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## FINANCE COMMITTEE

**Hundred and Forty-second Session**

**Rome, 7 - 8 November 2011**

**WFP Management Plan (2012–2014)**

Queries on the substantive content of this document may be addressed to:

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### EXECUTIVE SUMMARY

- The WFP Management Plan (2012–2014) presents the Board with the 2012 budget for approval, and the projections and plans for 2013–2014 for consideration.
- This is the second management plan to be drafted in support of WFP’s Strategic Plan (2008–2013). It is the first to present a rolling three-year management plan with an annual budget and to be costed using the new financial framework.
- The management plan is results-based; it sets out WFP’s management priorities by Strategic Objective and Management Result Dimensions.
- The 2012 budget proposal includes the projected operational requirements, support budget requirements, one-time investments.
- The document outlines for 2012 special accounts valued at US\$164.2 million; corporate trust funds valued at US\$111.6 million; and country-specific trust funds valued at US\$93.5 million.
- In 2012, WFP aims to assist 85 million beneficiaries with operational requirements valued at US\$4.8 billion, with 4.4 million metric tons of food and associated cost valued at US\$3.6 billion, along with cash and voucher activities valued at US\$255 million and capacity augmentation activities valued at US\$308 million.
- The contribution forecast for 2012 is US\$3.75 billion per year; the current contribution forecast for 2013 and 2014 is roughly similar.
- The Secretariat is proposing a 7 percent indirect support cost recovery rate applying the method agreed with the Board.
- The proposed Programme Support and Administrative (PSA) budget for 2012 is US\$249.1 million. It was determined taking into account resources expected for foreseen operational requirements along with current reserves.
- In 2012 WFP proposes to allocate US\$22.2 million from the PSA Equalization Account for one-time investments in information technology, workforce re-training, and accountability and financial risk management.
- A sum of US\$10 million is requested from the Self Insurance Fund for a workforce re-profiling exercise.
- For the United Nations Department of Safety and Security and the Security Emergency Fund, the Board is requested to authorize up to US\$10 million from the General Fund. In addition to this, US\$900,000 for the completion of the Treasury Management System (TMS) is proposed.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to review the “WFP Management Plan (2012–2014)” and to endorse it for approval by the Executive Board.

**Draft Advice**

- **In accordance with Article XIV of the General Regulations of WFP, the FAO Finance Committee advises the WFP Executive Board to approve the draft decision as outlined in the document “*WFP Management Plan (2012-2014)*”.**

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Programme  
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World  
Food  
Programme

Programa  
Mundial  
de Alimentos

**Executive Board  
Second Regular Session**

**Rome, 14–17 November 2011**

# **RESOURCE, FINANCIAL AND BUDGETARY MATTERS**

**Agenda item 5**

*For approval*



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## **WFP MANAGEMENT PLAN (2012–2014)**



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## NOTE TO THE EXECUTIVE BOARD

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

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

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# EXECUTIVE SUMMARY

## Introduction

1. The WFP Management Plan for 2012–2014 presents the Board with the 2012 budget for approval, and the projections and plans for 2013–2014 for consideration. This is the first time a rolling three-year Management Plan with an annual budget has been presented to the Board. The 2012 budget includes the projected operational requirements and support budget requirements, showing how these relate to achieving WFP's Strategic Objectives; it also outlines special accounts and trust fund activities.
2. This is the second Management Plan to be drafted in support of WFP's Strategic Plan (2008–2013), and the first to form part of WFP's new corporate performance management framework. It sets out WFP's management priorities and resource requirements by Strategic Objectives and Management Result Dimensions to facilitate measurement of the efficiency and effectiveness of WFP's implementation of the Strategic Plan and its transition from food aid to food assistance.
3. As it pursues its Strategic Objectives, WFP continues to strengthen its core business: emergency preparedness and response. Among other things, through use of its Forward Purchase Facility, and improved information management at all levels, WFP continues to enhance its ability to respond rapidly and effectively to the needs of beneficiaries.
4. In addition, to ensure WFP is deploying the right tools to address the challenges in fulfilling its mission as a food assistance agency, the Management Plan focuses on the following key areas:
  - *Cash and vouchers.* WFP will continue the targeted scale-up of appropriate cash and voucher programming and further enhance the required processes and control systems. By 2014, cash and vouchers are expected to represent 17 percent of the value of WFP's food and nutrition assistance.
  - *Targeted supplementary food.* WFP aims to maximize the nutritional impact of its food assistance activities by providing the right food at the right time, particularly for mothers and children during the critical 1,000 days from the womb to age 2 and for children aged 2–5 years. WFP plans to significantly enhance its food interventions to ensure they address the supplementary food requirements of 20 million beneficiaries by 2014.
  - *School feeding.* WFP's long-term vision is to enable governments to reduce hunger and malnutrition among schoolchildren to ensure that lack of adequate food is not an obstacle to their development. In line with this vision, WFP's new approach to school feeding frames school feeding as a safety-net intervention with increased government ownership and sustainability.
  - *Hand-over strategies.* WFP will continue to support governments through capacity augmentation and hand-over strategies to enhance nationally-owned and community-owned hunger solutions.



## Financial Framework Review

5. WFP undertook a review of its financial framework to ensure that it fully supported the implementation of the Strategic Plan (2008–2013) and to improve the predictability, flexibility and transparency of resource usage. Changes contained in the new financial framework include the separation of commodity and non-commodity activities; a modified direct support cost recovery mechanism; and the move to a three-year rolling planning cycle with an annual budget.
6. The separation of commodity and non-commodity activities has resulted in a new cost categorization for operational costs, which is presented for the first time in this document.

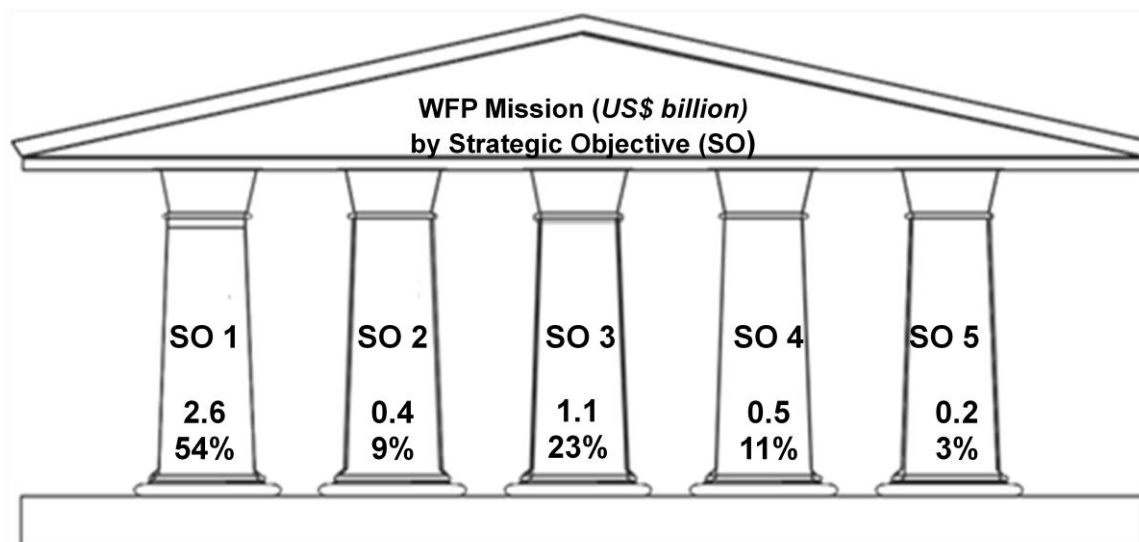
## Budget Proposal 2012

7. WFP partners with nations to fight hunger and malnutrition in 74 countries, most of which are least developed, low-income food-deficit countries, in insecure areas that lack infrastructure. WFP's field capacities, together with robust needs assessment capabilities, make it a respected partner in the United Nations system and a leader in logistics and supplementary nutrition activities. The total budget proposal for 2012 for all resources is US\$5.49 billion, as shown in Table 1.

