oversight Services Division, the Office of Evaluation, the Office of the Ombudsman and the Ethics Office report directly to the Executive Director, as do the Human Resources Division, the Policy, Planning and Strategy Division, the Communications, Public Policy and Private Partnerships Division, and the Legal Office.

Policy, Planning and Strategy Division

291. The Policy, Planning and Strategy Division develops strategies to support WFP's work at the country and regional levels, ensures that policies are applied consistently and serves as a catalyst for innovation. In the 2010–2011 biennium, the division will work in: i) nutrition and HIV and AIDS; ii) food security; iii) economic analysis and markets; iv) women, children and gender; v) humanitarian policy and transitions; vi) climate-related hunger, disaster risk reduction and solutions; vii) school feeding policy and strategies; viii) strategy and planning; and ix) P4P. These activities support food assistance and contribute to all of WFP's Strategic Objectives.

Communications, Public Policy and Private Partnerships Division

292. The Communications, Public Policy and Private Partnerships Division works to ensure that transparent and adequate information about WFP's life-saving work is made widely available. It communicates the work of WFP to private and public donors and to the public. The division is responsible for media relations, advocacy, public policy and communications, advertising and web-based communications.
293. The Private Partnerships Branch of the Division leads private-sector fundraising. It is responsible to develop and maintain strong relations with private-sector donors, including companies and foundations. It manages on-line donations and donations from individuals.

Human Resources Division

294. The activities outlined in the proposed budget for the Human Resources Division are derived from the human resources strategy document (WFP/EB.2/2008/4-C + Corr.1). The division focuses on aligning WFP's workforce with the requirements of the WFP Strategic Plan (2008–2011).
295. A core function of the division is to provide effective personnel administration in compliance with WFP's rules and regulations. In view of WFP's mandate for emergency response, it is imperative that staff are recruited and deployed quickly.
296. To build managerial capabilities in line with the Strategic Plan (2008–2011), the division initiated a leadership development programme in 2009 to identify and train the next generation of WFP leaders.



Legal Office

297. Reporting to the Executive Director, the Legal Office's objective is to provide high-quality, timely and solution-oriented legal advice to the Secretariat and the Executive Board of WFP – in a manner that is consistent with the organization's mission and values.
298. The Legal Office: i) contributes to the enhancement of accountability and risk management within WFP, helping to ensure compliance of proposed activities with the internal law of the organization, applicable international law and contractual obligations; ii) assists in ensuring that WFP's rights and assets are covered by appropriate legal safeguards; iii) represents WFP in litigation and dispute resolution; iv) cooperates with WFP colleagues, United Nations system actors, and other partners to facilitate innovative approaches and solutions to strategic and operational issues; and v) instructs local or specialized outside counsel where appropriate.
299. The Legal Office consolidates advice on governance, accountability and risk management issues with its personnel, transportation, and commercial legal services.

Inspector General and Oversight Division

300. The objective of the Inspector General and Oversight Division is to provide advice to the Executive Director on good governance and accountability towards achieving WFP's objectives through independent oversight services. It achieves this through internal audits, inspections, investigations and advisory services. The division advises management on strategies, policies and procedures with a view to enabling the Executive Director to ascertain that resources are utilized effectively and efficiently in support of WFP's Strategic Plan.
301. The work of the division contributes to making WFP one of the leading United Nations agencies in terms of oversight and governance. To maintain this position, the division will: i) develop the WFP anti-fraud and anti-corruption policy; ii) participate in internal and external committees in line with its oversight role; and iii) identify trends in oversight and implement best practices. Because the division has been identified as a priority area, the number of staff members working in it has been increased from 31 to 33.

Office of Evaluation

302. The Office of Evaluation will continue to enhance WFP's evaluation capacities, building on its strong performance in 2008 and 2009. With a view to nurturing the culture of learning and accountability in WFP, the office will continue to discuss its findings at an annual consultation on evaluation where it will benefit from the strategic guidance of the Board. In recognition of the priority accorded to evaluation, resource allocation for the Office of Evaluation have been increased from US\$6.7 million in 2008–2009 to US\$9.6 million in 2010–2011.
303. Details of the Office of Evaluation work programme and budget for the 2010–2011 biennium are set out in Annex III.

Office of the Ombudsman

304. The objective of the Office of the Ombudsman is to foster a harmonious and productive work environment by helping to resolve work-related problems informally, improving the management of conflict, advising management on potential problems and making annual recommendations.



305. The Office of the Ombudsman is part of the WFP internal justice system, serving more than 10,000 contract holders at any given time. During the 2010–2011 biennium, increased emphasis will be placed on extending services to more field-based staff through visits, communication and capacity-building for conflict resolution.

Ethics Office

306. The Ethics Office was established in January 2008 with a view to increasing transparency and extending oversight, following recommendations by the United Nations General Assembly and the United Nations Secretary-General.
307. Its primary objective is to ensure that all staff carry out their functions in accordance with the standards of integrity required by the Charter of the United Nations. To achieve this, the Ethics Office fosters a culture of transparency and accountability and supports initiatives such as the financial disclosure programme, the whistleblower protection policy, training for staff and management, and prompt resolution of ethical issues raised by staff.

Office of Hunger Solutions

308. The main goal of the Office of Hunger Solutions is to ensure coherent hunger responses and that WFP is a dependable partner for recipient governments, regional economic institutions, donors and the humanitarian community, helping them to implement government-led sustainable solutions to hunger and working to promote food and nutrition security as priorities in development agendas. The Office of Hunger Solutions will articulate the potential of WFP in partnerships, and will share experiences and hand over to governments the hunger solution tools acquired through the implementation of food assistance programmes.

External Relations Department

309. The role of the External Relations Department, which is led by a Deputy Executive Director, is to handle WFP's relations with partners such as governments, United Nations agencies and NGOs. The division has primary responsibility for WFP fundraising and is WFP's interface with the United Nations system.
310. The Government Donor Relations Division, the Multilateral and NGO Relations Division and the Executive Board Secretariat report to the Deputy Executive Director for External Relations.

⇒ Multilateral and NGO Relations Division

311. The Multilateral and NGO Relations Division has an office in Headquarters and liaison offices in Geneva and New York. Its primary purpose is to support the building of partnerships with United Nations agencies, NGOs and other agencies to address hunger.
312. The division chairs various inter-divisional groups and is responsible for following up Management Action Plans, UNDAFs, collaboration among the Rome-based agencies and reform processes in relation to the Committee on World Food Security (CFS).

⇒ Government Donor Relations Division

313. The Government Donor Relations Division works to secure funding to meet WFP's assessed needs in accordance with the current Strategic Plan. Fundraising will continue to focus on the donors who constitute the backbone of the WFP funding base. More



predictable, timely and flexible funding will remain a crucial objective; work will continue to diversify funding sources and secure partnerships with new donor countries, especially host governments, economies and the Middle East, and to develop non-traditional budget lines such as bilateral development budgets. REG will explore funding opportunities in multi-donor trust funds and pooled funding mechanisms.

⇒ *Executive Board Secretariat*

314. The Executive Board Secretariat facilitates the interaction between the Board and WFP management; its work is largely demand-driven. It is responsible for: i) organizing and servicing meetings of the Executive Board, the Executive Board Bureau and the Audit Committee; ii) providing editing, translation, interpretation and report-writing for these meetings; iii) facilitating informal consultations; iv) coordinating with other United Nations agencies on Board-related matters; and v) organizing field visits for Board members.

Resource Management and Accountability Department

315. The restructured Resource Management and Accountability Department, led by the Deputy Executive Director who is also the Chief Financial Officer, integrates WFP's financial management functions and promotes the development of improved systems of external and internal accountability. The restructuring aimed to: i) identify ways to make funding more predictable and stable; ii) achieve greater flexibility and effectiveness in resource usage; and iii) maximize transparency in the allocation of resources.
316. The department will oversee all resource allocation processes, including budgeting and contribution programming. Three divisions will report to the Deputy Executive Director: the Budget and Programming Division; the Finance and Treasury Division; and the Performance and Accountability Management Division.

⇒ *Budget and Programming Division*

317. The new WFP structure consolidates the budget, programming and grants units into a single division that will oversee budgeting and the allocation of all WFP resources with a view to greater coherence and transparency.
318. The Budget and Programming Division ensures that resources are allocated in accordance with WFP's Strategic Plan and that due diligence and prudence are exercised. The division is responsible for: i) programming all funds to country offices; ii) preparing the Management Plan and Management Plan updates; iii) managing the PSA staff count and funding; iv) overseeing extra-budgetary resources, position funding and advance financing mechanisms; and v) providing technical support for project managers on budget and programming matters and budget-related WINGS II support. Two posts from the Grants Unit, originally funded by extra-budgetary resources, have been mainstreamed into the Budget and Programming Division's PSA.

⇒ *Finance and Treasury Division*

319. The Office of Financial Reporting supports transparency and accountability. It is responsible for accounting and financial reporting, development and implementation of accounting procedures, continued compliance with IPSAS, management of accounting processes at all levels and provision of WFP's financial statements and reports. It provides support to field accounting and contribution management.



320. The Office of Treasury and Financial Risk Management is responsible for the treasury operations, financial risk management, accounts payable and payroll functions of WFP. The office sets policies and implements strategies for mitigating and controlling financial risks in relation to payments, liquidity, foreign exchange, interest rates, credit, counterparty and markets/prices.

⇒ *Performance and Accountability Management Division*

321. In 2010–2011, the Performance and Accountability Management Division will be responsible for strategy implementation, performance management and reporting. It is also responsible for planning the implementation of the Strategic Plan (2008–2011) and coordination and support for it throughout WFP.

322. An integrated performance management system will be embedded in WFP to enable better information and reporting with a view to improved decision-making and learning.

Statutory Requirements and Other Central Appropriations

323. Items in this subsection include the cost of statutory requirements and other centrally controlled appropriations. The central appropriations are budgeted under the Management and Administration appropriation line.

324. Table III.7 compares the budgeted requirements for this category in 2010–2011 with 2008–2009 estimated requirements.

325. Most of the costs in the Statutory Requirements and other Central Appropriations Fund are based on WFP's assessment of shares of budgets in other United Nations bodies; they include WFP's insurance against malicious acts, public liability and travel. The Central Appropriations Fund includes the budget for global management meetings and the Headquarters Contingency Fund to address emerging needs during the biennium without changing existing allocations. The funds also include reassignment costs related to PSA that were previously incorporated in standard position costs: these will now be managed through a central fund to improve cost control and transparency.



TABLE III.7: STATUTORY REQUIREMENTS AND OTHER CENTRAL APPROPRIATIONS (US\$)		
	Estimated 2008–2009	Proposal 2010–2011
Reassignment costs	6 750 000	7 180 000
FAO services	4 166 078	3 495 000
Headquarters Contingency Fund	2 395 000	2 700 000
Malicious acts insurance	1 500 000	2 000 000
Joint Inspection Unit	1 475 000	1 475 000
International Civil Service Commission	900 000	1 300 000
External Audit	800 000	900 000
Global management meeting	520 000	715 000
Chief Executives Board	615 000	615 000
Emergency medical evacuation	-	500 000
Public liability insurance	340 000	350 000
UN staff programmes	300 000	280 000
Senior management network	233 000	250 000
Local salary survey	195 000	200 000
UNDP Resident Coordinator Assessment Centre	200 000	200 000
Audit Committee	-	150 000
United Nations Office in Geneva (UNOG) UN laissez-passer services	-	100 000
Corporate travel insurance	50 000	100 000
Others	865 000	1 200 000
TOTAL	21 304 078	23 710 000

One-off Allocations: Capital, Security and Capacity Funds

326. Table III.8 shows the one-off allocations for the 2010–2011 biennium to cover non-recurring capital expenditure and capacity-building costs.

Implementation of the COSO project to enhance internal control and ERM	3.1
Completion of learning and development programme	3.8
IT initiatives	11.0
Cluster leadership	6.0
United Nations reform of internal justice system – WFP impact	2.0
TOTAL	25.9

⇒ *Committee of Sponsoring Organizations of the Treadway Commission*

327. The new unit to be based on the framework developed by COSO will oversee the development and roll-out of internal control and ERM frameworks that feed into an accountability system similar to those in the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA). It will also deliver the Statement of Internal Control, which will be part of the audited annual financial statements; and will provide assurance and the design and roll-out of accountability reporting.

⇒ *Learning and development programme*

328. The learning and development programme initiated in 2009 will focus on training for middle management, country director hand-overs and implementation of the Strategic Plan.

329. Middle-management training for holders of P-2 to P-4 posts will aim for 90 percent field participation, targeting middle managers, who are responsible for supervising 6,000 national staff members. Strategic Plan (2008–2011) implementation training will include training in communications, presentation and negotiation skills, focusing on knowledge-building related to WFP's strategic position and operational and security training.

⇒ *IT initiatives*

330. These initiatives aim to modernize WFP's IT capability, leverage technology to focus on core business and establish leadership in IT in the humanitarian sector.

331. The US\$11 million required is allocated to four initiatives: i) One Truth: a project to increase information quality and reporting capabilities with a view to improving decision-making – US\$3.1 million; ii) Food Link: expansion of telecommunications links with field offices – US\$3.4 million; iii) Modernization of the Messaging System (WFP connect), upgrading messaging systems to increase information sharing among staff – US\$2.9 million; and iv) Emergency Preparedness Integration Centre (EPIC): systems for accessing information from any location – US\$1.6 million.



⇒ *Cluster leadership*

332. WFP is the United Nations cluster leader for the ICT and logistics clusters. Pending an alternative funding model, cluster leadership funding was allocated in 2009 as a one-time expense. Although these costs are recurrent in nature and therefore similar to other PSA costs, it is recommended that WFP continue with the current arrangements pending finalization of the financial framework review.

⇒ *United Nations reform of internal justice system – WFP impact*

333. With its resolutions 61/261 of 4 April 2007 and 62/228 of 6 February 2008, the General Assembly approved a comprehensive reform of the United Nations system of administration of justice. The implementation of the reform, which was originally scheduled for 1 January 2009, has been postponed to 1 July 2009 by resolution 63/253 of 24 December 2008 due to delays in the preparatory work at the United Nations Secretariat level.

334. The reform will affect the administration of investigations, disciplinary process, grievances and the appeals system for WFP's field-based national staff on fixed-term contracts, who currently constitute 20 percent of total WFP staff. For the time being, service contracts and special service agreement subscribers are excluded from the reform.

Unearmarked Portion of the General Fund

⇒ *United Nations security cost-sharing*

335. 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 shared; central management costs are assumed by the United Nations. The cost-sharing formula is calculated according to the number of staff based in non-member countries of the Organisation for Economic Co-operation and Development (OECD) for whose safety and security the United Nations system is responsible.

