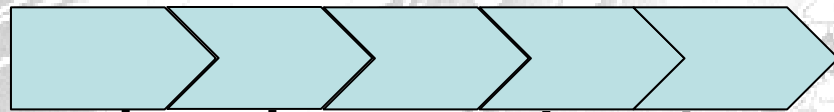




WFP Management Plan 2008-2009



Management Plan 2008-09



- Operational Overview
- Operational Budget by Region
- Staff Cost Increase
- PSA Setting Process
- Timetable for EB Consultations

Management Plan 2008-2009



Operational Outlook 2008-2009



Operational Overview

77 COUNTRIES

89.9 million BENEFICIARIES

7.8 million metric tons of FOOD

5.4 billion US\$ OPERATIONAL REQUIREMENTS of which:

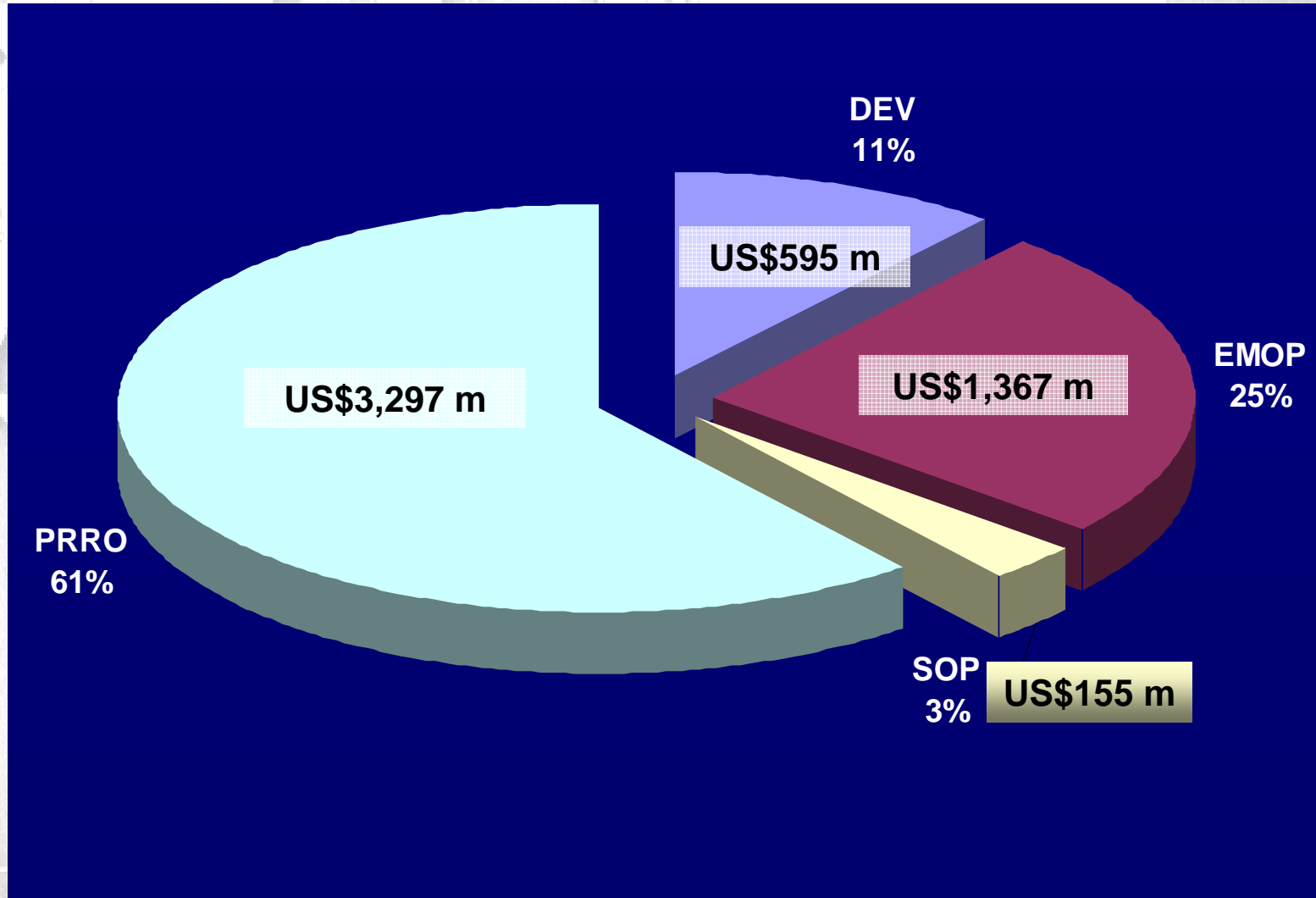
70% approved projects

30% logical extensions

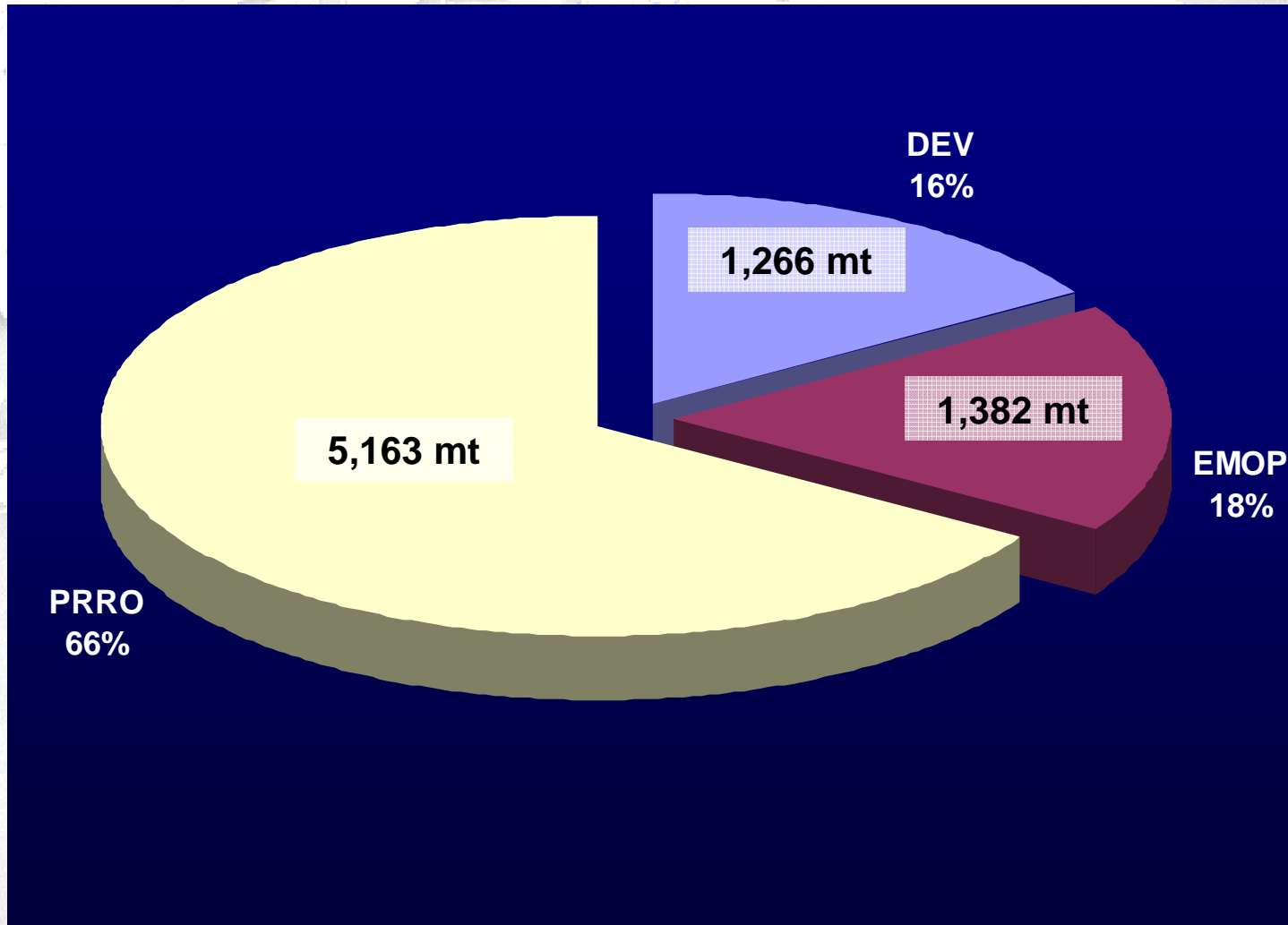
Operational budget framed by Five Strategic Objectives