<b>TABLE 1: BUDGET PROPOSAL 2012 (US\$ million)</b>	
Operational requirements	4 823.8
Regular Programme Support and Administrative	249.1
One-time investments	22.2
Workforce re-profiling exercise	10.0
Security funding (from the General Fund)	10.0
Treasury Management System (from the General Fund)	0.9
Special accounts and trust funds	369.3
<b>TOTAL</b>	<b>5 485.3</b>

## Operational Requirements for 2012

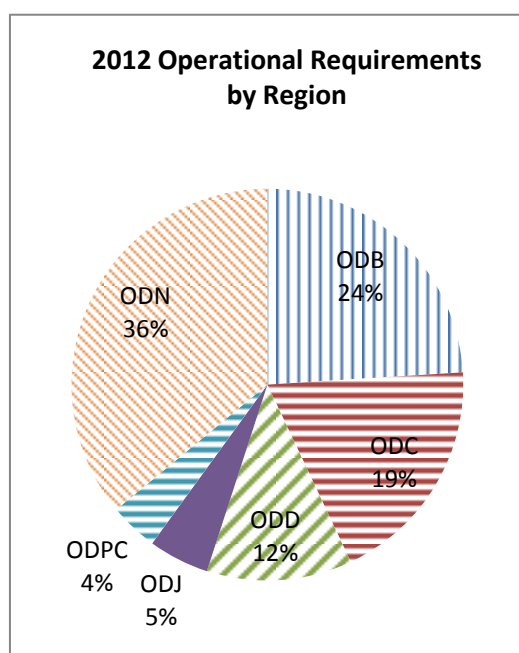
8. Operational requirements are driven by WFP's five Strategic Objectives. The activities in the projected operational requirements are designed to ensure that WFP is utilizing the right tool at the right time and in the right place.



Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Strategic Objective 4	Strategic Objective 5
<ul style="list-style-type: none"> <li>• Save lives and protect livelihoods in emergencies</li> </ul>	<ul style="list-style-type: none"> <li>• Prevent acute hunger and invest in disaster preparedness and mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce chronic hunger and undernutrition</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase</li> </ul>

9. In 2012, WFP aims to assist 85 million beneficiaries with 4.4 million metric tons of food, including supplementary rations, along with cash and vouchers valued at US\$255 million. These figures do not take into account unforeseen needs that may arise during the period.
10. Almost all of the world's undernourished people live in developing countries.<sup>1</sup> WFP's geographical coverage mirrors this fact: operations in Asia and East and Central Africa account for most of the 2012 operations. Compared with previous years, operational requirements in the Regional Bureau in Cairo have increased owing to events of the Arab spring; continued political upheaval in the region; and the inclusion of Sudan as part of that regional bureau beginning in January 2012. A bureau for East and Central Africa has been created, which includes the new country of South Sudan and brings regional support closer to countries with some of the largest WFP emergency, relief and recovery operations.

<sup>1</sup> 2010 hunger figures from FAO/WFP. 2010. *The State of Food Insecurity in the World*. Rome.



Countries	Operational Budget (US\$ million)	% of total 2012 Operational Budget
Ethiopia	448	9
Afghanistan	442	9
Sudan	398	8
Kenya	359	7
Pakistan	305	6
South Sudan	254	5
Yemen	224	5
Somalia	218	5
Dem. Rep. Congo	195	4
Chad	180	4
<b>Subtotal</b>	<b>3 023</b>	<b>63</b>
Other countries	1 800.8	37
<b>TOTAL</b>	<b>4 823.8</b>	<b>100</b>

ODB: Regional Bureau Bangkok (Asia)

ODC: Regional Bureau Cairo (Middle East, North Africa, Eastern Europe and Central Asia)

ODD: Regional Bureau Dakar (West Africa)

ODJ: Regional Bureau Johannesburg (Southern Africa)

ODPC: Regional Bureau Panama City (Latin America and the Caribbean)

ODN: Regional Bureau Nairobi (East and Central Africa)

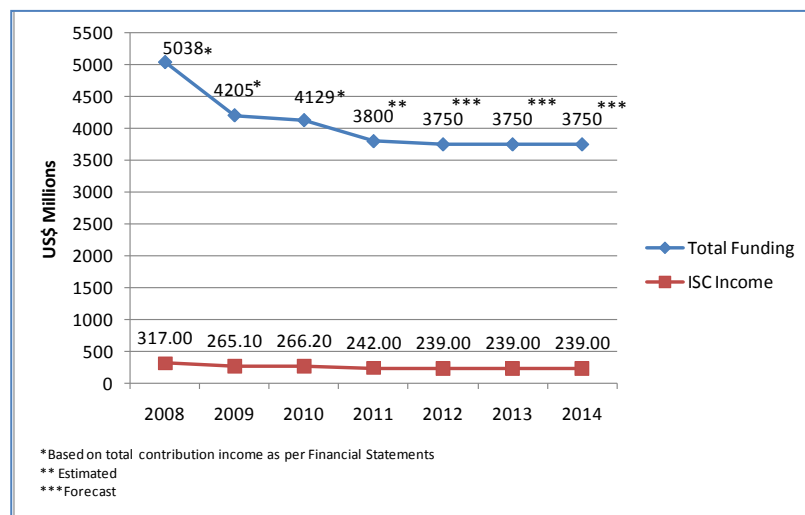
11. As in previous years, it is expected that nearly two thirds of WFP's 2012 operational budget will be implemented in the ten countries with the largest programmes. Logistical challenges, insecurity, conflict and volatility are pervasive in many of the countries where WFP is needed the most.

## Resourcing

12. WFP is funded entirely by voluntary contributions and the level of actual operations depends on the level of contributions received. WFP works with its donors to sustain support for WFP operations, while also increasing its efforts to diversify its donor base, particularly by partnering with host governments and emerging economies. These partnerships include twinning arrangements where commodities are received from an emerging donor and associated costs are provided by a cash contribution from a traditional donor.

13. The contribution forecast for 2012, 2013 and 2014 is US\$3.75 billion per year. The figure below shows actual and projected funding and indirect support costs (ISC) income for 2008–2014.

**Contributions, including Forecasts for 2012–2014**



### Programme Support and Administrative Budget for 2012

14. In accordance with the new Management Plan cycle approved by the Board at its 2011 Annual Session, a one-year Programme Support and Administrative budget is presented for Board approval.
15. The proposed Programme Support and Administrative budget for 2012 – US\$249.1 million – was determined taking into account resources expected to be available from funding for foreseen operational requirements, along with resources available from current reserves, and is considered sustainable.
16. To further increase efficiency, the Programme Support and Administrative budget for 2012 represents a 3 percent reduction from the 2011 levels in real terms excluding regional bureaux, country offices and allocations to priority areas. WFP has examined all its Programme Support and Administrative activities and costs in order to ensure effective prioritization of limited resources. The proposed resource allocation is an attempt to preserve the most important activities while reducing overhead costs.
17. The two priority areas of cluster leadership and administration of justice have been mainstreamed into the regular Programme Support and Administrative budget with a total appropriation of US\$5.4 million – US\$3.8 million for cluster leadership and US\$1.6 million for administration of justice.
18. This is the first time the Programme Support and Administrative budget forms part of a performance management framework, with the aim of aligning resources with priority areas. The WFP performance management framework consists of 18 macro activities grouped into five Management Result Dimensions (MRDs), as shown below.

**MRD1**

- Securing Resources: All issues relating to the mobilization of the resources necessary to carry out WFP's work and implement organizational strategy

**MRD2**

- Stewardship: All issues relating to the effective management of the resources under WFP's control.

**MRD3**

- Learning and innovation: All issues relating to the identification, documentation and dissemination of lessons learned and skills needed to improve performance.

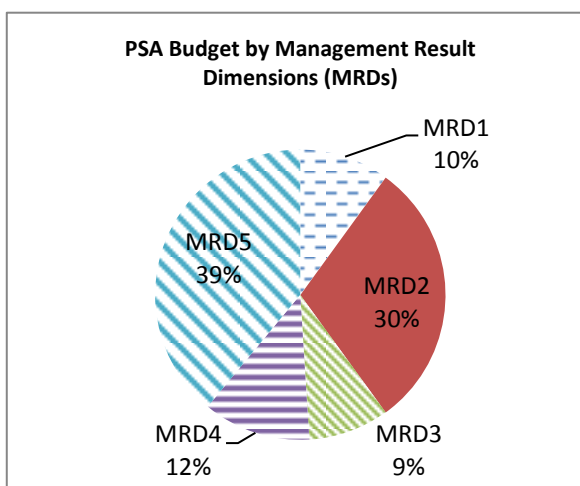
**MRD4**

- Internal business processes: All issues relating to provision and delivery of the support processes necessary for the continuity of WFP's operations.

**MRD5**

- Operational efficiency: All issues relating to the timeliness, cost-efficiency, continuity and appropriateness of WFP response.

19. The main focus of the Programme Support and Administrative budget is operational efficiency under MRD5, ensuring design and delivery of projects and activities that have the maximum impact on beneficiaries. MRD2 is related to safeguarding resources and optimizing resource usage. WFP pays close attention to ensuring maximum return on funds that donors entrust to it. Accountability, minimizing resource losses, safeguarding human, physical and financial capital, and reporting of results are prioritized to ensure that donors and other stakeholders can continue to place their trust in WFP.