336. Table III.9 outlines the UNSMS budget for 2002–2011. The proposed budget for field-related security costs for the 2010–2011 biennium is US\$232.9 million, which is to be approved by the United Nations General Assembly. Under the existing cost-sharing formula, WFP's share would be US\$24.4 million for 2010–2011.

337. UNDSS will continue to report regularly on the structure and distribution of jointly financed positions, their functions and incumbency status. The United Nations Secretariat Performance Report will detail contributions for the financing of security-related expenditures for the field operations of participating organizations and actual expenditure.



	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	172.3	20.2
2008–2009	178.4	26.6
2010–2011 projected	232.9	24.4*

* Under review by UNDSS.

⇒ Security upgrades

338. In addition to the costs of participating in UNSMS, WFP bears substantial internal costs for security-related items.
339. In 2010–2011, WFP will operate with a projected Security Emergency Fund of US\$14.5 million to be carried forward from the balance in the 2008–2009 approved budget. This will be used to continue funding support for country offices to ensure compliance with MOSS.
340. Security equipment costs include the construction or reinforcement of bunkers and safe havens, perimeter fences and walls, telecommunications equipment, global positioning systems (GPS), ballistic blankets, body armour, trauma kits, first aid kits, fire detectors and fire extinguishers.

	2010	2011	2010–2011
Staffing	990 000	990 000	1 980 000
Blast and security assessment mission	250 000	250 000	500 000
MOSS and other security equipment	2 000 000	2 000 000	4 000 000
Facility protective measures	3 000 000	3 000 000	6 000 000
Office relocations	760 000	760 000	1 520 000
Training	250 000	250 000	500 000
TOTAL	7 250 000	7 250 000	14 500 000

Currency Hedging for the PSA Appropriation

341. At its 2008 Annual Session, the Board approved a policy for hedging the Euro component of PSA expenses to enhance funding stability for PSA. The Secretariat subsequently entered into hedging arrangements for €4.8 million per month for 2009 at a fixed average exchange rate of €1 to US\$1.44.
342. In June 2009, the Secretariat presented to the Board its intention to continue to hedge Euro expenditure for 2010 and 2011 through hedging arrangements from mid-2009 for €5 million per month. The hedging policy for 2010 and 2011 was implemented in July 2009; the average exchange rate was fixed at €1 to US\$1.41. The new standard position costs incorporate the average Euro/US\$ rate, which results in certainty of the



US\$ value for Euro-denominated PSA expenditure and therefore benefits the planning process for the Management Plan (2010–2011).

343. The Secretariat will continue to report on the impact of hedging arrangements in its regular Management Plan updates.

Unfunded Staff Benefit Liabilities

344. WFP post-employment benefits include After-Service Medical Coverage, the separation payment scheme and the Compensation Plan Reserve Fund. A proposal for funding these post-employment benefit plans was presented to the Board at its 2008 Annual Session (WFP/EB.A/2008/6-C/1).
345. The Secretariat commissioned an asset-liability management (ALM) study for WFP's post-employment benefits, including the formulation of funding policies. A leading global provider of solutions for holistic risk/return management for pension funds, insurance companies and asset and wealth managers has been contracted to carry out the study. The ALM study, which started in July 2009, aims to increase understanding of the liabilities, followed by development of an asset allocation policy for employee benefit funds; it will also formulate funding targets and make recommendations for policy options to achieve them. It is expected to be completed by November 2009. The Secretariat intends to revert to the Board in 2010 on the funding policy for employee benefit plans and the management of employee benefit funds.





SECTION IV: EXTRA-BUDGETARY RESOURCES

Introduction

346. This section details WFP's plans for use of extra-budgetary resources for 2010–2011. Extra-budgetary resources include special accounts, trust funds and bilaterals, which may be established by the Executive Director, as stipulated by Financial Regulation 5.1. An overview of extra-budgetary resources is provided in this Management Plan because of the growing scope and importance of these resources to WFP.
347. In 2010–2011, extra-budgetary resources are forecast to total US\$506 million, consisting of special accounts at US\$280 million, trust funds at US\$214 million (US\$170.7 million for country-specific and US\$43.3 million for general) and bilaterals at US\$12 million.

Role and Purpose of Extra-Budgetary Resources

348. WFP continues to prioritize the quality, efficiency, effectiveness, accountability and sustainability of its programmes in the face of radical changes in its operating environment related to the global economic context, United Nations reform, climate change and the rapid pace of advances in global IT and web-based information systems. The WFP Strategic Plan (2008–2011) foresees the transformation of WFP from a food aid to a food assistance agency by adapting to this new environment through further investments in partnership processes, programme approaches, new and refined tools and IT technologies.
349. Extra-budgetary resources for quality improvement of programmes, capacity development and new partnership frameworks provide critical support to WFP at all levels given the new challenges coupled with the constraints of the current financial framework. Implementing WFP's Strategic Plan in a variety of contexts, assisting governments to achieve their social objectives, capacity and accountability, require advance, predictable and multi-year cash funding not linked to food tonnages. For smaller country offices with low tonnage programmes, such cash support is crucial for securing technical expertise and developing methods adapted to local needs, in line with the Paris Declaration on Aid Effectiveness and United Nations reform.
350. In the medium term the financial framework review will address the existing constraints and consider the case for extra-budgetary funding. However, until that process is concluded, and successfully addresses the constraints, extra-budgetary funds will continue to be indispensable for strengthening WFP's capacity to respond effectively in the next biennium.

SPECIAL ACCOUNTS

351. In accordance with WFP's Financial Regulations, special accounts are established by the Executive Director for special contributions or monies earmarked for specific activities. Special accounts for 2010–2011 are forecasted to amount to US\$280 million. Some of the more important are described below.



United Nations Humanitarian Response Depot

352. The UNHRD special account was set up for the transactions of the UNHRD network, established in June 2000 with structures in Cambodia (to be moved to Malaysia during next biennium), Ghana, Italy, Panama and the United Arab Emirates. It operates for a consortium of United Nations humanitarian agencies, Member States and NGOs, and provides services to other parties under contractual agreements. Income for the account comes from charges for services rendered.

Aviation

353. The aviation special account was established in December 2003 to:

- provide a management system to finance aviation services and related activities as a non-profit business unit;
- bridge funding gaps while awaiting payment from users of aviation services, in order to maintain preferential terms and conditions with contractors; and
- centralize financial accounting and reporting for all aviation activities to enhance efficiency and improve monitoring of financial performance.

354. Through this special account, WFP also administers air transport services for outside parties, who reimburse WFP for all costs, including those related to safety and quality assurance.

Dubai

355. The Dubai special account (formerly the telecommunications/IT standby equipment and services special account), was set up in January 2000 for financing stand-by equipment and services, including the GVLP, for rapid deployment in emergency situations, and to enhance ICT support services worldwide. Since 2006, it also provides expanded administrative services during emergencies and for field offices.

Junior Professional Officer Administration

356. Donor contributions for junior professional officers (JPOs) employed by WFP are accounted for as trust funds, which are subject to administrative fees. The special account sets aside the indirect support cost income of the JPO trust funds to pay for general administration and incidental costs associated with the JPO programme.

Logistics

357. The logistics services special account establishes an integrated financial management system, ensuring that the Logistics Division can provide efficient, reliable and predictable services to the humanitarian community, and recover costs in a transparent and efficient manner. It complements the existing special accounts and ensures that the Logistic Division can support service provision in all areas under its responsibility.



TRUST FUNDS AND BILATERALS

Definitions and Background

358. Trust funds and bilateral operations are identifiable subdivisions 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. Trust funds can be either country-specific or general.
359. Country-specific trust funds are operational and most often funded by host governments and managed by country offices. They provide complementary resources for programmes administered in partnership with governments and/or NGOs, such as school meal programmes, and target the poorest population groups. Most country-specific trust fund activities are in Latin America.
360. General trust funds contribute to institutional capacity-building activities. They usually involve one-time expenditures, and often fund activities that are not covered under PSA or operational budgets. Activities initially paid for through trust funds and later mainstreamed include VAM and needs assessments. Most general trust funds are managed in Headquarters, on the basis of agreements reached between the donor and WFP.
361. Bilaterals consist of projects and services carried out by WFP at the request of a donor. WFP designs, implements and monitors the projects, or provides such services as transport and procurement to non-WFP projects.

Areas requiring Extra-Budgetary Resources

362. Strategic areas requiring extra-budgetary resources are listed below. This should assist donors in planning their contributions and will serve as a basis for managers to prepare proposals for extra-budgetary resources.

⇒ *Strategic areas to be addressed by extra-budgetary resources*

363. Strengthening implementation of Strategic Plan (2008–2011):
- i) improve alignment with national strategies for poverty and hunger reduction;
 - ii) improve collaboration with partners to deliver hunger solutions and build and share knowledge;
 - iii) enhance and refine food assistance tools as WFP evolves into a food assistance agency;
 - iv) strengthen vulnerability analysis and needs assessment;
 - v) improve performance management to demonstrate effectiveness; and
 - vi) enhance capabilities in emergency preparedness, introducing cutting-edge techniques, technologies for inter-agency early warning systems and approaches to comprehensive contingency planning.



364. Mitigation of WFP's operational risks:

- i) develop strategies through the SRAC to identify capacity gaps and establish resource allocation priorities for addressing them;
- ii) develop strategies for monitoring and mitigating the effects of high prices on beneficiaries; and
- iii) provide clear guidance for WFP's new initiatives.

365. Opportunities for capacity development of partners:

- i) provide advice to national governments on hunger solutions based on WFP's comparative advantages;
- ii) enhance common services for ICT and logistics through cluster leadership; and
- iii) strengthen early warning and emergency preparedness of partners.

366. Pending adjustments to WFP's financial framework, WFP will continue to seek extra-budgetary resources to: support partnerships that aim to ensure that hunger, food security and nutrition are on national and regional agendas; and help governments adopt effective and efficient hunger mitigation strategies, drawing on WFP's comparative advantages. This includes assisting governments and institutions to put in place the technical, policy and legislative arrangements necessary to prevent and respond to food-security crises and reduce people's vulnerability. It also includes working with partners to build the capacity of local and national institutions to take over food-supported safety nets.

367. Testing and implementing refined food assistance tools requires additional resources for staff, training and other inputs while systems are adjusted and guidelines developed. Priorities are cash transfer and voucher programmes, nutritionally enhanced food products and P4P. WFP will also support sustainable safety nets by strengthening WFP, government and community approaches to school feeding, nutrition, disaster mitigation and livelihoods adaptation. Performance management at country and corporate levels needs to be strengthened, especially monitoring systems to track agreed outcome-level indicators, in line with the Strategic Results Framework. While core staff capacity in these areas is covered by the PSA budget, WFP will continue to draw upon extra-budgetary resources to support the front-end requirements until new systems stabilize.

368. Assessment and analysis tools¹³ require further refinements to strengthen nutrition analysis, better incorporate market information, improve urban targeting and maximize the use of advanced technologies. WFP also needs continued financial support to participate fully in inter-agency work to improve the quality and comparability of assessment information.

Overview of Bilateral Operations

369. In 2010–2011, bilateral operations are expected to be mostly country-specific and to include food procurement, capacity-building and the provision of services to refugees. The main bilateral operations foreseen for 2010–2011 will assist beneficiaries in Burkina Faso, Lesotho, Madagascar and Malawi, along with refugees in the western Sahara.

¹³ WFP's food security assessment tools include comprehensive food security and vulnerability analysis, emergency food security assessments, CFSAMs (led by FAO) and food security monitoring systems.



Achievements

370. Extra-budgetary resources have provided support that once enabled WFP to become a global humanitarian agency and now are enabling it to ensure WFP positions all of its work in the context of country-led strategies, United Nations coherence at country level, through the Secretary-General's High-Level Task Force on the Global Food Security Crisis and Rome-based coherence. Timely investments in staff skills, corporate tools, innovation, piloting, research and partnerships have allowed WFP to position itself as a partner with technical capacity for food assistance at all levels. Trust funds have helped improve the operational efficiency and quality in the technical areas of VAM, food security analysis and needs assessment, nutrition, and EPR. Evaluations have validated the success of these investments in mainstreaming improvements within WFP's budgets and processes and supporting the work of partners. Strategic investments have enabled WFP to leverage funding and political influence in new areas of work and through new types of partnerships. Examples of tools funded through grants or trust funds are guidelines and training for contingency planning, emergency food security assessment, VAM and results-based management; COMPAS 2; and revision of the Programme Design Manual.
371. The most notable successes attributable to grant or trust fund investment are in the area of VAM, food security analysis and needs assessment. Initial investments were made in the mid-1990s and there are now 120 staff working in the area. WFP has the capacity to collect data on food security at the household level in more than 80 countries; its successful response to high food and fuel prices and the major increase in operational needs in 2008 relied on VAM's technical input.
372. Trust funds contributed to building WFP into a global humanitarian agency, enhancing its effectiveness in EPR. New GIS early-impact analysis products based on remote sensing, hosted on EPweb, significantly improved response time and efficiency, saving lives and reducing costs. Regional strategies supported by trust funds for capacity development in EPR helped reduce response times in countries with no WFP presence.
373. Extra-budgetary funding for nutrition focusing on micronutrients and food fortification has had a significant impact on WFP's knowledge base in nutrition and has resulted in stronger linkages between food, nutrition and health in WFP-supported programmes. It has also supported WFP advocacy for the role of food and nutrition in addressing HIV/AIDS, leading to social protection action plans for orphans and other vulnerable children, especially in southern Africa.
374. Governments are assuming more ownership of food assistance programmes with the support of WFP for improving effectiveness and efficiency in programmes such as school meals, mother-and-child health and nutrition (MCHN), women's literacy, nutritional monitoring, VAM and the reduction of micronutrient deficiencies. Country-specific trust funds have assisted in developing emergency preparedness strategies at the local level. Extra-budgetary funding has gone to food procurement and transport in support of government projects.