**Operational budget builds on working with other partners
towards achieving MDGs**

Value, by Programme Category



Volume, by Programme Category

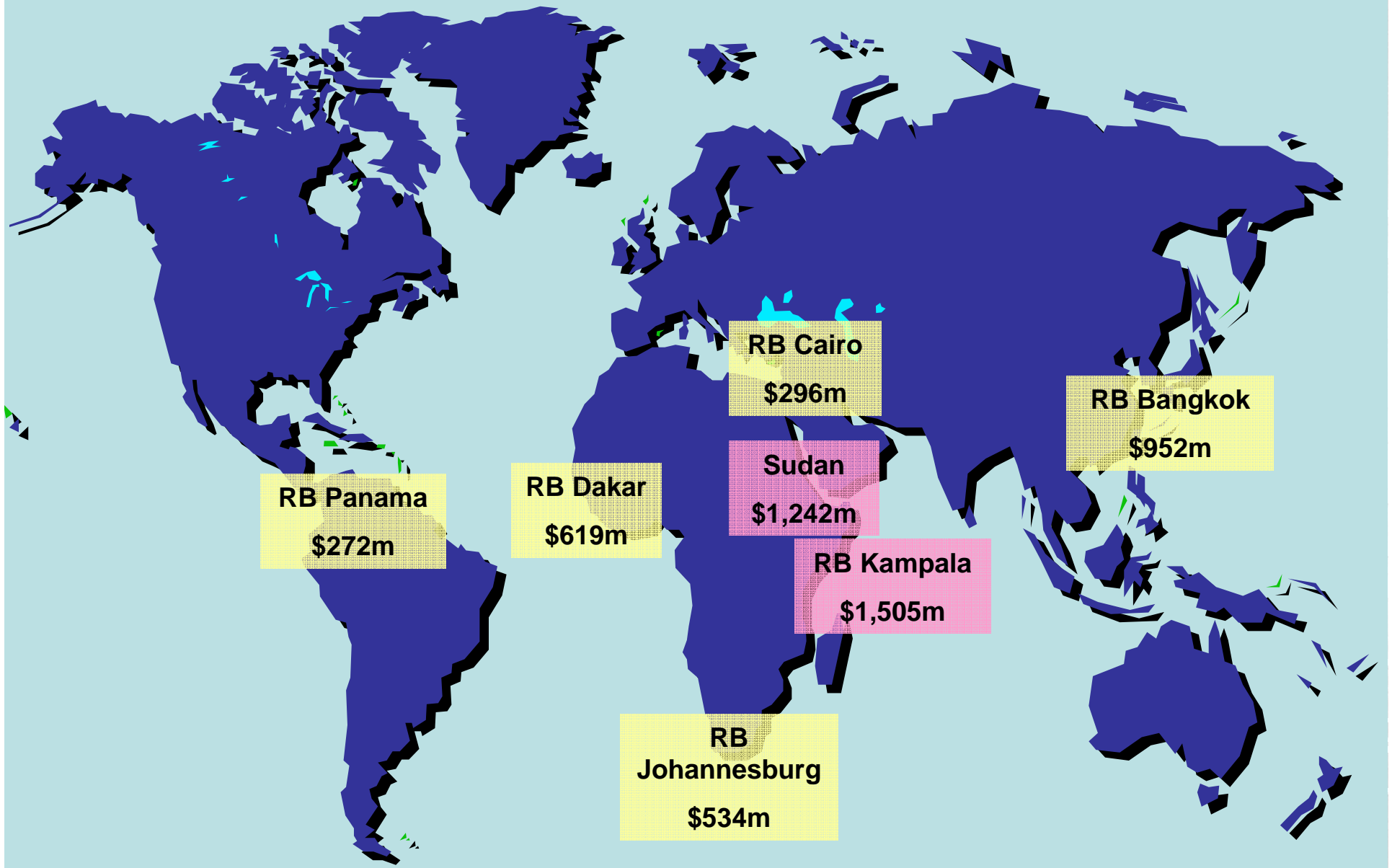




Operations by Region 2008-2009



Operational Overview, by Region





Standard Staff Costs

Staff Cost Increase

- Standard Staff Costs used for this biennium based on an assessment of actual staff costs in 2004
- A new assessment was made for the 2008-09 biennium due to:
 - Negative staff variance in the current biennium shows that current rates are understated
 - Cost of Living survey resulted in 12.6% GS Rome salary increase, not reflected in the current rates
 - Foreign Exchange hedge for € costs expires at the end of 2007 – cost increases expected for next year due to rising price of the €
- Result: 23 % INCREASE for the 2008-2009 Standard Staff Rates

PSA Staff Costs

Current PSA Staff

Cost @ 2006-2007 Rates

=

US\$256.2 m

Cost @ 2008-2009 Rates

=

US\$313.9 m

Difference

= US\$57.7 m



**23% Increase in PSA Staff Costs
with the current staffing structure**

PSA Staff Costs

PSA Costs based on the 2002-03 Staffing Structure

2002-2003 TOTAL PSA
expenditure

=

US\$232 m

(incl. non-staff costs)

Difference

= US\$84 m

2008-2009 TOTAL PSA
using 2008-09 Staff Rates

=

US\$316 m

(incl. non-staff costs)