20. Income forecasts for the projected operational requirements are used to determine the expected resources for indirect support cost income. Indirect support cost income is generated by applying a recovery rate to all contributions and it is used to fund Programme Support and Administrative budget expenditure. The Secretariat proposes that the 7.0 percent indirect support cost rate be maintained for 2012.

### Additional Budget Line Items

21. For 2012, WFP proposes to allocate US\$22.2 million from the PSA Equalization Account for one-time investments in IT, workforce re-training, and accountability and financial risk management. For the workforce re-profiling exercise US\$10 million is requested from the Self Insurance Fund. This exercise will be used for a targeted separation programme to better align the current workforce to meet the strategic and operational needs of WFP. For the United Nations Department of Safety and Security (UNDSS) and the Security Emergency Fund, the Board is requested to authorize up to US\$10 million from the General Fund to cover any amounts that cannot be charged

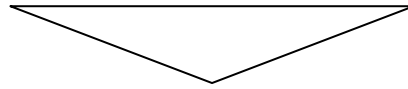
to projects under the new security special account. In addition to this, US\$900,000 for the completion of the Treasury Management System (TMS) is proposed to be funded from the General Fund

### **Special Accounts and Trust Funds**

22. Special accounts, with a value of US\$164.2 million for 2012, are earmarked for specific activities that cannot be categorized under a WFP programme category. The five largest special accounts support air transport, logistics, humanitarian response depots, information technology and insurance services and account for more than 78 percent of the expected special account activity.
23. Corporate trust funds, with a value of US\$111.6 million for 2012 – of which over 60 percent is expected to be spent in the field – serve a key role in enabling WFP to invest in the future through research, piloting of new initiatives and institutional capacity development to enhance its operational efficiency in a rapidly evolving global environment. Corporate trust funds will be targeted to the priority areas of cash transfers and vouchers; food quality, safety and nutrition; disaster risk reduction/resilience-building; and gender.
24. Country-specific trust funds, with a value of US\$93.5 million, will mainly support school feeding, along with capacity development and other Strategic Objective 5 Activities. The regional bureau in Panama City accounts for 87 percent of country-specific trust funds because of its innovative partnerships with host governments and south–south cooperation agreements.



## DRAFT DECISION\*



Having considered WFP's Management Plan for 2012–2014, as submitted by the Executive Director in document WFP/EB.2/2011/5-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\$4.82 billion for 2012, excluding any provision for unforeseen emergencies and including direct support costs, as outlined in Section III;
- iii) **takes note** that the 2012 Programme Support and Administrative (PSA) appropriation assumes a funding level of US\$3.75 billion in 2012;
- iv) **approves** a 2012 PSA appropriation of US\$249.1 million for the following purposes:

<b>Programme support: regional bureaux and country offices</b>	US\$74.7 million
<b>Programme support: Headquarters</b>	US\$68.7 million
<b>Management and administration</b>	US\$105.7 million
<b>TOTAL</b>	<b>US\$249.1 million</b>

- v) **approves** a one-time supplementary PSA appropriation of US\$22.2 million as outlined in Section IV;
- vi) **approves** expenditures of up to US\$10.0 million funded from the General Fund for the United Nations Department of Safety and Security and for the WFP Security Emergency Fund;
- vii) **authorizes** the Executive Director to utilize up to US\$10.0 million from the Self Insurance Fund for termination payments specifically provided for under staff regulations and International Civil Service Commission rules;
- viii) **approves** expenditures of up to US\$900,000 funded from the General Fund for the finalization of a Treasury Management System;
- ix) **approves** an indirect support cost recovery rate of 7.0 percent for the 2012 year; 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 III.

\* 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: MANAGEMENT PLAN 2012–2014 READER'S GUIDE

25. The three-year Management Plan is one of WFP's principal governance documents, used internally and externally as an oversight and accountability tool.
26. The Management Plan is also a planning document in that it outlines WFP's operational and support needs for the next financial period – in which context it should be noted that WFP is funded entirely from voluntary donations. The plan takes into account operational requirements and cost trends that are likely to affect the resources available for WFP's projected programme of work. On the basis of these trends, and indications from donors, a funding estimate is prepared, from which the Programme Support and Administrative (PSA) budget is derived for 2012. This Management Plan (2012–2014) details the resources needed to implement foreseen projects and support activities for three years, with a focus on 2012; it includes resource needs such as special accounts and trust funds that are outside regular programmes.
27. The Management Plan is part of WFP's oversight and accountability framework. In it, the indirect support cost (ISC) recovery rate and the level of PSA appropriations are approved. As part of WFP's commitment to transparency, accountability and management of risk and performance, the Secretariat improved the format of the document, providing increased clarity requested by the Board. Through consultations, seminars and briefings the Secretariat seeks to involve the Board membership in the project management cycle by providing up-to-date information on constraints, planning and implementation issues, and risks related to WFP's work.
28. The one-year budget, presented in the Management Plan for approval, covers approved and foreseen projects and programmes and proposed support cost appropriations. The size and cost of operations, overhead spending priorities and resource projections determine the size and structure of WFP. For the first time, the budget is broken down by Strategic Objectives and Management Result Dimensions to facilitate the alignment of resources and priorities and to ensure effective implementation of the Strategic Plan.

### Governance Framework

29. The Management Plan should be read in conjunction with the Strategic Plan and the Annual Performance Report (APR). The Strategic Plan is a four-year document that establishes WFP's direction, Strategic Objectives and priorities for the medium term. The Management Plan defines the operational plan and the resources needed to achieve the Strategic Objectives. The APR assesses the implementation of the Management Plan.
30. The Management Plan is presented for the Board's approval in accordance with Article IX of the WFP Financial Regulations. The WFP budget is presented for Board approval as required under General Regulation Article XIV.6(a). The Management Plan (2012–2014) is the first document to follow the amended rules and regulations arising from the financial framework review.

### Financial Framework Review

31. The review was undertaken to ensure that WFP's financial framework supported the implementation of the Strategic Plan (2008–2013) and to improve the predictability, flexibility and transparency of resource usage. Various issues were considered in the review, which resulted in recommendations that were approved during 2010 and 2011.

32. During its 2010 Second Regular Session, the Board approved changes to WFP's cost components and the direct support cost (DSC) funding mechanism. Food and non-food activities were to be segregated, and non-food activities were to be assigned separate cost categories. The DSC funding model was changed to a percentage of the project cost to be applied to each contribution, replacing the rate per tonne.
33. The move to a rolling three-year Management Plan with annual approval was approved by the Board at its 2011 Annual Session. The WFP rules and regulations were amended to modify the management plan cycle from a static biennial plan to a more stable three-year rolling plan, with approval of an annual budget. Having a rolling plan that allows for funding adjustments each year results in increased planning stability and improves oversight and transparency. The Management Plan (2012–2014) is the first document to follow the new cycle.

### **Management Plan Process**

34. The Management Plan (2012–2014) is based on a consultative and interactive approach. Estimates and plans were discussed in consultations with internal and external stakeholders, and changes were made throughout the process leading to the final document to be approved by the Board.
35. Operational requirements are compiled using a bottom-up approach. WFP's country offices and regional bureaux project their operational requirements in terms of approved projects and foreseen logical extensions on the basis of the resources needed to deliver food assistance to beneficiaries and to implement projects that support the delivery of food assistance such as United Nations common services.
36. Aggregate projected operational requirements are compared with cost projections, needs assessments and other indicators to ensure that they are as accurate as possible.
37. In line with WFP's full cost recovery principle, the programme of work consists of operational requirements and ISC based on an approved recovery rate.
38. Although the 2012 operational requirements are presented as part of the 2012 budget proposal, the 2013 and 2014 operational requirements are provided for context and planning purposes with both a low and high projection. The low projection scenario is the projected foreseen requirements of approved projects and logical extensions. The high projection scenario includes an estimate of unforeseen requirements based on historical averages.
39. Forecast income and the level of the PSA Equalization Account are taken into account when determining the PSA budget.
40. In order to be submitted to the Board on time, the plan has to be completed well in advance of the start of the period covered. This can, however, compromise the accuracy of requirements and forecasts, which are prepared more than six months in advance, resulting in a trade-off between timeliness and accuracy.
41. The unpredictability of WFP's emergency portfolio also hampers planning in that many emergencies arise without warning. Implementation of the plan is driven by resourcing: WFP can only implement the programmes and projects for which it receives funding. By contrast, the PSA budget is usually implemented, because it is based on resource projections. The new rolling Management Plan cycle should improve the accuracy of planning, because plans will be updated each year.