Way Forward

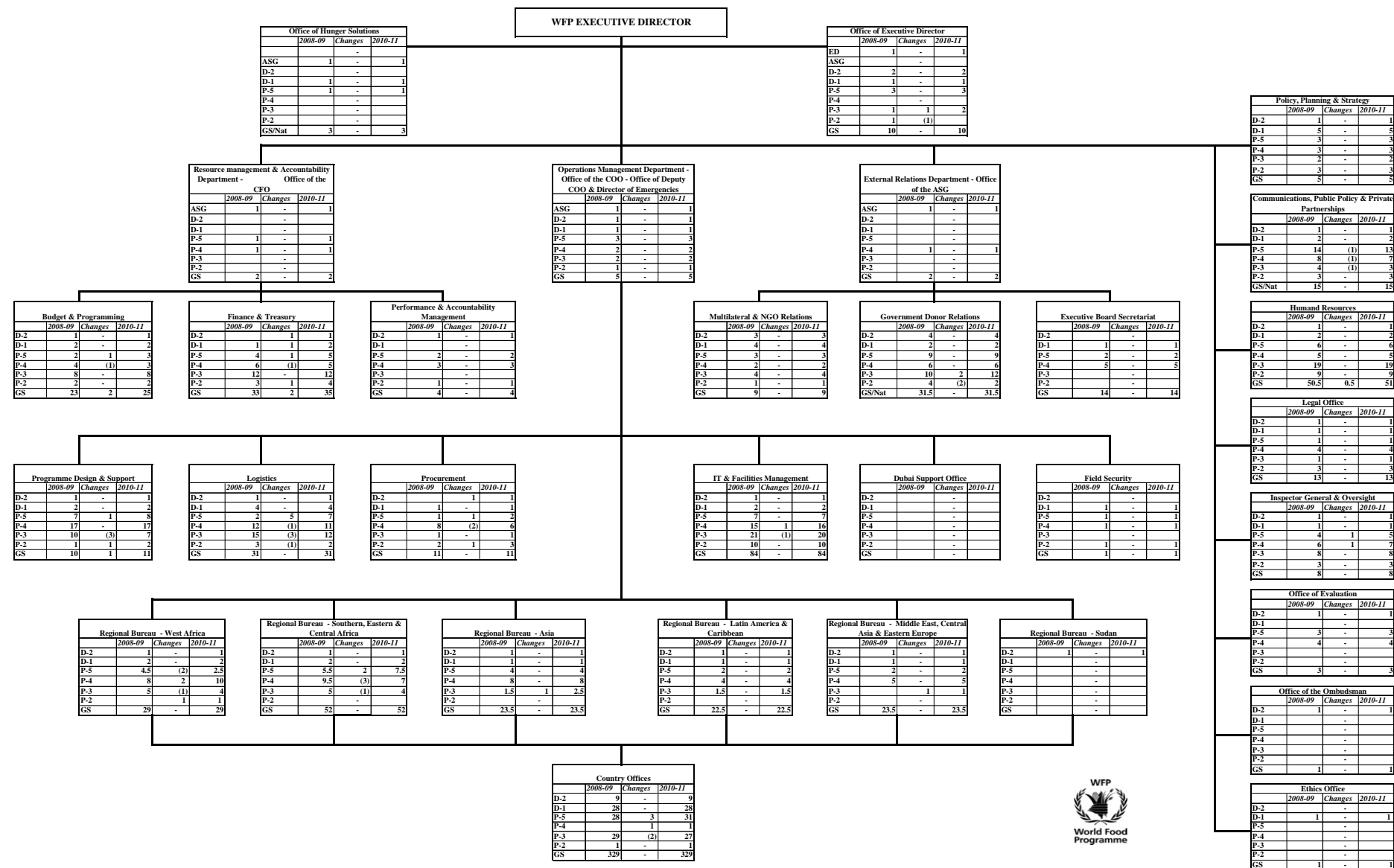
375. In parallel to the financial review process, WFP has made the following institutional changes necessary to ensure greater transparency and accountability in the management of budgetary and extra-budgetary resources in the 2010–2011 biennium.
376. A SRAC was established in 2009, chaired by the Deputy Executive Director for Operations and Chief Operating Officer. Its terms of reference include the oversight of extra-budgetary resources.
377. The creation of the Budget and Programming Division within the Resources Management and Accountability Department will ensure coherence and oversight in the management of budgetary and extra-budgetary funds. The Director of the Division serves as Deputy Chief Financial Officer and is also a member of the SRAC.
378. Governance arrangements for extra-budgetary resources will also be examined within the financial framework review process.
379. Over the next biennium, as WFP continues to require extra-budgetary resources to reposition itself to implement the Strategic Plan (2008–2011), it will advocate for better alignment and transparency of trust funds to meet its requirements.

ANNEX I

FOLLOW-UP TO ACABQ AND FAO FINANCE COMMITTEE OBSERVATIONS AND RECOMMENDATIONS PERTAINING TO THE MANAGEMENT PLAN (2008–2009)	
<p>The [FAO Finance] Committee expressed concern about potential conflicts that could arise as a result of the new organizational structure, in particular: the substantial increase in the number of units reporting directly to the Executive Director; the inclusion of the Human Resources Division and the Security and Management Services Division within the Operations and Management Department; and the combination of the Finance and Legal sections within a single administrative entity. (WFP/EB.2/2007/5(A,B,C,D,E,F,G)/3)</p>	<p>The organizational structure has been revised. The Human Resources Division no longer forms part of the Operations Department. The Finance and Legal sections have been placed in two separate divisions.</p>
<p>The [FAO Finance] Committee also noted concerns raised by some members representing major beneficiaries of the WFP programme, which related to the restructuring of regional offices – in particular the effect it could have on programme delivery at regional and country level, and recommended that further consultation be held on the matter. (WFP/EB.2/2007/5(A,B,C,D,E,F,G)/3)</p>	<p>An office in Kampala has been maintained to take care of outstanding operational matters and is led by the Deputy Regional Director. In addition the office consists of pipeline, programme, procurement, human resources and ICT units.</p>
<p>The [FAO Finance] Committee was concerned about the General Fund balance being used in [case of insufficient ISC income] as the only funding recourse in such a scenario to bridge the gap between reduced ISC income and PSA needs. (WFP/EB.2/2007/5(A,B,C,D,E,F,G)/3)</p>	<p>An estimate of US\$7.5 billion for the 2010–2011 biennium has been used based on a comprehensive resourcing and funding analysis. The proposed PSA expenditure of US\$476 million will be funded based on this funding estimate for the biennium. Whereas in the past a funding of 90 percent of the operational requirements has been assumed based on historical trends, a funding estimate of 84 percent of the operational requirements has been used for the calculation. According to the income and expenditure estimates for the General Fund an opening balance as of 1 January 2010 of US\$14 million and an ending balance as of 31 December 2011 of US\$2.6 million is projected.</p>
<p>The [FAO Finance] Committee expressed concern about the dynamics of administrative costs. (WFP/EB.2/2007/5(A,B,C,D,E,F,G)/3)</p>	<p>The percentage of field versus Headquarters (90 percent field, 10 percent Headquarters) posts has remained the same as in previous biennia with a stable PSA base. Field positions have increased according to the increased programme of work.</p>
<p>The [ACABQ] recommends that WFP endeavour to minimize such duplications in future management plans so as to have a streamlined, concise and reader-friendly document. In this regard, WFP may wish to consider annexing information of a general nature, such as definitions and statistical tables, to the main sections or at the end of the document. (WFP/EB.2/2007/5(A,B,C,D,E,F,G)/2*)</p>	<p>The document has been shortened whenever possible, moving additional details and information into the Annex section of the Management Plan. Some duplication of information is however required, in order to ensure adequate information for each section.</p>
<p>The [ACABQ] is of the opinion that in future budget presentations, the organigramme needs to be reflected in the same manner as is done in the United Nations regular budget showing clearly the request for additional posts, reclassification of posts upward or downward, abolition of posts and redeployment if any. (WFP/EB.2/2007/5(A,B,C,D,E,F,G)/2*)</p>	<p>An organigramme of the new organizational structure has been included. Additional details for new additional posts and reclassification of posts can be found in Annex II of the Management Plan (2010–2011).</p>

World Food Programme

Organizational Structure and PSA Positions Distribution 2008-2009 and 2010-2011



* The Operations Management Department combines the office of the COO (6 Professional staff + 3 General Service staff) and the office of the Deputy COO and Director of Emergency (5 Professional staff+ 2 General Service staff)

TABLE A.II.1: PROJECTED INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES, 2008-2009 (US\$ million)

	General Fund and Special Accounts	Development	EMOP	PRRO	Special Operations	Bilaterals and Trust Funds	Inter-Segments Transactions	TOTAL
2008-2009 Opening balance*	182.9	280.0	691.6	830.2	151.3	239.9		2 375.9
Add: Estimated contributions and income								
Cash Contributions	1 145.3	511.8	2 026.5	2 776.4	254.4	476.1	0.0	7 190.4
In Kind Contributions	1.3	104.9	602.7	834.8	3.7	0.0	0.0	1 547.5
Other Revenue	148.7	1.0	15.6	7.7	65.9	0.1	-112.3	126.8
Transfer of indirect support cost	479.1	-39.7	-187.3	-234.9	-17.3		0.0	0.0
TOTAL	1 774.5	578.1	2 457.6	3 384.0	306.6	476.2	-112.3	8 864.7
Less: Estimated expenditures								
Operational costs in commodities		354.7	1 183.0	2 256.4				3 794.1
Ocean transport		57.2	220.1	363.4				640.7
LTSH		67.7	685.1	764.9	0.1			1 517.9
ODOC		28.6	36.6	91.3	300.9			457.4
DSC		58.8	289.4	382.5	55.6			786.3
ISC	411.1							411.1
Capital and Capacity Funds	84.0							84.0
Others**	227.5					426.6	-112.3	541.8
TOTAL	722.6	567.0	2 414.2	3 858.5	356.6	426.6	-112.3	8 233.2
2008-2009 Closing balance	1 234.8	291.1	735.0	355.7	101.3	289.5	0.0	3 007.3

(*) Since the last 2008-2009 Management Plan closing balance, the last audited statement of financial position dated 31 December 2007 has been restated and the resulting changes are reported in the Statement of Changes in Net Assets and Note 10. The revised 31 December 2007 Statement of Financial Position is described in the 2008 financial statements as the opening balance 01 January 2008 reinstated

(**) Special Accounts, Private Sector and other expenditures



TABLE A.II.2: PROJECTED INCOME AND EXPENDITURES AND CHANGES IN FUND BALANCES, 2010-2011 (US\$ million)

	General Fund and Special Accounts	Development	EMOP	PRRO	Special Operations	Bilaterals and Trust Funds	Inter-segment Transactions	TOTAL
2010-2011 Opening balance	1 034.4	305.7	839.2	444.6	107.4	276.0		3 007.3
Add: Estimated contributions and income								
Cash Contributions	0.0	561.9	2 226.4	2 884.9	210.4	0.0	0.0	5 883.5
In Kind Contributions	0.0	115.2	662.2	867.4	3.0	0.0	0.0	1 647.9
Other Revenue	352.6	1.1	17.2	8.0	54.5	226.0	-112.3	547.1
Transfer of indirect support cost	476.0	-34.8	-215.4	-211.3	-14.5	0.0	0.0	0.0
TOTAL	828.6	643.3	2 690.4	3 549.0	253.5	226.0	-112.3	8 078.5
Less: Estimated expenditures								
Operational costs in commodities		427.8	827.0	2 192.7				3 447.5
Ocean transport		65.7	192.5	349.5				607.6
LTSH		105.7	745.2	719.2				1 570.1
ODOC		51.1	48.0	153.0	238.9			491.0
DSC		83.4	345.2	425.3	58.9			912.7
ISC	476.0							476.0
Capital and Capacity Funds	25.9							25.9
Others*	323.4					226.0	-112.3	437.1
TOTAL	825.3	733.6	2 157.9	3 839.7	297.7	226.0	-112.3	7 967.9
2010-2011 Closing balance	1 037.7	215.4	1 371.7	154.0	63.1	276.0	0.0	3 117.9

(*) Special Accounts, Private Sector, other expenditures



TABLE A.II.3: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2008-2009 AND 2010-2011

		International professional category and above										Others		
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Staff	GS	Grand Total
A. PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES														
REGIONAL BUREAUX														
Regional Bureau - Bangkok														
2008-2009	PSA	-	-	1.0	1.0	4.0	8.0	2.5	-	-	16.5	23.0	0.5	40.0
2010-2011	PSA	-	-	1.0	1.0	5.0	8.0	2.5	-	-	17.5	23.0	0.5	41.0
Regional Bureau - Cairo														
2008-2009	PSA	-	-	1.0	1.0	2.0	5.0	0.5	-	-	9.5	23.5	-	33.0
2010-2011	PSA	-	-	1.0	1.0	2.0	6.0	1.5	-	-	11.5	23.5	-	35.0
Regional Bureau - Dakar														
2008-2009	PSA	-	-	1.0	2.0	4.5	8.0	6.0	-	-	21.5	28.0	1.0	50.5
2010-2011	PSA	-	-	1.0	2.0	3.5	10.0	4.0	1.0	-	21.5	28.0	1.0	50.5
South, Central and East Africa - Johannesburg														
2008-2009	PSA	-	-	1.0	2.0	5.5	9.5	6.0	-	-	24.0	51.0	1.0	76.0
2010-2011	PSA	-	-	1.0	2.0	8.5	7.0	4.5	-	-	23.0	51.0	1.0	75.0
Regional Bureau - Panama														
2008-2009	PSA	-	-	1.0	1.0	2.0	4.0	2.0	-	-	10.0	22.0	0.5	32.5
2010-2011	PSA	-	-	1.0	1.0	2.0	4.0	2.5	-	-	10.5	22.0	0.5	33.0
Regional Bureau - Khartoum/Sudan														
2008-2009	PSA	-	-	1.0	-	-	-	-	-	-	1.0	-	-	1.0
2010-2011	PSA	-	-	1.0	-	-	-	-	-	-	1.0	-	-	1.0
Subtotal Regional Bureaux														
2008-2009	PSA	-	-	6.0	7.0	18.0	34.5	17.0	-	-	82.5	147.5	3.0	233.0
2010-2011	PSA	-	-	6.0	7.0	21.0	35.0	15.0	1.0	-	85.0	147.5	3.0	235.5
COUNTRY OFFICES														
2008-2009	PSA	-	-	9.0	28.0	28.0	-	25.0	1.0	-	91.0	329.0	-	420.0
	DSC	-	-	-	3.0	58.5	133.0	290.7	96.5	2.0	583.7	455.0	6 035.0	7 073.7
2010-2011	PSA	-	-	9.0	28.0	28.0	-	25.0	1.0	-	91.0	329.0	-	420.0
	DSC	-	-	1.0	10.0	73.5	200.3	446.8	172.5	-	904.1	677.5	6 014.4	7 596.0
TOTAL PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES														
2008-2009	PSA	-	-	15.0	35.0	46.0	34.5	42.0	1.0	-	173.5	476.5	3.0	653.0
	DSC	-	-	-	3.8	63.6	152.4	316.4	104.8	2.5	643.5	480.6	6 391.2	7 515.3
	TOTAL 2008-2009	-	-	15.0	38.8	109.6	186.9	358.4	105.8	2.5	817.0	957.1	6 394.2	8 168.3
2010-2011	PSA	-	-	15.0	35.0	49.0	35.0	40.0	2.0	-	176.0	476.5	3.0	655.5
	DSC	-	-	1.0	11.3	74.8	205.5	453.8	175.5	1.0	922.9	681.3	6 022.9	7 627.1
	TOTAL 2010-2011	-	-	16.0	46.3	123.8	240.5	493.8	177.5	1.0	1 098.9	1 157.8	6 025.9	8 282.6