36% Increase in PSA Costs
since 2002-2003, same cost base

Management Plan 2008-2009



PSA 2008-2009

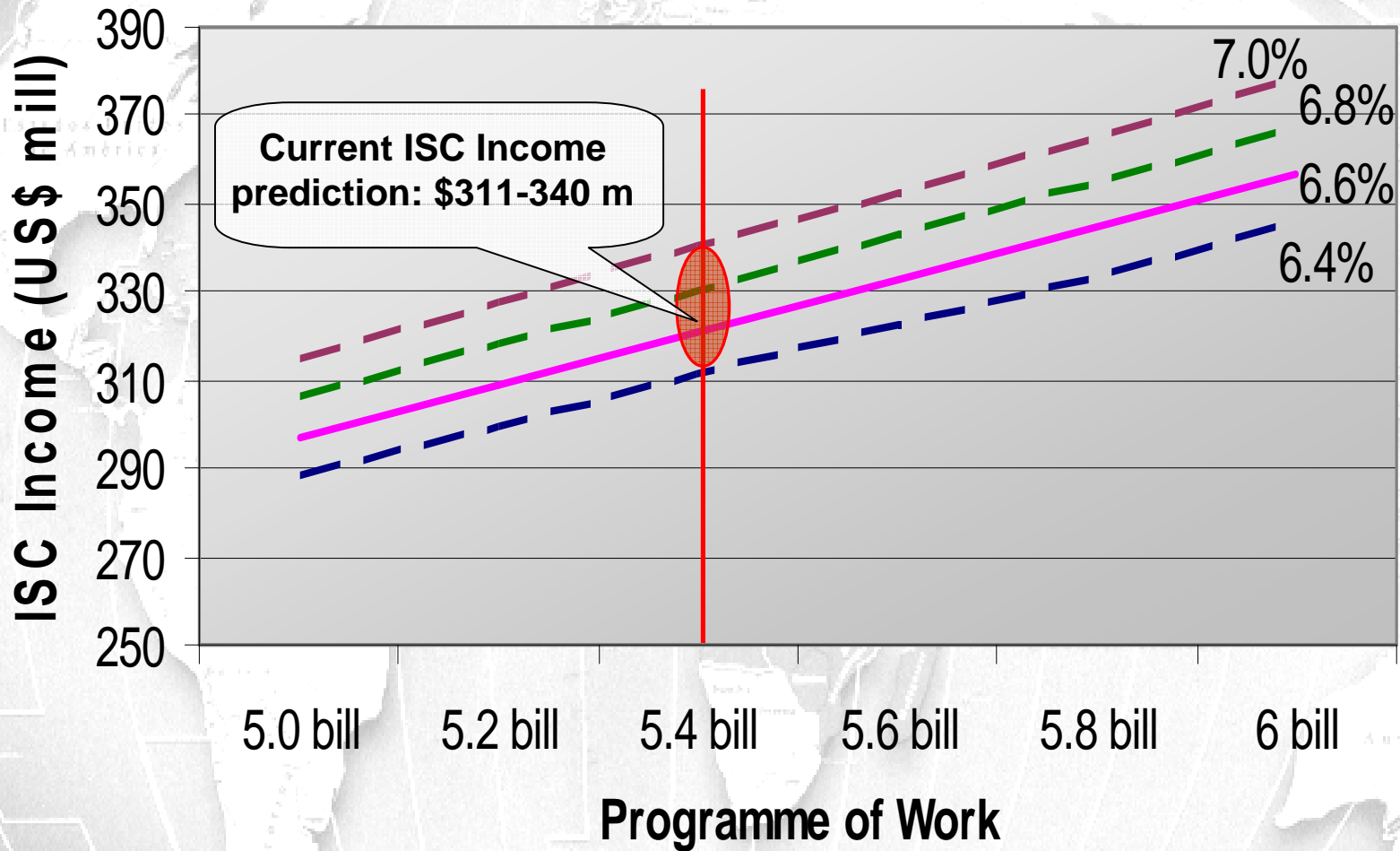
ISC Rate: Approved vs. Actual

- Current approved ISC Rate = 7%