## 2012 Budget Overview

42. The 2012 Budget Overview section presents a holistic view of WFP's operational and support cost needs, and anticipated special account and trust fund resources.
43. This new section focuses on the factors affecting the size and composition of the budget. Operational estimates are likely to change during the Management Plan period as unforeseen needs arise; actual budget implementation depends largely on income received.
44. External factors affecting the WFP budget include:
  - **Beneficiary needs.** As beneficiary needs are the main driver of operational requirements, changes affect the WFP budget and, indirectly, the resources available for the budget as donors respond to emergency needs.
  - **Prices of inputs.** WFP is a buyer of raw materials and services on the world market; prices for grains, pulses, oil and shipping affect its budgeted costs. Local conditions and input prices affect the budgets of individual operations.
  - **Currencies.** WFP is operational in 74 countries. Fluctuations in the value of world currencies against the US dollar affect its costs; fluctuations in the exchange rate between the Euro and the US dollar affect PSA costs.
  - **Funding Assumptions.** Income that does not materialize has a negative impact on the PSA budget and on operational budgets.
45. An expanded section on Special Accounts and Trust Funds is included in this Management Plan. Special accounts are used for contributions and expenditures for activities such as United Nations Humanitarian Response Depots (UNHRDs) and the United Nations Humanitarian Air Service (UNHAS). Trust funds are an increasingly important source of funding for WFP in countries where operations are implemented and for institutional capacity development. Country-specific trust funds are operational: estimates for these are based on income forecasts for the Management Plan period. The section on corporate trust funds outlines WFP's needs for extra-budgetary funding at the corporate level; these needs are based on the extra-budgetary framework and focus on priority areas.
46. Funding from corporate trust funds has in the past enabled the development of initiatives such as Purchase for Progress (P4P) and nutrition and cash/voucher activities and their integration into WFP operations. In times of reduced funding availability and PSA budget constraints, corporate trust funds provide support for capacity development, ensuring that WFP maintains its operational and organizational excellence.

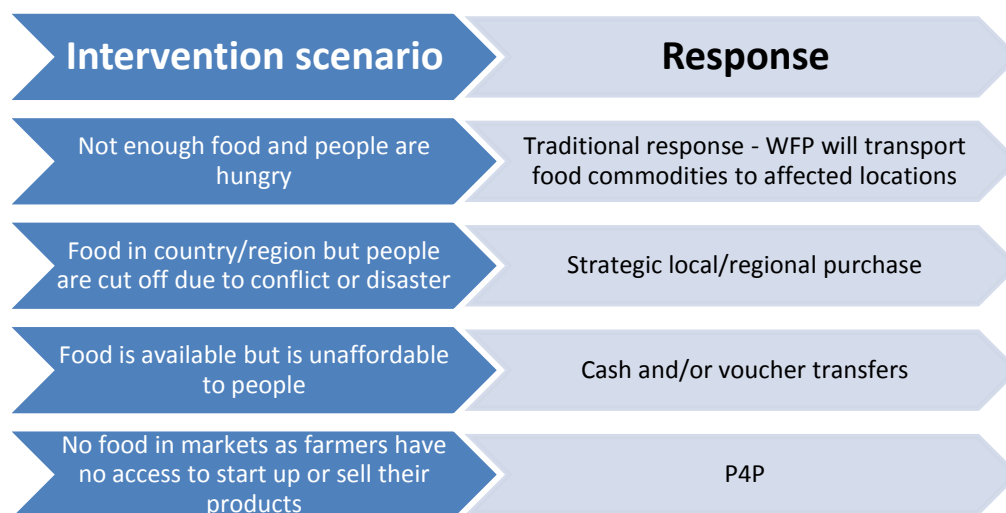


## SECTION II: 2012 BUDGET OVERVIEW

### Introduction

47. This section provides an overview of WFP's budget for 2012 and outlines the resources required to implement the Strategic Plan.
48. In a context of increasing conflict, instability, natural disasters and resource constraints, WFP continues to enhance its organizational capacity to meet the challenges. WFP deploys assistance with targeted and innovative tools such as Purchase for Progress (P4P), cash and vouchers and enhanced nutritional products, helping communities and nations to become more resilient and food-secure.
49. WFP's toolbox allows for rapid scaling up of assistance to meet urgent needs and to save lives and livelihoods in difficult and dangerous places. WFP's tools have been developed to target four intervention scenarios, as outlined in Figure II.1:

**Figure II.1**



50. The priorities of this Management Plan include emergency preparedness and response, Cash for Change and targeted supplemental food interventions in cooperation with regional bodies to ensure maximum benefits for beneficiaries.

### The 2012 WFP Budget Proposal

51. WFP's work in 2012 will be challenged by complex operational environments, continuing financial and food crises and the changing political environment. Increased volatility in food and fuel prices and foreign exchange markets will affect WFP's ability to deliver timely food assistance.

52. The budget proposal for 2012, including special accounts and trust funds, is US\$5.46 billion, as outlined in Table II.1.

<b>TABLE II.1: BUDGET PROPOSAL 2012 (US\$ million)</b>	
Operational requirements	4 823.8
Regular PSA	249.1
One-time investments	22.2
Workforce re-profiling exercise	10.0
Security funding (from the General Fund)	10.0
Treasury Management System (from the General Fund)	0.9
Special accounts and trust funds	369.3
<b>TOTAL</b>	<b>5 485.3</b>

53. Of this, US\$4.82 billion – 88 percent – relates to direct costs for emergency operations (EMOPs), protracted relief and recovery operations (PRROs), development projects (DEVs) and special operations (SOs). Projected operational requirements do not include provision for unforeseen requirements.

54. The regular PSA budget for the year is proposed at US\$249.1 million – 4.5 percent of the total. It is composed of three appropriation lines:

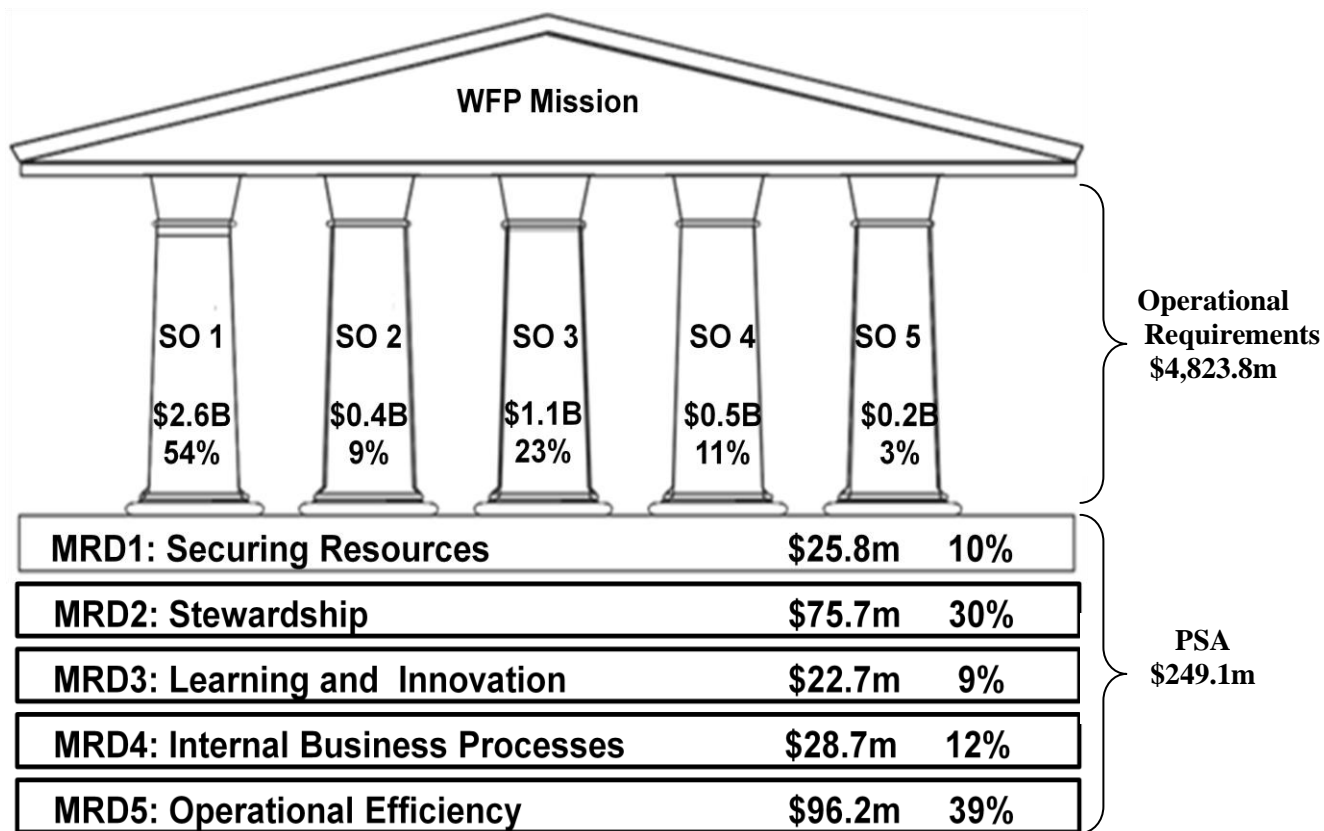
- programme support: regional bureaux and country offices – US\$74.7 million;
- programme support: Headquarters – US\$68.7 million; and
- management and administration – US\$105.7 million.