TABLE A.II.3: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2008-2009 AND 2010-2011

		International professional category and above									Others			
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Staff	GS	Grand Total
B. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)														
Operations Department - Office of the COO														
2008-2009	PSA	-	1.0	1.0	1.0	2.0	1.0	-	-	-	6.0	-	3.0	9.0
2010-2011	PSA	-	1.0	1.0	1.0	2.0	1.0	-	-	-	6.0	-	3.0	9.0
Management Emergency Preparedness														
2008-2009	PSA	-	-	-	-	1.0	1.0	2.0	1.0	-	5.0	-	2.0	7.0
2010-2011	PSA	-	-	-	-	1.0	1.0	2.0	1.0	-	5.0	-	2.0	7.0
Programme Design and Support														
2008-2009	PSA	-	-	1.0	2.0	7.0	17.0	10.0	1.0	-	38.0	-	10.0	48.0
2010-2011	PSA	-	-	1.0	2.0	8.0	17.0	7.0	2.0	-	37.0	-	11.0	48.0
Logistics														
2008-2009	PSA	-	-	1.0	4.0	2.0	12.0	15.0	3.0	-	37.0	-	31.0	68.0
2010-2011	PSA	-	-	1.0	4.0	7.0	11.0	12.0	2.0	-	37.0	-	31.0	68.0
Procurement														
2008-2009	PSA	-	-	-	1.0	1.0	8.0	1.0	2.0	-	13.0	-	11.0	24.0
2010-2011	PSA	-	-	1.0	1.0	2.0	6.0	1.0	3.0	-	14.0	-	11.0	25.0
Information Technology and Facilities Management														
2008-2009	PSA	-	-	1.0	2.0	7.0	15.0	21.0	10.0	-	56.0	24.0	60.0	140.0
2010-2011	PSA	-	-	1.0	2.0	7.0	16.0	20.0	10.0	-	56.0	24.0	60.0	140.0
Field Security														
2008-2009	PSA	-	-	-	1.0	1.0	1.0	-	1.0	-	4.0	-	1.0	5.0
2010-2011	PSA	-	-	-	1.0	1.0	1.0	-	1.0	-	4.0	-	1.0	5.0
TOTAL PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)														
2008-2009	PSA	-	1.0	4.0	11.0	21.0	55.0	49.0	18.0	-	159.0	24.0	118.0	301.0
2010-2011	PSA	-	1.0	5.0	11.0	28.0	53.0	42.0	19.0	-	159.0	24.0	119.0	302.0
C. MANAGEMENT & ADMINISTRATION														
MANAGEMENT														
Office of the Executive Director														
2008-2009	PSA	1.0	-	2.0	1.0	3.0	-	1.0	1.0	-	9.0	-	10.0	19.0
2010-2011	PSA	1.0	-	2.0	1.0	3.0	-	2.0	-	-	9.0	-	10.0	19.0
Policy, Planning and Strategy														
2008-2009	PSA	-	-	1.0	5.0	3.0	3.0	2.0	3.0	-	17.0	-	5.0	22.0
2010-2011	PSA	-	-	1.0	5.0	3.0	3.0	2.0	3.0	-	17.0	-	5.0	22.0
Communications, Public Policy & Private Partnerships														
2008-2009	PSA	-	-	1.0	2.0	14.0	8.0	4.0	3.0	-	32.0	1.0	14.0	47.0
2010-2011	PSA	-	-	1.0	2.0	13.0	7.0	3.0	3.0	-	29.0	1.0	14.0	44.0
Human Resources														
2008-2009	PSA	-	-	1.0	2.0	6.0	5.0	19.0	9.0	-	42.0	-	50.5	92.5
2010-2011	PSA	-	-	1.0	2.0	6.0	5.0	19.0	9.0	-	42.0	-	51.0	93.0
Legal Office														
2008-2009	PSA	-	-	1.0	1.0	1.0	4.0	1.0	3.0	-	11.0	-	13.0	24.0
2010-2011	PSA	-	-	1.0	1.0	1.0	4.0	1.0	3.0	-	11.0	-	13.0	24.0



TABLE A.II.3: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2008-2009 AND 2010-2011

		International professional category and above										Others		
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Staff	GS	Grand Total
Inspector General and Oversight														
2008-2009	PSA	-	-	1.0	1.0	4.0	6.0	8.0	3.0	-	23.0	-	8.0	31.0
2010-2011	PSA	-	-	1.0	1.0	5.0	7.0	8.0	3.0	-	25.0	-	8.0	33.0
Office of Evaluation														
2008-2009	PSA	-	-	1.0	-	3.0	4.0	-	-	-	8.0	-	3.0	11.0
2010-2011	PSA	-	-	1.0	-	3.0	4.0	-	-	-	8.0	-	3.0	11.0
Office of the Ombudsman														
2008-2009	PSA	-	-	1.0	-	-	-	-	-	-	1.0	-	1.0	2.0
2010-2011	PSA	-	-	1.0	-	-	-	-	-	-	1.0	-	1.0	2.0
Ethics Office														
2008-2009	PSA	-	-	-	1.0	-	-	-	-	-	1.0	-	1.0	2.0
2010-2011	PSA	-	-	-	1.0	-	-	-	-	-	1.0	-	1.0	2.0
Office of Hunger Solutions														
2008-2009	PSA	-	1.0	-	1.0	1.0	-	-	-	-	3.0	2.0	1.0	6.0
2010-2011	PSA	-	1.0	-	1.0	1.0	-	-	-	-	3.0	2.0	1.0	6.0
External Relations - Office of the ASG														
2008-2009	PSA	-	1.0	-	-	-	1.0	-	-	-	2.0	-	2.0	4.0
2010-2011	PSA	-	1.0	-	-	-	1.0	-	-	-	2.0	-	2.0	4.0
Executive Board Secretariat														
2008-2009	PSA	-	-	-	1.0	2.0	5.0	-	-	-	8.0	-	14.0	22.0
2010-2011	PSA	-	-	-	1.0	2.0	5.0	-	-	-	8.0	-	14.0	22.0
Multilateral and NGO Relations														
2008-2009	PSA	-	-	3.0	4.0	3.0	2.0	4.0	1.0	-	17.0	-	9.0	26.0
2010-2011	PSA	-	-	3.0	4.0	3.0	2.0	4.0	1.0	-	17.0	-	9.0	26.0
Government Donor Relations														
2008-2009	PSA	-	-	4.0	2.0	9.0	6.0	10.0	4.0	-	35.0	5.5	26.0	66.5
2010-2011	PSA	-	-	4.0	2.0	9.0	6.0	12.0	2.0	-	35.0	5.5	26.0	66.5
<u>Subtotal, Management</u>														
2008-2009	PSA	1.0	2.0	16.0	21.0	49.0	44.0	49.0	27.0	-	209.0	8.5	157.5	375.0
2010-2011	PSA	1.0	2.0	16.0	21.0	49.0	44.0	51.0	24.0	-	208.0	8.5	158.0	374.5



TABLE A.II.3: PSA AND DSC STAFFING TABLE BY APPROPRIATION LINE, 2008-2009 AND 2010-2011

		International professional category and above									Others			
		ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Nat. Staff	GS	Grand Total
ADMINISTRATION														
Resources Management and Accountability - Office of the CFO														
2008-2009	PSA	-	1.0	-	-	1.0	1.0	-	-	-	3.0	-	2.0	5.0
2010-2011	PSA	-	1.0	-	-	1.0	1.0	-	-	-	3.0	-	2.0	5.0
Office of Budget and Programming														
2008-2009	PSA	-	-	1.0	2.0	2.0	4.0	8.0	2.0	-	19.0	-	23.0	42.0
2010-2011	PSA	-	-	1.0	2.0	3.0	3.0	8.0	2.0	-	19.0	-	25.0	44.0
Finance and Treasury														
2008-2009	PSA	-	-	-	1.0	4.0	6.0	12.0	3.0	-	26.0	-	33.0	59.0
2010-2011	PSA	-	-	1.0	2.0	5.0	5.0	12.0	4.0	-	29.0	-	35.0	64.0
Performance and Accountability Management														
2008-2009	PSA	-	-	1.0	-	2.0	3.0	-	1.0	-	7.0	-	4.0	11.0
2010-2011	PSA	-	-	1.0	-	2.0	3.0	-	1.0	-	7.0	-	4.0	11.0
Subtotal, Administration														
2008-2009	PSA	-	1.0	2.0	3.0	9.0	14.0	20.0	6.0	-	55.0	-	62.0	117.0
2010-2011	PSA	-	1.0	3.0	4.0	11.0	12.0	20.0	7.0	-	58.0	-	66.0	124.0
TOTAL MANAGEMENT & ADMINISTRATION														
2008-2009	PSA	1.0	3.0	18.0	24.0	58.0	58.0	69.0	33.0	-	264.0	8.5	219.5	492.0
2010-2011	PSA	1.0	3.0	19.0	25.0	60.0	56.0	71.0	31.0	-	266.0	8.5	224.0	498.5
GRAND TOTAL														
2008-2009	PSA	1.0	4.0	37.0	70.0	125.0	147.5	160.0	52.0	-	596.5	509.0	340.5	1 446.0
	DSC	-	-	-	3.8	63.6	152.4	316.4	104.8	2.5	643.5	480.6	6 391.2	7 515.3
	TOTAL 2008-2009	1.0	4.0	37.0	73.8	188.6	299.9	476.4	156.8	2.5	1 240.0	989.6	6 731.7	8 961.3
2010-2011	PSA	1.0	4.0	39.0	71.0	137.0	144.0	153.0	52.0	-	601.0	509.0	346.0	1 456.0
	DSC	-	-	1.0	11.3	74.8	205.5	453.8	175.5	1.0	922.9	681.3	6 022.9	7 627.1
	TOTAL 2010-2011	1.0	4.0	40.0	82.3	211.8	349.5	606.8	227.5	1.0	1 523.9	1 190.3	6 368.9	9 083.1



TABLE A.II.4: PSA BUDGET ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2008-2009 AND 2010-2011 (US\$ thousand)

	Staff Cost	Local Staff	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	Other	Total Non-Staff Cost	TOTAL	
A. PROGRAMME SUPPORT - REGIONAL & COUNTRY OFFICES																													
REGIONAL BUREAUX																													
Regional Bureau - Bangkok																													
2008-2009	5 916	1 802	342	29	22	226	137	400	0	30	894	4	5	21	32	1	85	12	0	4	0	23	3	0	0	0	13	4 083	10 000
2010-2011	7 556	1 794	295	15	20	354	114	402	0	2	1 782	3	6	30	23	2	34	10	0	4	0	80	11	0	0	0	4 981	12 537	
Regional Bureau - Cairo																													
2008-2009	3 602	1 081	233	14	13	318	75	261	0	12	626	5	3	18	76	1	78	4	0	0	0	8	1	0	0	0	1	2 829	6 431
2010-2011	4 728	1 361	229	0	4	227	69	143	0	41	1 253	0	0	24	108	0	27	0	43	0	0	0	0	0	0	0	3 530	8 258	
Regional Bureau - Dakar																													
2008-2009	7 790	1 573	316	68	20	665	155	195	0	60	1 239	21	21	85	174	0	219	43	0	9	0	3	0	0	0	0	4 864	12 655	
2010-2011	9 031	1 626	463	42	16	756	179	200	0	106	2 359	14	40	50	191	6	208	60	0	18	0	8	80	0	0	0	6 423	15 454	
South, Central and East Africa - Johannesburg																													
2008-2009	7 494	3 334	686	31	49	886	355	1 399	0	132	1 793	60	57	171	257	4	341	2	1	23	0	61	126	0	0	0	9 767	17 261	
2010-2011	10 004	4 868	459	72	48	860	450	1 811	0	239	2 747	54	0	108	36	8	215	70	50	27	0	0	110	0	0	422	12 654	22 658	
Regional Bureau - Panama																													
2008-2009	3 781	1 534	236	90	7	479	129	127	0	20	878	10	34	117	7	1	122	3	0	0	0	8	0	1	0	0	3 804	7 585	
2010-2011	4 618	1 691	556	0	8	339	21	374	0	46	1 193	6	0	9	122	0	89	10	9	0	18	20	0	0	0	0	4 511	9 129	
Regional Bureau - Khartoum/Sudan																													
2008-2009	533	0	5	0	0	1	0	0	0	0	19	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	28	561	
2010-2011	736	2	9	0	0	1	1	0	0	0	44	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	59	795	
Subtotal Regional Bureaux																													
2008-2009	29 117	9 326	1 817	232	111	2 576	852	2 382	0	254	5 448	99	120	411	546	8	848	64	1	35	0	102	130	1	0	14	25 376	54 492	
2010-2011	36 674	11 343	2 011	129	96	2 537	834	2 930	0	434	9 377	77	46	221	481	16	574	150	103	50	18	108	201	0	0	422	32 158	68 832	
Country Offices																													
2008-2009	38 574	11 996	1 335	743	67	2 621	479	1 954	0	252	925	110	118	494	1 152	53	784	602	86	27	1	1 323	61	10	0	276	25 471	64 045	
2010-2011	48 895	0	0	0	0	0	0	0	0	0	0	0	0	0	27 285	0	0	0	0	0	0	0	0	0	0	0	27 285	76 180	
TOTAL PROGRAMME SUPPORT - REGIONAL & COUNTRY OFFICES																													
2008-2009	67 691	21 321	3 153	975	178	5 197	1 330	4 336	0	505	6 373	209	238	905	1 698	61	1 632	666	87	63	1	1 425	192	10	0	290	50 847	118 538	
2010-2011	85 570	11 343	2 011	129	96	2 537	834	2 930	0	434	9 377	77	46	221	27 766	16	574	150	103	50	18	108	201	0	0	422	59 443	145 012	