- Historical ISC Rate:

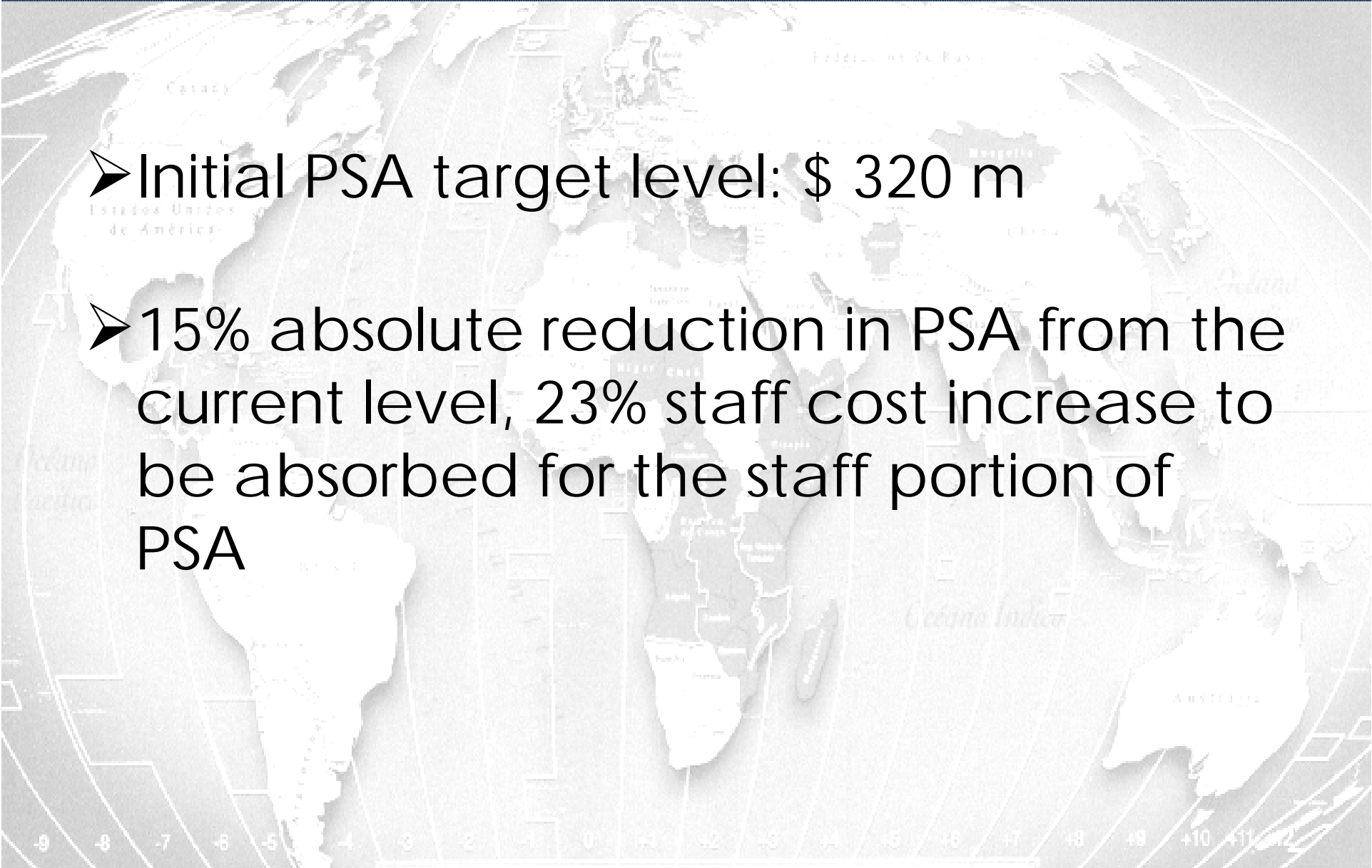
	Approved ISC Rate	Realized ISC Rate
2002-2003	7.8% in 2002 7.0% in 2003	6.7%
2004-2005	7.0%	6.4%
2006	7.0%	6.3%