55. WFP anticipates security expenditure of US\$7.3 million for the Security Emergency Fund and US\$9.6 million for WFP's share of UNDSS costs. A special account to manage these expenditures is proposed. A US\$16.9 million advance from the Working Capital Facility will be used as necessary to make payments; individual projects will be charged where possible for expenditures that can be directly related to operations. Up to US\$10 million from the General Fund will be used to cover amounts that cannot be charged to projects.

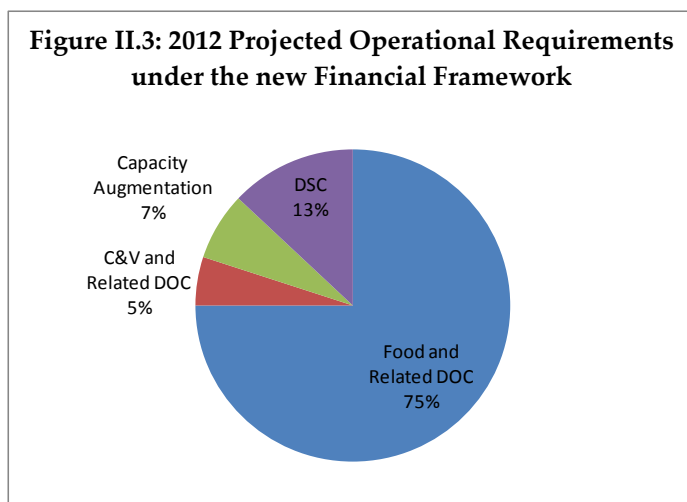
56. Special accounts and trust funds account for US\$369.3 million, of which US\$164.2 million is for special accounts and US\$205.1 million is for trust funds.

57. The 2012 budget is results-based: projected 2012 operational requirements are outlined by Strategic Objective; the PSA budget is shown in terms of Management Result Dimensions, as shown in Figure II.2.

**Figure II. 2: 2012 Budget Proposal by Strategic Objective and Management Result Dimension**



58. In the new financial framework, projected operational requirements are segregated into food-based activities and non-food-based activities such as cash and voucher and capacity augmentation.



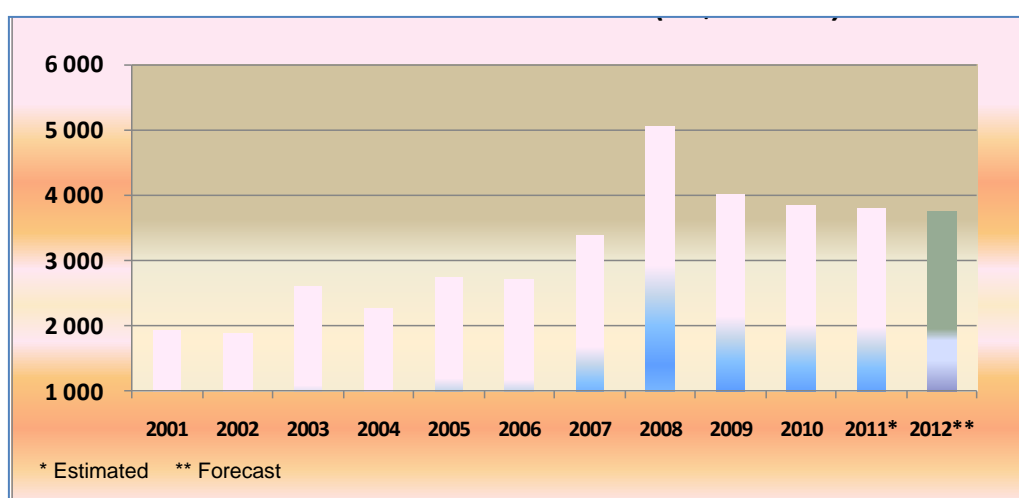
59. The Secretariat is proposing a 7 percent ISC recovery rate following the methodology agreed with the Board.



## 2012 Funding Assumptions and Resourcing Strategy

60. WFP is entirely funded by voluntary contributions. The programme of work<sup>2</sup> consists of projects designed on the basis of assessment findings in collaboration with government counterparts and partners. It is a “needs-based response plan” that constitutes an appeal for resources based primarily on needs.<sup>3</sup> Operational activity depends entirely on contributions received. WFP is committed to transparent strategic resourcing, to expanding its advocacy for people who need its help, especially at the country level, and to working with a broader range of partners.
61. Forecast income for 2012 is US\$3.75 billion. This is based on analysis of resourcing trends, by donor; it is relatively stable compared with 2011, but lower than the recent past.

**Figure II. 4 Contributions from 2001 to 2012 (US\$ million)**



## Resourcing Highlights

62. Recovery from the global economic crisis is slow in many developed countries, and slow growth of the world economy is expected to continue into 2012. With more and more people affected by food insecurity, WFP continues to strive to increase the efficiency of its food-assistance operations.
63. Some Governments reviewed their official development assistance (ODA) programmes and relationships with partners early in 2011 to inform future engagement. It is hoped that the positive view of WFP will persuade donors to increase their funding in the coming years.
64. Twinning has the potential to extend the reach of WFP’s assistance by enabling it to match donor funds with in-kind contributions from host governments and emerging donors. Twinning recognizes the state of development of emerging economies and offers an incentive for them to engage with Member States in multilateral assistance. By mid-July 2011, WFP had received record contributions of US\$130 million through twinning; this trend is expected to continue during the planning period.

<sup>2</sup> The term programme of work is used to denote operational requirements plus ISC.

<sup>3</sup> The programme of work is based on assessed needs, except for development activities, as outlined in General Rule X.8.

65. A priority for WFP is to secure flexible and predictable resources to improve planning and reduce risk. To increase this type of funding, WFP is working with donors to establish multi-year arrangements. The Government of Australia, for example, has committed contributions through the partnership agreement with WFP over four years: the funds are flexible and include allocations to increase WFP's capacities in areas such as nutrition and cash vouchers. Other donors confirming multi-year funding from 2012 include Andorra, Cambodia, Canada, Luxembourg, Monaco, the Russian Federation, the United States of America and private donors.
66. WFP is diversifying its donor base, with a focus on host governments and emerging economies. It is also seeking funding from multi-donor sources such as the Central Emergency Response Fund (CERF), common humanitarian funds and the Peace-Building Fund. WFP is also exploring new funding channels from the Organisation for Economic Co-operation and Development (OECD)-Development Assistance Committee (DAC) countries.

### **Private Partnerships**

67. Since the Board approved the private-sector fundraising self-financing strategy in 2008, US\$432 million has been raised from the private sector and there are plans to raise an additional US\$471 million between 2012 and 2014. Most of the funds are from large international companies, which provide financial support and expertise.
68. These partnerships support projects such as school meal programmes and emergency responses; they also help WFP to enhance its efficiency and effectiveness: TNT funding, for example, enabled WFP to improve its logistics supply chain, DSM contributions supported the development of innovative food and nutritional assistance, and Yum! Brands helped to increase awareness of WFP's work around the world.
69. To achieve the financial targets for 2012–2014, the private-sector fundraising team is decentralizing staff from Headquarters to markets where there is a higher likelihood of generating more income for WFP programmes.

### **Resource Prioritization**

70. In 2009, the Executive Director established the Strategic Resource Allocation Committee (SRAC) to prioritize the use of resources in WFP and particularly to improve the prioritization of food assistance to needy countries, taking into account funding shortfalls and qualitative indicators. The process is designed to establish a structured, transparent process for resource allocation.
71. Multilateral resources accounted for 9.3 percent of contributions to WFP in 2010. Of the US\$356 million in multilateral resources allocated in 2010, 80 percent was allocated to emergency and relief operations and 20 percent to development programmes. More than 90 percent of development programme allocations went to “concentration countries” – least developed countries and countries with stunting rates of 25 percent or more among children under 2.
72. Targeting multilateral resources under SRAC meant that in 2010 fewer than half of WFP's operations received multilateral resources, and that three quarters of multilateral resources were allocated to operations in Afghanistan, Bangladesh, Pakistan and sub-Saharan Africa.
73. Prioritization of resource allocation was discussed with the Board in seminars in 2010 and 2011, which helped to build confidence in the process.