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B. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)																												
Operations Department - Office of COO																												
2008-2009	3 489	0	185	3	14	152	0	3	0	9	27	0	0	0	3	5	0	0	0	0	0	0	0	1	0	0	402	3 891
2010-2011	3 832	0	40	10	20	256	30	10	0	32	62	0	0	0	0	10	40	0	0	0	0	0	2	0	0	0	512	4 344
Management Emergency Preparedness																												
2008-2009	1 546	0	87	0	0	122	62	4	0	5	1	0	0	0	13	0	195	6	0	0	0	0	0	0	0	0	496	2 042
2010-2011	2 043	0	197	0	0	337	28	0	0	24	30	10	0	0	0	0	53	0	0	0	0	0	0	0	0	18	697	2 740
Programme Design & Support																												
2008-2009	14 858	0	2 068	42	19	587	125	0	0	38	71	0	0	0	75	3	70	0	0	0	0	23	0	12	0	0	3 133	17 990
2010-2011	16 500	0	390	10	10	486	100	0	0	73	184	0	0	0	74	1	88	0	0	0	0	0	0	0	7	1 423	17 923	
Logistics																												
2008-2009	16 561	0	565	18	1	503	13	0	0	94	235	0	0	0	4	1	77	3	0	0	0	0	0	1	0	0	1 516	18 077
2010-2011	19 695	0	136	44	4	390	150	0	0	112	40	0	0	0	51	0	70	0	0	0	0	0	0	0	0	0	997	20 692
Procurement																												
2008-2009	5 436	0	199	0	0	42	0	0	0	38	17	0	0	0	2	0	21	0	0	0	0	0	0	0	0	0	319	5 756
2010-2011	7 484	0	0	0	0	0	0	0	0	0	0	0	0	1 374	0	0	0	0	0	0	0	0	0	0	0	0	1 374	8 858
Information Technology and Facilities Management																												
2008-2009	27 752	79	4 365	0	390	566	351	6 709	256	35	11 310	11	493	28	4 973	1	1 241	313	13	0	344	19	0	1	0	0	31 497	59 249
2010-2011	29 487	575	2 274	492	330	552	295	9 358	0	1 008	10 918	220	755	520	3 283	3	389	108	0	0	697	0	200	0	0	0	31 976	61 463
Field Security																												
2008-2009	1 530	0	0	3	0	168	9	0	0	0	50	0	0	0	8	0	16	45	0	0	0	0	0	0	0	0	299	1 829
2010-2011	1 844	0	44	0	0	106	26	0	0	5	64	0	0	0	9	2	19	0	0	0	0	0	0	0	0	0	274	2 119
TOTAL PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)																												
2008-2009	71 171	79	7 469	66	425	2 140	560	6 715	256	219	11 712	11	493	28	5 076	10	1 619	368	13	0	344	42	0	14	0	0	37 662	108 833
2010-2011	80 886	575	3 081	556	364	2 127	629	9 368	0	1 253	11 297	230	755	520	4 790	16	660	108	0	0	697	0	202	0	0	25	37 253	118 138

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C. MANAGEMENT & ADMINISTRATION																												
MANAGEMENT																												
Office of Executive Director																												
2008-2009	6 419	0	725	0	176	963	60	0	4	34	142	0	11	0	69	64	15	3	0	0	0	0	0	6	0	0	2 272	8 690
2010-2011	7 932	0	0	0	100	840	60	0	0	40	160	0	0	0	40	60	70	0	0	0	0	0	5	0	0	1 375	9 308	
Policy Planning & Strategy																												
2008-2009	6 945	0	822	32	4	669	55	1	0	73	168	0	10	0	2	1	47	4	0	0	0	0	5	0	0	1 893	8 837	
2010-2011	8 199	340	853	32	4	694	3	2	0	108	130	0	14	0	7	1	65	5	0	0	0	18	4	0	0	2 280	10 479	
Communications, Public Policy & Private Partnerships																												
2008-2009	13 317	57	2 739	106	52	705	113	3	3	270	1 166	0	58	0	333	11	719	199	0	1	0	2	0	33	0	0	6 568	19 884
2010-2011	14 645	50	1 599	445	21	982	24	48	0	551	591	0	103	0	3 710	17	30	24	0	0	0	0	0	0	0	0	8 196	22 841
Human Resources																												
2008-2009	21 081	0	2 886	0	111	632	314	0	0	134	188	0	0	0	50	0	205	1	0	0	0	0	21	0	0	4 540	25 622	
2010-2011	23 195	0	1 521	569	84	1 062	419	0	0	92	120	0	0	0	280	5	130	0	0	0	0	0	0	0	0	4 282	27 477	
Legal Office																												
2008-2009	5 882	0	431	0	0	97	18	0	0	33	49	11	0	0	10	1	40	0	0	0	0	0	0	4	0	695	6 577	
2010-2011	6 508	0	300	100	0	160	10	0	0	20	37	0	0	0	1	0	11	0	0	10	0	0	0	100	0	749	7 258	
Inspector General & Oversight																												
2008-2009	8 944	0	1 521	16	1	938	54	0	0	28	41	0	0	0	7	0	101	1	0	0	0	0	0	0	0	2 708	11 652	
2010-2011	10 917	0	1 203	7	6	1 321	12	41	0	0	78	0	0	0	138	0	119	6	0	0	0	0	0	0	0	2 931	13 848	
Office of Evaluation																												
2008-2009	3 719	0	2 639	2	0	238	54	0	0	11	9	0	0	0	1	0	27	0	0	0	0	0	1	0	0	2 981	6 700	
2010-2011	4 086	0	3 104	0	0	620	0	0	0	50	40	0	0	0	1 520	0	60	0	0	0	0	80	20	0	13	5 507	9 592	
Office of the Ombudsman																												
2008-2009	815	0	7	3	2	51	2	0	0	3	47	0	0	0	0	0	4	0	0	0	0	0	0	0	0	119	933	
2010-2011	875	0	0	0	0	0	0	0	0	0	0	0	0	0	64	0	0	0	0	0	0	0	0	0	0	64	939	
Ethics Office																												
2008-2009	727	0	118	0	0	9	55	0	0	2	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	190	917	
2010-2011	805	0	70	0	2	96	40	0	0	77	0	0	0	0	0	1	4	0	0	0	0	0	0	0	0	290	1 095	
Office of Hunger Solutions																												
2008-2009	1 560	149	0	12	39	540	6	40	0	4	101	0	0	5	9	1	10	0	0	0	2	0	0	0	0	918	2 478	
2010-2011	1 960	0	0	0	0	0	0	0	0	0	0	0	0	0	890	0	0	0	0	0	0	0	0	0	0	890	2 850	
External Relations Department - Office of the ASG																												
2008-2009	1 362	0	0	0	38	231	0	0	0	5	6	0	0	0	1	2	0	0	0	0	0	0	2	0	0	285	1 647	
2010-2011	1 443	0	0	0	40	175	0	0	0	0	10	0	0	0	6	8	0	10	0	0	0	0	0	0	0	249	1 692	
Executive Board Secretariat																												
2008-2009	5 699	0	536	0	52	56	8	0	0	21	79	0	1	0	125	0	1	39	0	0	0	0	1 782	0	0	2 700	8 399	
2010-2011	5 927	0	0	0	79	23	7	0	0	25	4	0	0	0	192	0	74	0	0	0	0	0	2 892	0	0	3 295	9 222	
Multilateral & NGO Relations																												
2008-2009	7 659	0	277	65	4	249	5	723	1	225	222	0	4	4	37	12	17	2	0	0	0	8	24	0	0	1 878	9 537	
2010-2011	9 505	0	0	0	0	0	0	0	0	0	0	0	0	0	2 034	0	0	0	0	0	0	0	0	0	0	2 034	11 539	
Government Donor Relations																												
2008-2009	16 211	693	942	228	31	852	24	1 305	29	104	376	14	7	4	276	19	104	3	0	12	89	7	2	15	0	5 136	21 347	
2010-2011	19 068	0	0	0	0	0	0	0	0	0	0	0	0	0	5 375	0	0	0	0	0	0	0	0	0	0	5 375	24 443	
SubTotal Management																												
2008-2009	100 338	898	13 643	463	511	6 229	768	2 072	37	945	2 598	25	91	13	919	111	1 291	250	0	14	89	19	27	1 865	4	0	32 882	133 221
2010-2011	115 065	390	8 650	1 153	335	5 974	575	91	0	962	1 171	0	117	0	14 257	92	564	45	0	10	0	18	84	2 917	100	13	37 518	152 582



WFP



TABLE A.II.4: PSA BUDGET ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2008-2009 AND 2010-2011 (US\$ thousand)

	Staff Cost	Local Staff	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	Other	Total Non-Staff Cost	TOTAL
ADMINISTRATION																												
Resource Management & Accountability - Office of CFO																												
2008-2009	1 668	0	30	0	19	125	0	0	0	1	10	0	0	0	13	0	2	0	0	0	0	0	0	0	0	0	200	1 868
2010-2011	1 937	0	136	0	0	50	0	0	0	8	0	0	0	0	259	0	15	0	0	0	0	0	0	0	0	5	473	2 410
Office of Budget & Programming																												
2008-2009	9 803	0	409	0	17	66	7	0	0	9	34	0	0	0	0	0	7	0	0	0	0	0	0	0	0	0	549	10 352
2010-2011	11 734	0	100	20	23	100	30	0	0	28	60	0	0	0	6	0	90	0	0	0	0	0	0	0	0	0	457	12 191
Finance & Treasury																												
2008-2009	13 103	119	391	28	117	140	14	31	0	93	50	0	1	0	72	0	87	1	0	0	17	2	0	0	0	0	1 164	14 267
2010-2011	16 746	185	183	102	137	191	80	21	0	25	26	0	2	0	20	0	115	0	0	0	0	0	0	0	0	2	1 089	17 835
Performance & Accountability Management																												
2008-2009	2 393	0	185	0	0	119	16	0	0	14	1	0	0	0	2	0	20	0	0	0	0	0	0	0	0	0	355	2 748
2010-2011	3 636	0	271	8	2	140	22	0	0	31	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	488	4 124
SubTotal Administration																												
2008-2009	26 967	119	1 014	28	153	449	37	31	0	116	95	0	1	0	87	0	116	1	0	0	17	2	0	0	0	0	2 268	29 235
2010-2011	34 053	185	690	130	162	481	132	21	0	92	100	0	2	0	284	0	220	0	0	0	0	0	0	0	0	7	2 507	36 559
Central Appropriations/Reassignm. Costs																												
2008-2009	6 750																										14 554	21 304
2010-2011	8 082																										15 624	23 706
TOTAL MANAGEMENT & ADMINISTRATION																												
2008-2009	134 056	1 017	14 657	491	664	6 678	805	2 103	37	1 061	2 692	25	92	13	1 006	111	1 408	252	0	14	107	20	27	1 865	4	0	49 704	183 760
2010-2011	157 199	576	9 341	1 283	497	6 455	707	1 112	0	1 055	1 271	0	119	0	30 165	92	783	45	0	10	0	18	84	2 917	100	20	55 648	212 847
GRAND-TOTAL																												
2008-2009	272 919	22 418	25 279	1 532	1 267	14 015	2 695	13 154	293	1 786	20 778	246	823	946	7 781	183	4 659	1 286	100	77	452	1 487	219	1 889	4	290	138 212	411 131
2010-2011	323 655	12 493	14 432	1 968	957	11 119	2 170	12 410	0	2 742	21 945	308	920	741	62 720	124	2 017	303	103	60	715	126	487	2 917	100	466	152 343	475 998

ANNEX III

OFFICE OF EVALUATION: WORK PROGRAMME AND BUDGET 2010–2011

Introduction: 2008–2009 Achievements

1. During the 2008–2009 biennium, the Office of Evaluation (hereafter “the Office”) implemented an ambitious programme to increase the independence, credibility and utility of evaluation at WFP. The main achievements were the following.
 - The new Evaluation Policy was approved by the Executive Board in 2008. It commits the Office of Evaluation to taking measures that ensure the credibility and utility of evaluation and lays the foundation to safeguard its independence.
 - The Office introduced a system for work planning to increase objectivity through representativeness in the choice of subjects for evaluation at the operational level (independence) and utility in the choice of subjects for evaluation at the strategic level (strategic importance).
 - The Evaluation Quality Assurance System (EQAS) was designed to improve the quality of evaluations and thereby their credibility and utility. The system was introduced at the beginning of 2008, tested and further improved by the end of 2009.
 - The evaluation work plan was largely implemented: three strategic evaluations (including one undertaken jointly with FAO), three country portfolio evaluations (of which two were completed), and one impact evaluation (underway). Country portfolio and impact evaluations were introduced as new evaluation tools to fill gaps and contribute to important corporate agendas. A total of 17 Office of Evaluation-managed operations evaluations were conducted, compared to (only) 5 decentralized evaluations.
 - The Annual Evaluation Report was submitted for the first time as a formal Board document. It included a separate analysis of findings from strategic evaluations and operations evaluations, and an update on the performance of the evaluation function.
 - The Office started developing evaluation capacities for decentralized evaluations through training courses for selected WFP staff, and with specialized training courses for evaluation staff in general. These initiatives were supported with funding from the Governments of Germany and Sweden.
 - To enhance learning from evaluation, the Office started a new initiative to develop learning products designed to meet the needs of those using evaluation findings. These learning products aim to enhance the usefulness of evaluation and contribute to a greater learning culture of WFP. Concomitant efforts to improve the external and internal websites have not progressed as far as planned.
 - Contributions to the international evaluation community were made through: a) participating in the peer review of the evaluation function of the Global Environment Facility; b) participating in the selection panels for the heads of evaluation offices at FAO and the United Nations Educational, Scientific and Cultural Organization (UNESCO); c) contributing to the work of the IASC Real-Time Evaluation Interest Group; d) joint evaluations such as the Delivering as One Evaluability Study, the joint evaluation of the Republic of South Africa and the



United Nations, and the multi-donor evaluation of assistance to Southern Sudan; and e) the work of the United Nations Evaluation Group, as the vice-chair of this group and through contributions to the task forces, and the Active Learning Network for Accountability and Performance in Humanitarian Action.