- ISC rate lower than the approved rate due to:
 - Lower rate charged on Special Accounts and Trust Fund contributions
 - Reprogrammed contributions
 - Limited number of ISC waivers

ISC Income – 90% Funding



PSA Level 2008-09

- 
- Initial PSA target level: \$ 320 m
 - 15% absolute reduction in PSA from the current level, 23% staff cost increase to be absorbed for the staff portion of PSA

PSA Setting Process

Objective: A sustainable PSA budget that takes into account available resources.

Opportunities:

- Review and consolidation of organizational structure
- Review of Regional Bureaux structure
- Multiple shoring/sourcing platforms
- Re-engineering of business processes

Internal Stakeholder Prioritization of PSA Proposals

- Advice on PSA priorities provided by a cross-section of WFP managers who understand the value of proposed activities
- Activities linked to 7 Management Objectives
- PSA funding assigned to activities that contribute the most to Management Objectives
- The view of 'service receivers' i.e. the Field is represented in assigning PSA funding to 'service providers'

PSA Allocations by Management Objective

Description	Current total budget US\$ (2006-07 rates)	Budget Proposal US\$	Review US\$	Review vs. Proposal	Review vs. Current Budget
MO1 Build Strong Partnerships to End Hunger	9.0	14.9	7.5	50.3%	83.3%
MO2 Be the Employer of Choice for Competent Staff Committed to Ending Hunger	24.6	36.1	20.3	56.2%	82.5%
MO3 Excellence in implementing Efficient and Effective Programmes	42.3	70.0	38.4	54.9%	90.8%
MO4 Build and Share Knowledge to Inform Combined Efforts to End Hunger	11.8	13.0	8.3	63.8%	70.3%
MO5 Provide technical and Operational Infrastructure Services to Support Effective Operations	63.6	94.1	56.8	60.4%	89.3%
MO6 Be Transparent, Accountable and Manage Risk	55.8	68.8	50.0	72.6%	89.5%
MO7 Raise Resources to Meet Needs	38.8	42.7	30.7	71.9%	79.1%
MO8 Senior Management	43.2	53.5	35	65.4%	81.0%
OED	12	12	12		
Country Offices	70.6	73	69		
Reassignment Cost		7.5	7.5		
Corporate Budget	5.7	5	10		
Staff Savings	-7.0				
Grand Total	370.4	490.6	345.5	70.4%	93.3%

BUDGET PROPOSALS

- ED requested all Departments/Divisions to submit a budget:
 - Within Stakeholders advice
 - With associated risks
- ED and DED's to:
 - Review submissions
 - Decide on
 - trade-off's
 - risk mitigation measures

Executive Board Timetable

- Board Briefing – May 28
- Informal Consultation – June 26
- Informal Consultation – July 26
- Informal Consultation – September 26
- Second Executive Board Session –
Management Plan 2008-2009 presented –
October 22-26