## SECTION III: PROJECTED OPERATIONAL REQUIREMENTS

### Introduction

74. Operational requirements for 2012<sup>4</sup> are projected at US\$4.82 billion, of which US\$2.4 billion is for approved projects and US\$2.4 billion for foreseen logical extensions. WFP aims to assist 85 million beneficiaries with 4.4 million metric tons of food and with cash and voucher transfers valued at US\$255 million. These figures do not take into account unforeseen needs that may arise during the year.

<b>Programme category</b>	<b>Operational requirements (US\$ million)</b>	<b>%</b>	<b>Metric tons</b>	<b>No. of projects</b>
DEV/CP	749.0	16	0.8	70
EMOP	1 005.1	21	0.9	12
PRRO	2 807.2	58	2.7	52
SO	262.5	5		16
<b>TOTAL</b>	<b>4 823.8</b>	<b>100</b>	<b>4.4</b>	<b>150</b>

75. WFP expects to implement 150 projects in 74 countries located in six regions. Needs for the new regional bureau in Nairobi (ODN) account for 36 percent of operational requirements. Further information about regional requirements is provided later in this section.

76. In line with the increase in operations in fragile and post-conflict environments, in 2012 WFP will continue to channel most of its resources into PRROs: 52 PRROs are planned at a total cost of US\$2.81 billion, with the largest PRROs in Afghanistan and Ethiopia.

77. WFP foresees the continuation of 12 EMOPs in 2012 at a projected cost of US\$1.01 billion; the largest EMOP is in the Sudan. Allocations to DEVs are projected at US\$749 million and to special operations at US\$263 million; the largest special operation is planned for South Sudan.

78. It was recommended at the June 2010 WFP Global Meeting that WFP systematically enhance its emergency preparedness and response capabilities. Lessons learned exercises were conducted in relation to the Haiti earthquake, Pakistan floods and Sahel drought. The Preparedness and Response Enhancement Programme (PREP) was launched to systematically enhance WFP's emergency capabilities in a coordinated manner, including its ability to assist in development of partner capacities. PREP groups activities into: management; norms; processes and procedures; knowledge, skills and abilities; operational support systems and equipment; and pre-positioning of relief items.

79. The PREP is about finding solutions and enhancing response systems – although enhancing does not necessarily mean expanding. Key outcomes include: WFP mobilization to an emergency is immediate, clear and coherent across the organization,

<sup>4</sup> Operational requirements exclude ISC. Programme of work denotes operational requirements plus ISC.

while still flexible; the right number of staff with the right skills are deployed to the right place at the right time, without delay.

### Requirements under the New Financial Framework

80. The US\$4.82 billion in projected operational requirements for 2012 is budgeted under the new financial framework, which segregates the cost of non-food activities in projects.

	<b>US\$ million</b>	<b>%</b>
Food and related direct operational costs (DOC)	3 624	75
Cash and vouchers/related DOC	255	5
Capacity augmentation	308	7
<b>Subtotal DOC</b>	<b>4 187</b>	<b>87</b>
DSC	637	13
<b>Total Operational Requirements</b>	<b>4 824</b>	<b>100</b>

81. This new categorization provides:

- increased transparency between food and non-food activities;
- clearer links to performance indicators for all activities; and
- more accurate benchmarking across projects: cost per metric ton, for example, is easier to identify.

### Operational Requirements by Cost Component

⇒ *Food and related direct operational costs*

82. Food and related DOC – for external transport, landside transport, storage and handling (LTSH) and ODOC – to address the needs of food-insecure beneficiaries through food delivery accounts for 75 percent of 2012 operational requirements.

83. The commodity requirement for 2012 is projected at US\$2.27 billion, out of the US\$3.62 billion overall for food and related DOC. The average commodity unit cost is planned at US\$515, an increase of 6 percent compared with the latest 2011 estimated unit cost. This figure is influenced by factors such as changes in world markets, the composition of the food basket, food sources and price fluctuations.

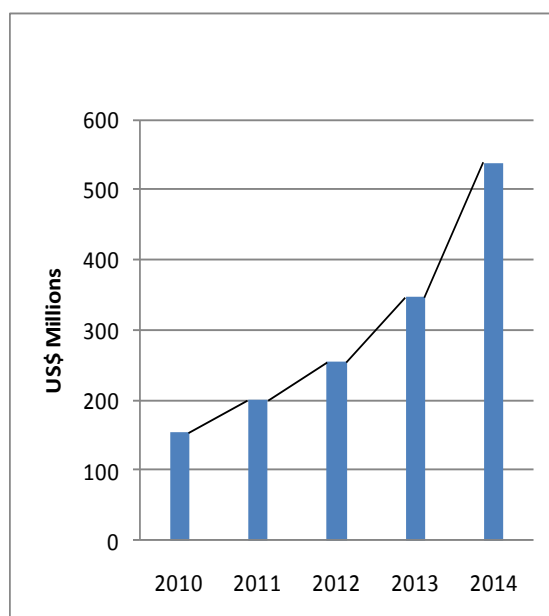
84. As per Table III.3, the food basket composition for 2012 shows an increase in cereals of 1.1 percent of the total basket compared with 2011 estimates, while pulses show a decrease of 0.4 percent, oil of 0.2 percent and mixed and blended foods of 0.9 percent.

TABLE III.3: FOOD BASKET COMPOSITION						
Food type	2011		2012		Food basket composition % difference 2011 vs. 2012 (mt)	% difference unit cost per mt
	Estimated food basket composition (mt)	Estimated unit cost per mt	Projected food basket composition (mt)	Projected unit cost per mt		
<b>Cereals</b>	71.2%	361.7	72.3%	341.3	1.1%	7.5%
<b>Mixed and blended food</b>	11.9%	837.6	11.0%	936	-0.9%	11.7%
<b>Oil</b>	5.4%	1390.5	5.2%	1351.8	-0.2%	-2.8%
<b>Other</b>	1.6%	1244.6	2.1%	908.8	0.5%	-27.0%
<b>Pulses</b>	9.8%	649.7	9.4%	611.6	-0.4%	-5.9%

85. Despite the planned increased emphasis on nutrition, the “mixed and blended food” portion of the total food basket will decrease for two reasons: i) in 2011 there was an increased demand for mixed and blended food owing to the Horn of Africa emergency; and ii) in 2012 WFP plans to increase the use of new nutrition products such as lipid-based nutrient supplements, which are nutrient-dense, high-quality foods with smaller ration sizes than for fortified blended foods. Activities using lipid-based nutrient supplements will require fewer metric tons than those using fortified blended foods.
86. Table III.3 shows a 27 percent decrease in cost per metric ton in the “Other” category. The reduction is mainly due to an increase in requirements for lower-cost items such as salt and sugar, which account for 85 percent of “Other” costs for the year, decreasing the average unit cost of “Other” items.
87. The share of procured versus in-kind food commodities is foreseen to increase from 2:1 in 2011 to 3:1 in 2012. WFP will continue to encourage local and regional procurement under P4P and the forward purchase modality to contribute to national economies, benefit farmers, producers, traders and food processors, and reduce lead times.
88. External transport costs are estimated at US\$299.8 million, an average of US\$100 per metric ton for commodities that are expected to be shipped internationally. The 2012 average rate is in line with 2011 actual ocean freight rates.
89. Despite increased fuel costs, exchange rate fluctuations and shifts in shipping market trends, WFP has kept external transport costs stable by maximizing cargo per shipment. This gives WFP a competitive edge when negotiating with shipping companies.
90. The LTSH requirement amounts to US\$854.8 million. The average LTSH cost is US\$194 per tonne, in line with the 2011 estimated costs. The LTSH budget is influenced by the nature of the operating environments and the prices of fuel, lubricants and spare parts, which account for 20 percent of the LTSH budget.
91. While the overall average LTSH rate is expected to remain stable in 2012, substantial increases are expected in the Sudan and South Sudan which together account for 19 percent of the overall LTSH requirements. The increase in rates is largely due to insecurity along the borders, which lead to higher transport prices and changes to supply routes.

92. The ODOC budget for food distributions is estimated at US\$198.9 million. These costs account for 5 percent of the food and related DOC for EMOPs and PRROs and 7 percent for DEVs. The higher share for DEVs reflects the rehabilitation component, which includes food for work and school feeding.