2010–2011 Work Plan

2. The annual allocations for evaluation will increase by US\$760,000 over the actual allocation in 2009. This increase leads to a total allocation of about US\$9.6 million for the 2010–2011 biennium. These resources will be used to carry out a total of 18 evaluations as indicated below and refocuses the work of the Office on higher-plane evaluations that promise a greater value added to WFP. The Office will not undertake any operations evaluations.
3. Four strategic evaluations will support the process of transforming WFP from a food aid to a food assistance agency. The strategic evaluations will focus on how well WFP uses its response options to provide the most efficient and effective hunger solutions to needs of client countries and people, taking into account the response of other actors and harmonization within the United Nations system. These evaluations aim to contribute to making better, more strategic choices at policy, strategy and operational levels.
4. Eight country portfolio evaluations will be carried out, which employ methodologies to evaluate an entire portfolio over a given time span. They aim to support the development of country strategies and thus contribute to translating the Strategic Plan into concrete choices at country level. These evaluations focus on the extent to which WFP has positioned itself strategically and aligned itself with government and partner strategies; the factors that influenced the choices WFP made to have the programme it implemented; and the operational performance and results. These evaluations will prepare WFP to participate in joint country-level evaluations, which is the direction in which the international development community and partner countries are moving.
5. Six impact evaluations will address the demand for more information on the outcomes and impacts of WFP's assistance. When expanding its work programme in this area, the Office will build on its experience with the impact evaluation of school feeding in Kenya started in 2009, focusing on one programme activity (school feeding, food for work, etc.) at a time.
6. The Office will actively seek to implement these evaluations jointly, whenever possible and meaningful.
7. In addition, the Office will:
 - organize the Annual Consultation on Evaluation to brief Board members on evaluation findings and to give them an opportunity to provide strategic guidance to the Office;
 - support from a technical point of view the dialogue between the Board and WFP management about continuously strengthening the independence of evaluation, as requested by the Board at its Annual Session in 2009;
 - continue the dialogue with senior management, Regional Directors and country directors on evaluation issues to ensure the relevance of evaluation to their work and to share lessons from evaluations to foster cross-organizational learning;
 - develop a self-evaluation system that builds on existing monitoring, reporting and results-based management systems; provide the necessary training that enables country offices to implement the self-evaluation system; and design a validation



system that enables the Office to review and determine the validity of performance reported through this system;

- generate lessons from evaluations and package them in ways that are useful to various stakeholders and find ways to disseminate these lessons in ways that have an impact on future operations and decision-making; and
 - continue to engage in professional exchanges in the international evaluation community for mutual benefit.
8. In the absence of operations evaluations, the Office will review in 2010 whether an annual evaluation report can usefully be prepared. If not, a biennial evaluation report will be prepared at the end of the biennium and presented in 2012.
9. The human resources for evaluation will be maintained as in 2009 with one director, seven professional staff, and three support staff (a total of 11 staff). The Office continues to aim for a 50:50 ratio of evaluators recruited externally to the number of internal staff working on evaluation. The Office will continue to use short-term consultants to conduct evaluations.

TABLE A.III.1: STAFFING FOR OFFICE OF EVALUATION 2009–2011

Level	2009	2010	2011
D2	1	1	1
P5	3	3	3
P4	4	4	4
P3	-	-	-
P2	-	-	-
G6	2	2	2
G3	1	1	1
TOTAL	11	11	11

ANNEX IV

INFORMATION TECHNOLOGY INITIATIVES

Goal

The Information Technology Service will seek to: i) improve IT support to WFP, especially in the field; ii) address gaps in communications for the delivery of humanitarian assistance; and iii) provide technological communications services in all areas of WFP work.

Strategy

The IT Service is in the midst of a three-year project (2009–2011) to modernize its equipment and services. Projects will provide a more agile IT platform for WFP processes, strengthen IT services for the humanitarian community and support staff needs. The Service is being reorganized and its management, skills, resources and strategy adjusted accordingly.

Tactics

Investments are required to make WFP better suited to address its Strategic Objectives. Five initiatives are planned:

- 1. Modernize IT.** Shifts the focus of WFP global IT to provide value-added services. This includes allowing IT staff to delegate certain functions to outside companies, and to retrain staff to provide higher-value IT solutions throughout WFP. The capacity to analyse problems and develop software will be expanded, and IT deployment capacity for emergencies maintained. “Centres of excellence” will be established to provide IT services to all areas of WFP.
- 2. Expand and upgrade the WFP network (*InfoLink*).** The current WFP telecommunications network has inadequate capacity; this initiative will expand it to support new voice, video and internet applications. It will expand network reach and provide communications services to all WFP staff.
- 3. Expand from e-mail to unified communications (*WFP Connect*).** E-mail will be integrated with instant messaging, voice and video communications. A collaboration platform will be deployed allowing teams in different locations to work together; this will help e-learning, knowledge sharing and internal communications. A consolidated infrastructure model will make WFP’s messaging system more cost-effective, secure and disaster-resilient.
- 4. Introduce solutions for managing emergencies and supporting “Delivering As One” (*Emergency Preparedness Integration Centre (EPIC)*).** This initiative will support WFP in its role as emergency telecommunications cluster leader, enabling it to provide leading-edge technology and integrated solutions to humanitarian actors in the field. It will, for example, help WFP to identify emergency mobile platforms needed for reaching beneficiaries; establish a centre to design solutions for humanitarian workers; set up a team of representatives of humanitarian organizations to determine common needs and action to be taken; and build country office capacity to lead inter-agency projects in the context of “Delivering as One”.



- 5. Set up an IT system to manage information and support decision-making (*ITruth*).** This initiative will build the new WFP system to facilitate information flow between beneficiaries, donors, field officers and senior management. Information will be collected from all operational systems, and managers provided with easy access to information for rapid decision-making.

Deliverables

By the beginning of the biennium 2010–2011 the following are expected to have been delivered:

1. Modernize IT

- i.** Plan staffing needs and provide training to emphasize solutions development
- ii.** Establish “competence centres” in Bangkok for field-based solutions (e.g. national staff payroll systems) and Dubai (IT support for field offices)
- iii.** Deploy senior IT staff to work with divisions to devise solutions to support management initiatives

2. Expand and upgrade the WFP network

- iv.** Design the new WFP network to reach all operational sites
- v.** Develop a business plan for the network upgrade project and fund it

3. Expand from e-mail to unified communications

- vi.** Establish a unified communications pilot at Headquarters and selected field offices
- vii.** Develop a business plan for the unified communications roll-out and fund it
- viii.** Develop a new collaborative intranet to enhance internal communications and knowledge sharing (in partnership with the Communications, Public Policy and Private Partnerships Division)

4. Introduce solutions for managing emergencies and supporting “*Delivering as One*”

- ix.** Engage with the Inter-Agency Standing Committee (IASC) and humanitarian partners to lead the emergency telecommunications cluster
- x.** Develop a business plan for EPIC and pilot it, engaging with technology partners as potential donors
- xi.** Build a “One UN” support and management function

5. Set up an IT system to manage information and support decision-making

- xii.** Complete Business Intelligence and Self-Service (BISS) reporting platform
- xiii.** Assess field information requirements and propose solutions to address project monitoring and evaluation needs
- xiv.** Develop a corporate performance management system in partnership with the Resource Management and Accountability Department



ANNEX V

BUDGET METHODOLOGY

Staff Costs

1. The Programme has analysed actual costs versus the standard rates applied for 2008–2009 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 2009 including exchange rates and cost/salary increases over the period. The exchange rate assumptions for the US\$/Euro is established at US\$1.41 = 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. WFP intends to continue the 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

8. 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 2009. The budget has been cast using an exchange rate of 1.41 between US\$/Euro.

Rounding

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

Other

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



STRATEGIC RESULTS FRAMEWORK

Please note that the framework pertains to all results obtained with WFP assistance and support (for households, communities, governments and other entities such as schools).

Types of indicators at the outcome level are distinguished by text font as follows: i) regular text: internationally recognized indicators, based on agreed standards and used by United Nations agencies; ii) **bold**: developed in cooperation with WFP's operational partners; and iii) *italic*: WFP-specific methodological standards.

STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES			Contribution to MDGs 1 and 4
Goals 1. To save lives in emergencies and reduce acute malnutrition caused by shocks to below emergency levels 2. To protect livelihoods and enhance self-reliance in emergencies and early recovery 3. To reach refugees, internally displaced persons (IDPs) and other vulnerable groups and communities whose food and nutrition security has been adversely affected by shocks			
Outcome	Indicator	Corporate target and performance measure ¹	Project target and data source
Outcome 1.1: Reduced or stabilized acute malnutrition in children under 5 in targeted, emergency-affected populations	1.1.1 Prevalence of acute malnutrition among children under 5 (weight-for-height as %) ²	Target for reduction in acute malnutrition prevalence achieved among children under 5 for 80% of targeted populations Stabilized prevalence of acute malnutrition among children under 5 for 80% of targeted populations	Target: Population-specific – Reduction in acute malnutrition prevalence rate Source: Survey data Target: Population-specific – Acute malnutrition prevalence rate stabilized at pre-emergency levels Source: Survey data
	1.1.2 Mid-upper arm circumference (MUAC) ³	Low MUAC prevalence stabilized for 80% of targeted populations	Target: Population-specific – Stabilized prevalence of low MUAC Source: Survey data or assessment data
Outcome 1.2: Reduced or stabilized mortality in children under 5 and in adults in targeted, emergency-affected populations ⁴	1.2.1 Crude mortality rate (CMR)	Reduction in CMR target achieved for 100% of targeted populations Stabilized CMR for 100% of targeted populations	Target: Population-specific – Reduction in CMR Source: Annual survey data Target: Population-specific – CMR stabilized at pre-emergency levels Source: Annual survey data
	1.2.2 Age-specific mortality rate for children under 5 (ASMR-U5) ⁵	Reduction in ASMR-U5 target achieved for 100% of targeted populations Stabilized ASMR-U5 for 100% of targeted populations	Target: Population-specific – Reduction in ASMR-U5 Source: Annual survey data Target: Population-specific – ASMR-U5 stabilized at pre-emergency levels Source: Annual survey data



¹ Only projects aligned with a specific Strategic Objective report on corporate indicators. Results analysis will only include data reported from these projects.

² The prevalence rate of acute malnutrition among children under 5 is a proxy for the nutritional status of the population.

³ MUAC among children under 5 is a proxy for the nutritional status of the population.

⁴ This outcome is appropriate for large emergency operations.

⁵ The ASMR-U5 expresses risk relative to the mid-interval population, similar to crude and other age-specific mortality rates.

STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES			Contribution to MDGs 1 and 4
Goals 1. To save lives in emergencies and reduce acute malnutrition caused by shocks to below emergency levels 2. To protect livelihoods and enhance self-reliance in emergencies and early recovery 3. To reach refugees, internally displaced persons (IDPs) and other vulnerable groups and communities whose food and nutrition security has been adversely affected by shocks			
Outcome	Indicator	Corporate target and performance measure ¹	Project target and data source
Outcome 1.3: Improved food consumption over assistance period for targeted emergency-affected households ⁶	1.3.1 Household food consumption score	Score exceeds threshold for 80% of targeted households	Target: Food consumption score exceeds 21 or 28 ⁷ for targeted households Source: Annual survey data
	1.3.2 MUAC for pregnant women	Low MUAC prevalence stabilized for 80% of targeted pregnant women	Target: Population-specific – Stabilized prevalence of low MUAC for pregnant women Source: Survey data or assessment data
Output	Indicator		
Output 1.1/1.2/1.3: Food and non-food items distributed in sufficient quantity and quality to targeted women, men, girls and boys under secure conditions (to be used for Strategic Objectives 1–4)	1.1.1	Number of women, men, girls and boys receiving food and non-food items, by category and as % of planned figures	
	1.1.2	Tonnage of food distributed, by type, as % of planned distribution ⁸	
	1.1.3(a)	Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of planned distribution	
	1.1.3(b)	Quantity of fortified foods, complementary foods and special nutritional products distributed, by type, as % of actual distribution	
	1.1.4	Quantity of non-food items distributed, by type, as % of planned distribution	
	1.1.5	Number of security incidents	



⁶ Results will be disaggregated by gender, age and group (IDP, refugee, conflict-affected, disaster-affected, orphans and other vulnerable children (OVC)).

⁷ Threshold depends on local eating habits and diet composition.

⁸ Planned distribution includes quantity, quality and timeliness.

STRATEGIC OBJECTIVE 2: PREVENT ACUTE HUNGER AND INVEST IN DISASTER PREPAREDNESS AND MITIGATION MEASURES			Contribution to MDGs 1 and 7
Goals 1. To support and strengthen capacities of governments to prepare for, assess and respond to acute hunger arising from disasters 2. To support and strengthen resiliency of communities to shocks through safety nets or asset creation, including adaptation to climate change			
Outcome	Indicator	Corporate target and performance measure	Project target and data source
Outcome 2.1: Early-warning systems; contingency plans; ⁹ food security monitoring systems: in place and enhanced with WFP capacity development support	2.1.1 Disaster preparedness index	Government capacity strengthened as per plan for 80% of countries supported	Target: Disaster preparedness index equal to or greater than 7, indicating that government capacity in disaster preparedness and food security information management increased with WFP support Source: Annual monitoring and/or survey data
Outcome 2.2: Adequate food consumption over assistance period for targeted households at risk of falling into acute hunger	2.2.1 Household food consumption score	Score exceeds threshold for 80% of targeted households	Target: Food consumption score stabilized at or greater than 35/42 for targeted households Source: Annual survey data
Outcome 2.3: Hazard risk reduced at community level in targeted communities	2.3.1 Household asset score¹⁰	Risk reduction and disaster mitigation assets increased for 80% of targeted households	Target: Asset score threshold set to capture increase (created or restored) in household disaster mitigation assets over base level Source: Survey data
	2.3.2 Community asset score¹¹	Risk reduction and disaster mitigation assets increased for 80% of targeted communities	Target: Asset score threshold set to capture increase (created or restored) in community disaster mitigation assets over base level Source: Survey data
Output	Indicator		
Output 2.1: Disaster mitigation measures in place with WFP capacity development support	2.1.1 Risk reduction and disaster preparedness and mitigation systems in place, by type (early-warning systems; contingency plans; food security monitoring systems, etc.)		
Output 2.2: (see Output 1.1/1.2)			
Output 2.3: Built or restored disaster mitigation assets by targeted communities	2.3.1 Risk-reduction and disaster-mitigation assets created or restored, by type and unit of measure (area protected/improved hectares; number of trees planted; dams constructed, etc.)		

⁹ Refers to government or inter-agency contingency plans

¹⁰ In the context of Strategic Objective 2, **household disaster mitigation assets** include both **natural** (land, water, forests, etc.) and **physical** (productive items such as tools and equipment, livestock and infrastructure) assets.

¹¹ In the context of Strategic Objective 2, **community disaster mitigation assets** include both **natural** (land, water, forests, etc.) and **physical** (productive items such as tools and equipment, livestock, and infrastructure) assets.



STRATEGIC OBJECTIVE 3: RESTORE AND REBUILD LIVES AND LIVELIHOODS IN POST-CONFLICT, POST-DISASTER OR TRANSITION SITUATIONS			Contribution to MDGs 1 and 7
Goals 1. To support the return of refugees and IDPs through food and nutrition assistance 2. To support the re-establishment of the livelihoods and food and nutrition security of communities and families affected by shocks 3. To assist in establishing or rebuilding food supply or delivery capacities of countries and communities affected by shocks and help to avoid the resumption of conflict			
Outcome	Indicator	Corporate target and performance measure	Project target and data source
Outcome 3.1: Adequate food consumption over assistance period for targeted households, communities, IDPs and refugees ¹²	3.1.1 <i>Household food consumption score</i>	Score exceeds threshold for 80% of targeted households	Target: Food consumption score exceeds 35/42 Source: Annual monitoring and/or survey data
	3.1.2 Coping strategies index	Reliance on negative coping mechanisms decreased for 80% of targeted communities	Target: Coping strategies index ¹³ stabilized or decreased Source: Annual monitoring and/or survey data
Outcome 3.2: Targeted communities have increased access to assets in fragile, transition situations	3.2.1 <i>Community asset score</i> ¹⁴	Functioning, useful productive assets increased for 80% of targeted communities	Target: Asset score threshold set to capture increase (created or restored) in functioning productive community assets over base level Source: Survey data
Outcome 3.3: Enrolment of girls and boys, including IDPs and refugees, in assisted schools stabilized at pre-crisis levels	3.3.1 <i>Retention rate</i>	Retention rate met for 80% of sampled schools	Target: Retention rate equals 90% for girls and boys in post-crisis situations Source: Survey data from sampled schools
Output	Indicator		
Output 3.1: (see Output 1.1/1.2)			
Output 3.2: Developed, built or restored livelihood assets by targeted communities and individuals	3.2.1 Number of community assets created or restored by targeted communities and individuals		
	3.2.2 Number of women and men trained in livelihood-support thematic areas		
Output 3.3: School feeding coverage aligned with programme of work	3.3.1 Number of schools assisted by WFP		

¹² Results will be disaggregated by gender, age and group (IDP, refugee, conflict-affected, disaster-affected, orphans and other vulnerable children (OVC)).

¹³ Index is based on productive/household assets, children in schools and level of indebtedness.

¹⁴ In the context of Strategic Objective 3, **community assets** include **natural** (land, water, forests, etc.), **physical** (productive items such as tools and equipment, livestock, infrastructure) and **social** (community groups, values, attitudes, kinship, etc.) assets.



STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION			Contribution to MDGs 1, 2, 3, 4, 5 and 6
Goals 1. To help countries to bring undernutrition below critical levels and break the inter-generational cycle of chronic hunger 2. To increase levels of education and basic nutrition and health through food and nutrition assistance and food and nutrition security tools 3. To meet the food and nutrition needs of those affected by HIV and AIDS, tuberculosis (TB) and other pandemics			
Outcome	Indicator	Corporate target and performance measure	Project target and data source
Outcome 4.1(a): Increased production capacity for fortified foods, including complementary foods and special nutritional products, in countries supported by WFP Outcome 4.1(b): Adequate food consumption over assistance period for targeted households ¹⁵	4.1.1 <i>% increase in production of fortified foods, including complementary foods and special nutritional products</i>	Production target met for 80% of countries supported	Target: Target set for country to capture % increase in production over assistance period, by commodity type Source: Capacity assessment
	4.1.2 <i>Household food consumption score</i>	Score exceeds threshold for 80% of targeted households	Target: Food consumption score exceeds 35/42 in targeted households Source: Annual household survey or monitoring data
Outcome 4.1(c): Targeted households have increased access to productive and non-productive assets to break the inter-generational cycle of chronic hunger ¹⁶	4.1.3 <i>Household asset score</i> ¹⁷	Functioning, useful productive and non-productive assets increased for 80% of targeted households	Target: Asset score threshold set to capture increase in functioning productive and non-productive household assets over base level Source: Survey data
Outcome 4.2(a): Increased access to education and human capital development in assisted schools	4.2.1 Enrolment: average ¹⁸ annual rate of change in number of girls and boys enrolled	Annual rate of increase of 6% met or exceeded for 80% of assisted schools	Target: Enrolment annual rate of increase equals 6% Source: Annual monitoring and/or survey data
	4.2.2 Attendance rate: number of schooldays on which girls and boys attend classes, as % of total number of schooldays	Attendance rate of 90% met or exceeded for 80% of assisted schools	Target: Attendance rate equals 90% Source: Annual monitoring and/or survey data
	4.2.3 Gender ratio: ratio of girls to boys enrolled	Gender ratio equals 1 for 95% of assisted schools	Target: Gender ratio equals 1 Source: Annual monitoring and/or survey data
	4.2.4 <i>Pass rate for girls and boys</i>	Pass rate of 50% met or exceeded for 80% of assisted schools	Target: Pass rate equals 50% Source: Survey data from sampled schools



¹⁵ Safety-net programmes, for households affected by AIDS, including individual children, contribute to this outcome.

¹⁶ Includes people living with HIV and livelihood promotion.

¹⁷ In the context of Strategic Objective 4, **household assets** include **natural** (land, water, forests, etc.), **human** (health and nutrition status, physical capacity, education level, etc.) and **financial** (credit, loans, savings, etc.) assets.

¹⁸ Average is calculated by taking the annual rate of change in all schools and dividing by the number of schools surveyed.

STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION			Contribution to MDGs 1, 2, 3, 4, 5 and 6
Goals 1. To help countries to bring undernutrition below critical levels and break the inter-generational cycle of chronic hunger 2. To increase levels of education and basic nutrition and health through food and nutrition assistance and food and nutrition security tools 3. To meet the food and nutrition needs of those affected by HIV and AIDS, tuberculosis (TB) and other pandemics			
Outcome	Indicator	Corporate target and performance measure	Project target and data source
Outcome 4.2(b): Increased access to education and human capital development of orphans and other vulnerable children (OVC: girls and boys), assisted in formal and informal schools	4.2.5 Enrolment for OVC: average annual rate of change in number of OVC (girls and boys) enrolled	Annual rate of increase of 4% met or exceeded for 80% of assisted schools	Target: Enrolment annual rate of increase equals 4% Source: Annual monitoring and/or survey data
	4.2.6 Attendance rate for OVC (girls and boys): number of schooldays that OVC (girls and boys) attend classes, as % of total schooldays	Attendance rate of 80% met or exceeded for 80% of assisted schools	Target: Attendance rate equals 80% ¹⁹ Source: Annual monitoring and/or survey data
Outcome 4.3: Improved nutritional status of targeted women, girls and boys	4.3.1 Prevalence of stunting among targeted children under 2 (height-for-age as %)	Nutritional target reached for 80% of projects	Target: 10% reduction ²⁰ in stunting prevalence per year Source: Monitoring data and/or survey data
	4.3.2 Prevalence of iron deficiency anaemia (IDA) in women and children ²¹	Nutritional target reached for 80% of projects	Targets: – 10% reduction in IDA prevalence per year if fortified food is provided – 20% reduction in IDA prevalence per year if multiple-micronutrient powder is provided Source: Monitoring data and/or survey data
	4.3.3 Prevalence of underweight among targeted children under 5 (weight-for-age as %) ²²	Nutritional target reached for 80% of projects	Target: 10% reduction in underweight prevalence per year Source: Monitoring data and/or survey data
Outcome 4.4: Increased success of TB treatment for targeted patients	4.4.1 TB treatment success rate ²³	Treatment success rate of 85% reached for 65% of projects	Target: 85% TB treatment success rate ²⁴ Source: Monitoring data and/or survey data

¹⁹ 80% represents the minimum number of days a child should attend to pass exams to the next grade. However, OVC may not attend for such a period because they may have additional duties such as caring for sick parents; the rate could therefore be adjusted in line with the country context.

²⁰ Indicates percent reduction, not a percentage point reduction.

²¹ <110 g/l for pregnant women; <120 g/l for non-pregnant women; <110 g/l for children aged 6–59 months

²² The target group can also be children under 2 or under 3 years of age.

²³ TB treatment success rate is % of TB patients who are cured plus % of TB patients who have completed a course of treatment (WHO 2007).

²⁴ WHO's international target for patients going on TB treatment (WHO 2007); Global tuberculosis control: surveillance, planning, financing (WHO 2008)



STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION			Contribution to MDGs 1, 2, 3, 4, 5 and 6
Goals 1. To help countries to bring undernutrition below critical levels and break the inter-generational cycle of chronic hunger 2. To increase levels of education and basic nutrition and health through food and nutrition assistance and food and nutrition security tools 3. To meet the food and nutrition needs of those affected by HIV and AIDS, tuberculosis (TB) and other pandemics			
Outcome	Indicator	Corporate target and performance measure	Project target and data source
Outcome 4.5: Increase in the % of adults and children living with HIV and receiving nutritional support ²⁵ who are still on anti-retroviral treatment (ART) 6–12 months after starting	4.5.1 % of adults and children living with HIV and receiving nutritional support who are still on ART 6--12 months after starting	Target met for adults and children for 80% of projects	Targets: – 75% of adults and children still on ART 12 months after starting – 79% of adults and children still on ART 6 months after starting Source: Monitoring data every two years (UNGASS) ²⁶
Output	Indicator		
Output 4.1/4.2/4.3/4.4/4.5 (see Output 1.1/1.2)			
Output 4.1(c): Developed, built or restored livelihood assets for targeted households	4.1.1(c) Number of productive and non-productive assets created by targeted households, by type and unit of measure		
Output 4.2: School feeding coverage aligned with programme of work	4.2.1 Number of schools assisted by WFP		



²⁵ WFP assistance covers 6–12 months, depending on the programme.

²⁶ Adapted from the United Nations General Assembly Special Session on HIV/AIDS (UNGASS)

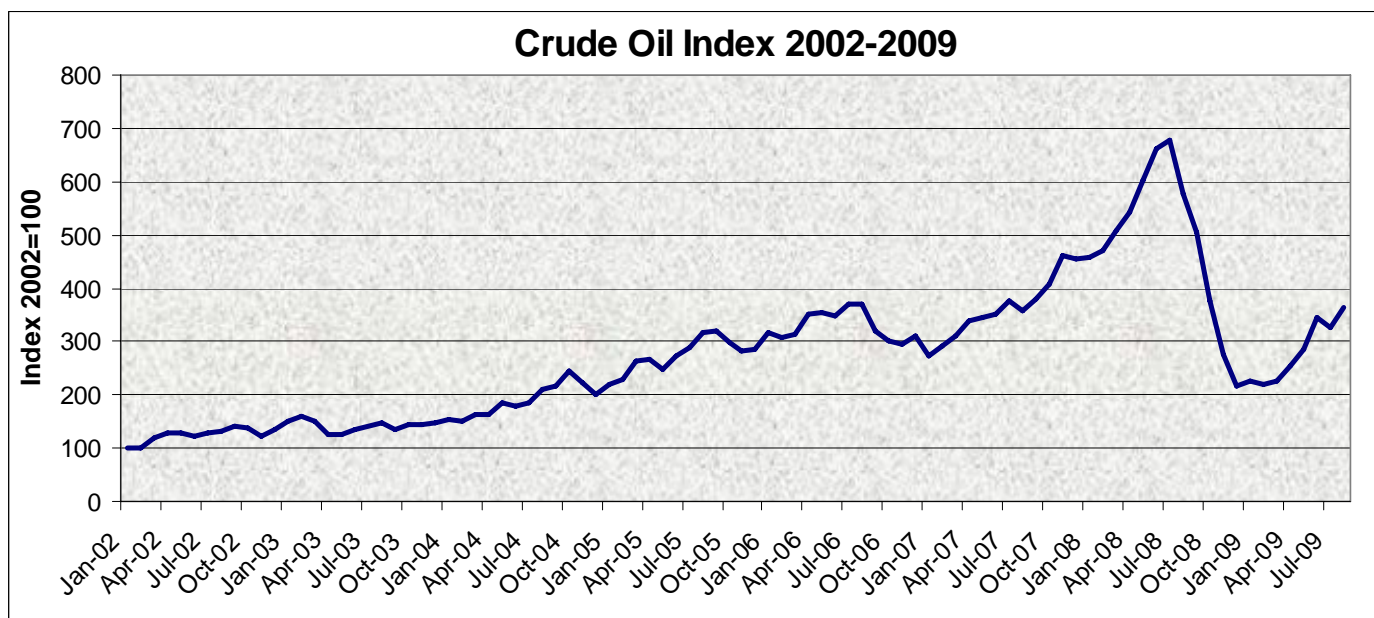
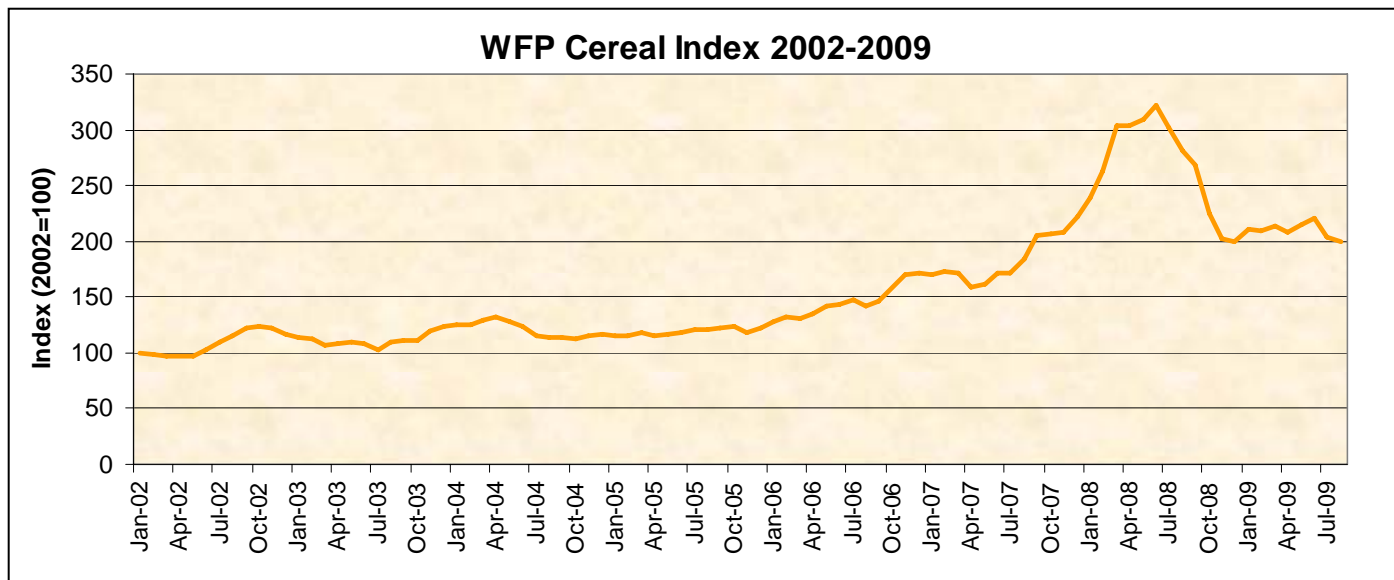
STRATEGIC OBJECTIVE 5: STRENGTHEN THE CAPACITIES OF COUNTRIES TO REDUCE HUNGER, INCLUDING THROUGH HAND-OVER STRATEGIES AND LOCAL PURCHASE			Contribution to MDGs 1 and 8
Goals 1. To use purchasing power to support the sustainable development of food and nutrition security systems, and transform food and nutrition assistance into a productive investment in local communities 2. To develop clear hand-over strategies to enhance nationally owned hunger solutions 3. To strengthen the capacities of countries to design, manage and implement tools, policies and programmes to predict and reduce hunger			
Outcome	Indicator	Corporate target and performance measure	Project target and data source
Outcome 5.1: Increased marketing opportunities at national level with cost-effective WFP local purchases	<i>5.1.1 Food purchased locally, as % of food distributed in-country</i>	Target met for food purchased locally in 80% of countries supported	Target: Set for country – % increase in food purchased locally and cost-effectively Source: Annual monitoring data and cost-effectiveness analysis
Outcome 5.2: Progress made towards nationally owned hunger solutions	<i>5.2.1 Hand-over agreement implemented according to strategy</i>	Hand-over agreement implemented according to strategy for 80% of countries	Target: Hand-over agreement implemented as per milestones and timeframe agreed by Government and WFP – ‘Yes’ or ‘No’ Source: Monitoring and/or survey data
Outcome 5.3: Broader national policy frameworks incorporated hunger solutions ²⁷	<i>5.3.1 Hunger solutions in approved United Nations Development Assistance Frameworks (UNDAFs) and Poverty Reduction Strategy Papers (PRSPs) funded and implemented according to plans</i>	UNDAF or PRSP-funded hunger solutions for 50% of countries	Target: In countries where WFP has done advocacy, hunger solutions in approved UNDAF/PRSP receive planned funding – ‘Yes’ or ‘No’ Source: Monitoring and/or survey data
Output	Indicator		
Output 5.1: Food purchased locally	5.1.1(a) Tonnage of food purchased locally, by type and country classification 5.1.1(b) Food purchased locally, as % of total food purchased 5.1.1(c) % of countries doing local purchases that carry out analyses of cost-effectiveness		
Output 5.2: Agreed hand-over strategies in place	5.2.1 Number of hand-over strategies agreed to between WFP and national governments		
Output 5.3: Capacity and awareness developed through WFP-organized actions/training	5.3.1 Number of UNDAF and PRSP documents that include budgeted hunger solutions 5.3.2 Number of people trained in: needs assessments, targeting, food management in terms of quantity and quality, market analysis, information management, gender analysis, local tendering processes; disaggregated by gender and category (WFP, government and partner staff)		