**Figure III.1: Trend Targets for Cash and Vouchers**



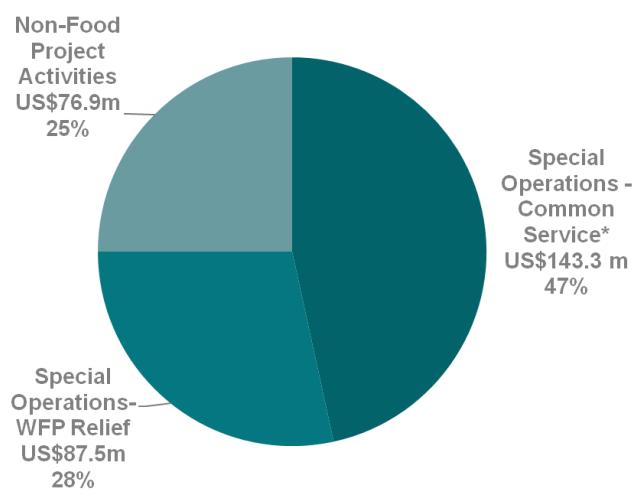
### Cash and Vouchers and Related Direct Operational Costs

93. For 2012, operational requirements for cash and vouchers and related DOC amount to US\$255 million, 5 percent of the total operational requirements of US\$4.82 billion.
94. In 2012, implementation of cash and vouchers will represent a 136 percent increase compared to 2011 projections. The number of projects planning to implement cash or voucher operations will increase from 37 in 2011 to 74 in 2012. The largest operations are planned in the Occupied Palestinian Territory, the Sudan and Syria; of the planned interventions six will be in EMOPs, 38 in PRROs and 30 in DEVs.
95. Estimated costs for EMOPs are US\$55.2 million, 22 percent of the total; the figure for PRROs is US\$171.0 million (67 percent) and for DEVs and CPs US\$28.6 million (11 percent).
96. In 2012, the cash-for-change initiative will continue to build WFP capacities for increased implementation of cash and voucher transfer modalities. Country offices will assess the scope for cash and vouchers in future and ongoing interventions. To facilitate deployment in the field, standard cash and voucher programming options and models will be made available.
97. Cash and voucher schemes are to be scaled up in three phases: i) in 2011 the focus was on piloting, learning, reviewing distribution modalities and developing models for scalable deployment; ii) in 2012 WFP will focus on implementing integrated business processes and rolling out supporting tools to develop capacities across WFP, which will involve training for field staff, leveraging partnerships and assessing resource requirements for the next phase; and iii) from 2013 large-scale deployment of cash and voucher schemes will

develop progressively. The scaling up of these activities is expected to account for 30 percent to 40 percent of WFP's operational requirements over the next five years.

### Capacity Augmentation

98. Capacity augmentation refers to integrated activities that establish, enhance or expand the institutions and processes needed to manage food security programmes and humanitarian interventions. The activities are planned under EMOPs, PRROs, DEVs and SOs. Capacity augmentation is projected at US\$307.7 million, 7 percent of the operational requirement of US\$4.82 billion. It covers non-food activities and SOs, accounting for US\$230.8 million, 75 percent of operational requirements.



\* UNHAS

99. Special operations include interventions to rehabilitate and enhance transport and logistics infrastructure with a view to timely and efficient delivery of food assistance; they also increase coordination among United Nations and other partners through common services such as the United Nations Humanitarian Air Service (UNHAS) and the information and communications technology (ICT) and logistics clusters.



100. Special operations are planned in 12 countries as shown in Table III.4.

<b>TABLE III. 4: FORESEEN SPECIAL OPERATIONS IN 2012</b>		
<b>Country</b>	<b>Type</b>	<b>Cost (US\$ million)</b>
South Sudan	UNHAS feeder road construction and strategic grain reserve	107.62
Sudan	UNHAS	25.28
Somalia	UNHAS and emergency rehabilitation	24.62
Afghanistan	UNHAS	16.85
Chad	UNHAS	14.77
Dem. Rep. of the Congo	UNHAS, logistics cluster and transport	14.11
Iraq	UNHAS	8.51
Haiti	Warehouse management	6.02
Central African Republic	UNHAS	5.20
Niger	UNHAS	4.68
Yemen	UNHAS and support for the logistics cluster	2.94
Indonesia	Logistics support	0.25
<b>TOTAL</b>		<b>230.85</b>

### Direct Support Costs

101. The new financial framework calculates DSC funding as a percentage of the direct operational costs rather than as a rate per metric ton. This approach facilitates greater comparison of DSC across projects that include both food and non-food activities. It also allows for a more equitable calculation of DSC for all donors that provide resources, whether those resources are for food or non-food activities.

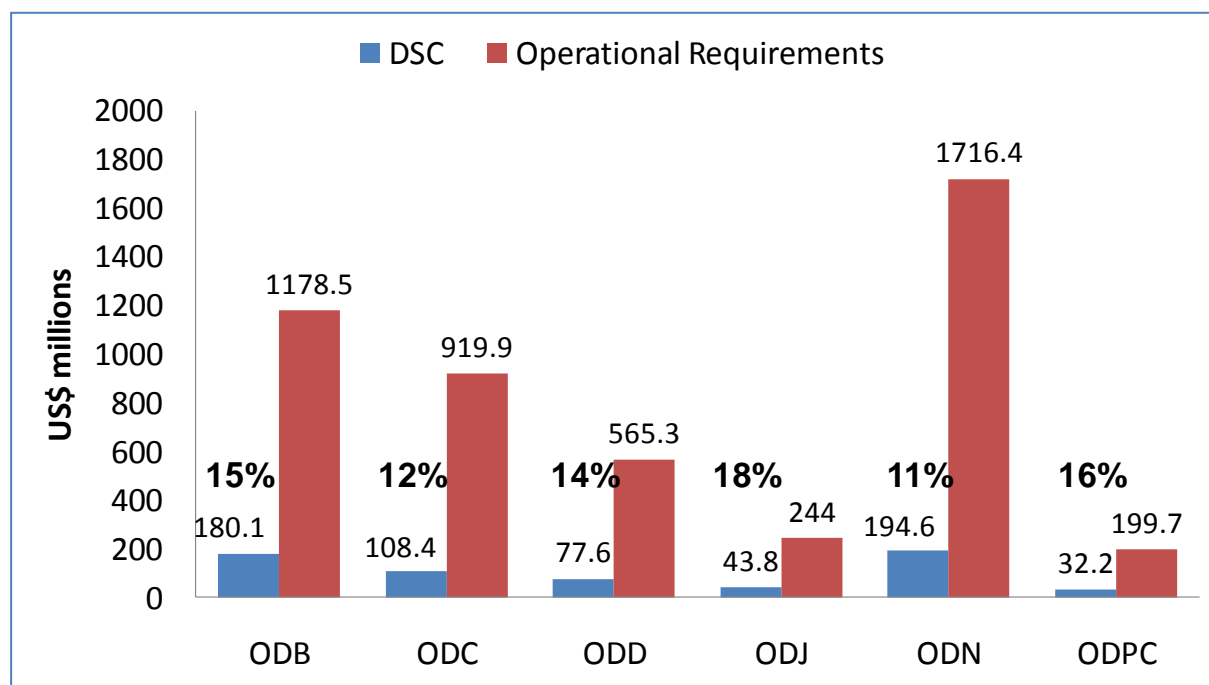
102. The DSC budget for 2012 is projected at US\$636.7 million, 13 percent of operational requirements. The DSC percentage over total operational costs is generally stable, ranging from 12 percent for the SOs, 13 percent for PRROs and 14 percent for DEVs and EMOPs.

103. The DSC for 2012 as a percentage of operational requirements is 13 percent, the same as projected for 2011 in the 2010–2011 Management Plan; DSC in 2010 accounted for 14 percent of operational expenditure.

<b>TABLE III.5: DSC PERCENTAGE OF OPERATIONAL REQUIREMENTS BY YEAR</b>			
	2010 Actual	2011 Estimated	2012 Projected
DSC as % of Operational Requirements	14	13	13

104. Figure III.2 shows DSC and operational requirements by region. The largest regional bureau (ODN) has the highest planned DSC for 2012 at US\$194.6 million, or 11 percent of its operational requirements of US\$1.72 billion.

**Figure III.2: DSC and Operational Requirements by Region**



105. Regions with lower DSC as a percentage of operational requirements are those with larger operational requirements, such as ODN and ODC. This is mainly because of economies of scale and because DSC costs such as staffing and recurring costs are relatively fixed.

106. An exception to this is ODB, which is the second largest regional bureau but has a high DSC percentage owing to high security and staff-related costs in Afghanistan and Pakistan.