²⁷ Hunger solutions include but are not restricted to school feeding, needs assessments, targeting, food management in terms of quantity and quality, market analysis, information management, gender analysis and local tendering processes



ANNEX VII

COST TREND INDICATORS



ANNEX VIII

UNFORESEEN REQUIREMENTS

1. Recent WFP Management Plans included only foreseen needs, consisting of existing operations and their logical extensions and made no provision for unforeseen requirements.
2. Table I outlines the level of unforeseen requirements compared to the original Management Plan.

TABLE I: HISTORICAL UNFORESEEN REQUIREMENTS				
	Management Plan (US\$ million)	Unforeseen requirements (US\$ million)	Total final programme of work (US\$ million)	Increase (%)
2002–2003	2 931	2 689	5 620	92
2004–2005	4 784	1 076	5 860	22
2006–2007	6 198	252	6 450	4
2008–2009	5 792	5 987	11 779	103
Average 2002–2009	4 926	2 501	7 427	51

3. For the past four biennia, the average increase resulting from additional unforeseen needs has been 51 percent. For the 2008–2009 Management Plan this increase was a substantial 103 percent above the originally planned budget, mainly due to an increase in the programme of work.

Reasons for Unforeseen Requirements

4. A large number of risk factors and uncertainties will influence the 2010–2011 biennium. WFP's operations are most affected by political, environmental and economic factors, whose level of impact can vary from region to region. Over the last 15 years, there have been more victims of natural and technical disasters than conflict-related disasters.¹

⇒ *Political factors*

5. Political factors that result in unforeseen requirements include political instability and regional conflicts.
6. Given the fragile political and economic environment in several countries, elections may be accompanied by increased instability, compromising the implementation of some of WFP's activities and potentially leading to conflict and increased food insecurity. Several regional and national conflicts such as in the Horn of Africa, Chad, the DRC and the Sudan could result in an increase in WFP EMOPs.

¹ Professor David Keen, Seminar on Humanitarian Assistance and Complex Emergencies, 29 June 2009.



7. Should political instability in regions deteriorate further, the food security situation is likely to worsen, triggering the need for increased food assistance and leading to higher operational costs for WFP.

⇒ *Environmental factors*

8. Environmental factors include extreme weather conditions such as drought, cyclones, inland and coastal flooding, and earthquakes. The El Niño phenomenon has the potential to increase rainfall in some regions, and cause droughts in others, with devastating impacts on food security and hunger, especially among vulnerable people.
9. Extreme weather conditions can increase the need for WFP interventions and compromise WFP's access to beneficiaries, especially in floods, as national emergency preparedness and management capacities are often insufficient and rural infrastructure is often poor.

⇒ *Economic factors*

10. Economic factors include food price volatility, oil and gas price spikes, currency changes and the impact of the economic crisis on income and remittances.
11. Ongoing monitoring of the impact of the global financial crisis indicates that there have been decreased international remittances and reductions in exports, resulting in high unemployment and increased food prices, which have led to reduced incomes and livelihoods opportunities.
12. This trend will continue to increase food insecurity among vulnerable populations, including urban, market-dependent people, cash crop producers and remittance receivers, thus triggering increased need for assistance.
13. In addition to the factors in these main categories, other elements can have a direct or combined impact on unforeseen needs, such as health factors – pandemics, HIV/AIDS, etc.

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.

Activity

The action through which WFP assistance is made available to beneficiaries, e.g. through general food distribution, supplementary feeding, school meals, cash pilots, capacity development, etc.

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.

Anaemia

A decrease in the normal number of red blood cells; or less-than-the-normal quantity of haemoglobin, a protein in red blood cells that carries oxygen in the blood.

Appropriation

The amount approved by the Board for specified purposes in the programme support and administrative budget for a Biennium, 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.

Assessment

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



Beneficiaries

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

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.

Capacity-building

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

COMPAS – Commodity Movement Processing and Analysis System

An electronic system used for tracking commodities from receipt of contribution through shipping/overland transport, to final delivery point, and for tracking stock levels of warehouses, losses, damages, loans, etc. Based on standardized WFP documents, including bill of lading, waybills and stocks/loss reports, COMPAS is used in most country offices and area offices.

Contingency planning

A deliberative process in which scenarios and objectives are agreed, managerial and technical actions are defined and response systems are put in place so as to prevent or respond better to a crisis or emergency. Contingency planning is one element of preparedness.

Contribution

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

Cooperating partner

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

Country programme

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



Dietary diversity

The number of different foods or food groups consumed over a given reference period.

Directed multilateral contribution

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

Direct support cost

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

Distribution ration

The quantity of food actually given to each individual, or household, at each distribution. The distribution ration corresponds to the daily ration multiplied by the number of days the food is intended to last and the number of individuals expected to share it.

Emergency preparedness

Systems, actions, arrangements and procedures that come into play in anticipation of a potential humanitarian emergency to ensure a rapid, effective and appropriate approach to risk management and response that may save lives and livelihoods. It comprises several systems, tools and functions including early warning and information preparedness, contingency and operational planning, normative guidance and capacity-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

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

Executive Director

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

Financial Regulations

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

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 that create or rehabilitate assets with the purpose of enhancing, restoring or securing the resilience of vulnerable beneficiary households.

In food-for-work projects and activities food is given as full or partial payment for work performed in the context of a supervised work programme.

Fortification

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

Full-cost recovery

The recovery of operational costs, DSC and ISC in full.

Fund

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

General 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 which 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 Programming

Food-supported programmes targeting food-insecure HIV-positive people and their families, who are enrolled in programmes such as those providing ART, the prevention of mother-to-child transmission (PMTCT) of HIV, and tuberculosis (TB) management. Also includes food support provided through home-based care (HBC) programmes in which chronically ill HIV-positive persons receive care at home 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 for this programming is based on food insecurity and not on HIV/AIDS status alone; in most cases family rations are provided.

Household

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

Indicator

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

Indirect support cost

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

Malnutrition

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

Management Plan

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

Micronutrients

Micronutrients consist of vitamins and minerals. While required in small amounts, they are essential for life and needed for a wide range of body functions and processes.

Monitoring

The systematic and continuous assessment of the progress of an intervention over time.

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.

Operational costs

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

Operational requirements

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

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.

Partner

See **Cooperating partner**

Performance

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

Programme category

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

Programme of work

The programme of work consists of the operation requirements inclusive of indirect support costs.

Programme Review Committee

An inter-divisional committee that makes recommendations to line managers for developing high-quality country programmes and projects. Reviews all proposals for EMOPS, PRROs, Country Strategy Outlines (CSOs), country programmes, activities within country programmes (when so requested by a country director) and SOs. The PRC Secretariat is located within the office of the Programme Design and Support Unit.

Programme support and administrative budget

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



Project

A separately identified undertaking within a programme category.

School meals

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

Take-home rations are usually family rations given to pupils in areas affected by a combination of endemic poverty, prevalent malnutrition, low educational indicators, low gender parity in education and/or a high prevalence rate of HIV/AIDS.

SD score (Standard Deviation or z-score)

A measure of the distance between an individual's measurement and the expected value (or median) of the reference population. The distance is expressed in multiples of the reference standard deviation.

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 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 meals and food for work.

Survey

A data collection method that involves a planned effort to collect required data from a sample of the relevant population. The relevant population consists of people affected by the WFP operation (or in the case of a control or comparison group, of people with similar characteristics).

Target

The desired level of performance to be accomplished within a specific period of time; can be a specific indicator value or a trend.



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.

WINGS II

WFP Information Network and Global System II is the updated version of the WINGS system used by WFP since 2001. It is an information and business process system to keep track of all of WFP's activity, from planning projects and tracking food aid shipments to managing finances and paying staff salaries.



ACRONYMS USED IN THE DOCUMENT

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AEPR	Asia Emergency Preparedness and Response
AIDS	Acquired Immune Deficiency Syndrome
ALM	asset liability management
APR	Annual Performance Report
ART	anti-retroviral treatment
ASEAN	Association of Southeast Asian Nations
ASMR-U5	age-specific mortality rate for children under 5
AU	African Union
CAF	Capital Asset Fund
CFSAM	crop and food supply assessment mission
CFSVA	comprehensive food security and vulnerability analysis
CMR	crude mortality rate
COMPAS	Commodity Movement Processing and Analysis System
COO	Chief Operating Officer
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSO	Country Strategy Outline
DEV	development project
DFID	Department for International Development (United Kingdom)
DPRK	Democratic People's Republic of Korea
DRC	Democratic Republic of the Congo
DSC	direct support costs
DSCAF	DSC Advance Facility
EMOP	emergency operation
EPIC	Emergency Preparedness Integration Centre
EPR	Emergency Preparedness and Response
EQAS	Evaluation Quality Assurance System
ERM	enterprise risk management
ESHI	economic shock and hunger index
ETC	emergency telecommunications cluster
FAO	Food and Agriculture Organization of the United Nations
FCF	fortified complementary food
FCS	food consumption score
FPF	Forward Purchase Facility
GAIN	Global Alliance for Improved Nutrition



GIS	geographic information system
GPS	global positioning system
GVLP	Global Vehicle Leasing Programme
HBC	home-based care
HIV	Human Immunodeficiency Virus
HLCM	High-Level Committee on Management
ICT	information and communications technology
IDA	iron deficiency anaemia
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
IPSAS	International Public Sector Accounting Standards
IRA	Immediate Response Account
ISC	indirect support costs
ISPMS	Integrated Strategic Performance Management System
IT	information technology
ITHACA	Information Technology for Humanitarian Assistance, Cooperation and Action
JPO	junior professional officer
LTSH	landside transport, storage and handling
MCHN	mother-and-child health and nutrition
MDG	Millennium Development Goal
MISTS	minimum security telecommunications standards
MOSS	minimum operating security standards
MUAC	mid-upper arm circumference
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODOC	other direct operational costs
OECD	Organisation for Economic Co-operation and Development
OMB	Asia Regional Bureau
OMC	Middle East, Central Asia and Eastern Europe Regional Bureau
OMD	West Africa Regional Bureau
OMJ	Southern, Eastern and Central Africa Regional Bureau
OMP	Latin America and Caribbean Regional Bureau
OMS	Sudan Regional Bureau
OVC	other vulnerable children
P4P	Purchase for Progress
PDA	personal digital assistant



PDS	public distribution system
PMTCT	prevention of mother-to-child transmission
PRC	Project Review Committee
PRRO	protracted relief and recovery operation
PRSP	Poverty Reduction Strategy Paper
PSA	Programme Support and Administrative
REACH	Renewed Efforts Against Child Hunger
REB	Executive Board Secretariat
REG	Government Donor Relations Division
SC/SSA	Service Contract/Special Service Agreement
SO	special operation
SOLA	Special Operations Living Allowance
SRAC	Strategic Resource Allocation Committee
TB	tuberculosis
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNGASS	United Nations General Assembly Special Session on HIV/AIDS
UNHAS	United Nations Humanitarian Air Service
UNHRD	United Nations Humanitarian Response Depot
UNICEF	United Nations Children's Fund
UNJLC	United Nations Joint Logistics Centre
UNSMS	United Nations Security Management System
VAM	vulnerability analysis and mapping
WCF	working-capital financing
WHO	World Health Organization
WINGS II	WFP Information Network and Global System
ZAMACE	Zambia Agricultural Commodities Exchange