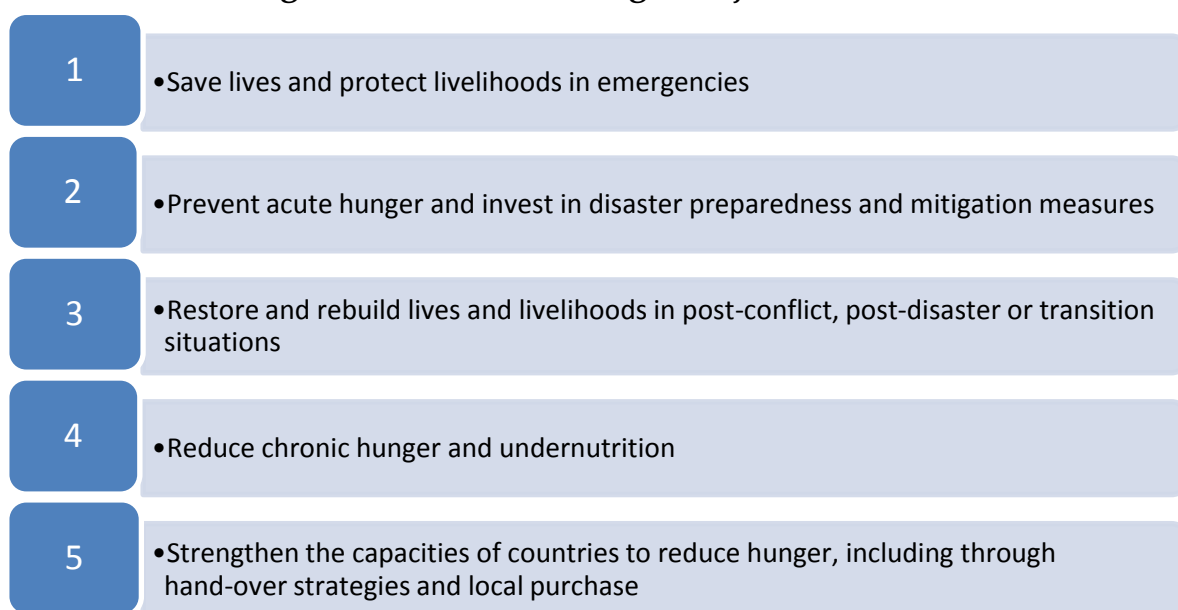
107. Staff and staff-related costs account for 60 percent of DSC requirements overall, the same as in the latest estimates for 2011. Recurring and capital costs account for the remaining 40 percent.

### Distributions of Resources by Strategic Objectives

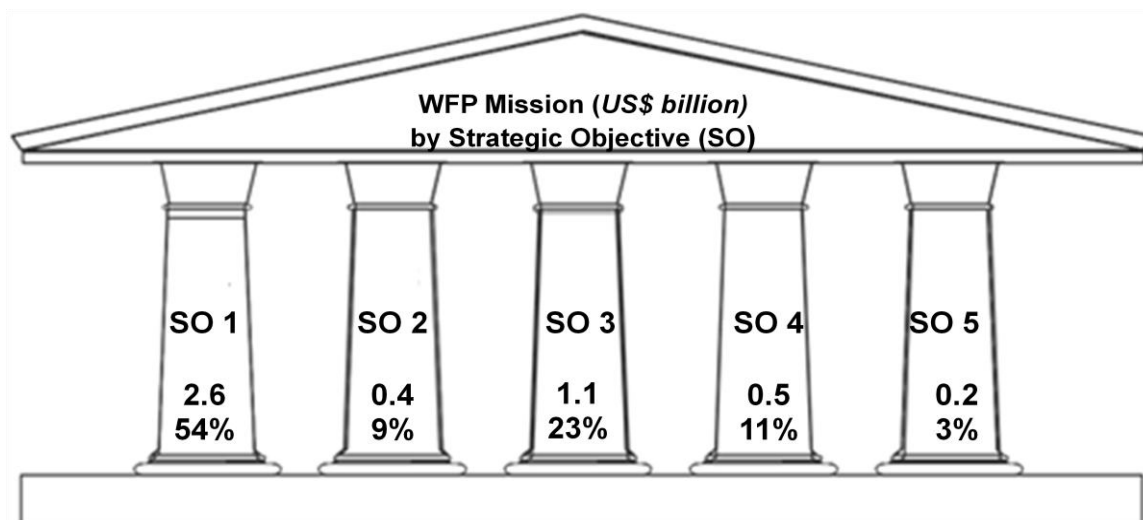
108. The Strategic Plan (2008–2013) focuses on WFP's effectiveness in serving its beneficiaries and tackling hunger challenges through the five Strategic Objectives (Figure III.3). The activities outlined in the projected 2012 operational requirements are designed to ensure that WFP is utilizing the right food and the right tool at the right time and in the right place.

109. WFP's five Strategic Objectives encompass WFP's various roles for fighting hunger, from providing immediate life-saving assistance to supporting relief, recovery and development. They also reflect WFP's extensive work in improving the quality of food and food delivery, fighting chronic hunger and helping communities and countries to implement their own programmes to address hunger.

**Figure III. 3: WFP Strategic Objectives**



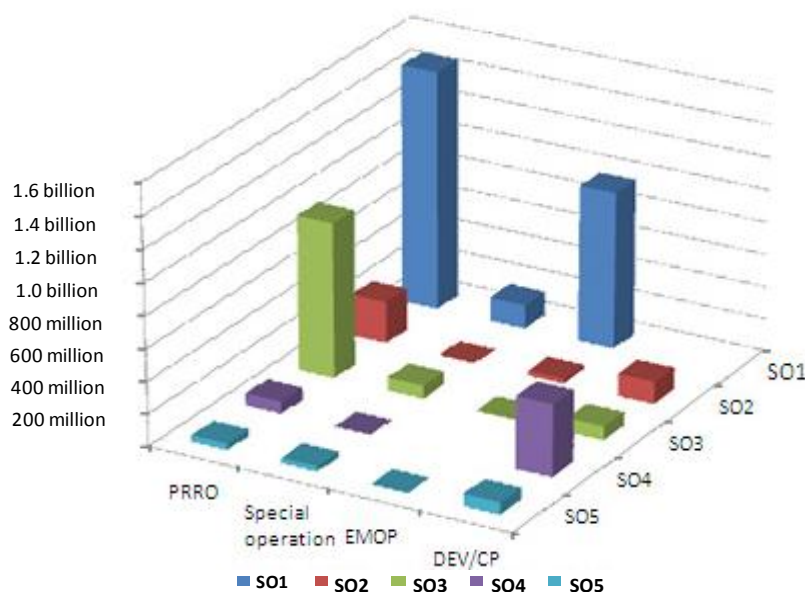
110. In 2012, WFP will continue to align its work to the Strategic Plan by enhancing its emergency preparedness and response programme; scaling up the use of new, innovative tools which include cash and voucher programmes; and maximizing nutritional impact through the targeted use of supplementary food.
111. The 2012 operational requirements allocate resources to strategic priorities that will assist in the transition to food assistance. For example, WFP is expanding its nutritional focus through targeted supplementary feeding, mother-and-child nutrition, and the procurement of the required nutritious fortified food products. WFP expects to assist 15 million beneficiaries through such food interventions in 2012 and 20 million beneficiaries by 2014.
112. The Strategic Results Framework has been used by country offices as the basis for aligning the 2012 operational requirements with the Strategic Objectives through nine activities, including general food distribution (GFD), supplementary feeding, food for work (FFW)/food for assets (FFA), school feeding and capacity development.
113. Country offices choose GFD and supplementary feeding as the most relevant interventions for supporting relief efforts under Strategic Objective 1, representing 86 percent of the total Strategic Objective 1 activities. FFW/FFA activities are mostly used to enhance preparedness and resilience and for providing assistance for early recovery from shocks/crises under Strategic Objective 2 and Strategic Objective 3 (44 percent).



114. Saving lives and livelihoods in humanitarian emergencies remains the main focus of WFP's work under Strategic Objective 1, accounting for 54 percent of the total operational requirements. Main activities contributing to Strategic Objective 1 are general and targeted food assistance, supplementary feeding activities, mother-and-child health and nutrition (MCHN), and capacity augmentation through SOs.
115. Strategic Objective 2 protects vulnerable people from acute hunger and supports asset creation; planned activities under Strategic Objective 2 account for 9 percent of the overall operational requirements. FFW/FFA programmes are the main focus of activities supporting Strategic Objective 2.
116. WFP's extended recovery work under Strategic Objective 3 supports the return of refugees and internally displaced persons (IDPs), assisting them to re-establish livelihoods after emergencies. Activities under Strategic Objective 3 call for extended planning and involve many partners; the activities also require a range of tools that address the availability of, and access to, food. Activities supporting Strategic Objective 3 account for 23 percent of the operational requirements and consist mainly of FFW/FFA, food-for-training (FFT) and school feeding activities.
117. To break the generational cycle of chronic hunger, 11 percent of the operational requirements are planned in support of Strategic Objective 4, consisting largely of school feeding activities along with nutritional support such as MCHN activities. Also playing an important role are treatment, mitigation and safety-net activities for HIV/AIDS and tuberculosis (TB) programmes.
118. Strategic Objective 5 reflects WFP's work in capacity development, helping countries to fight hunger with their own resources and expertise. Of the 2012 operational requirements 3 percent are in support of Strategic Objective 5.

119. An analysis of planned activities by programme categories show how the appropriate tools are selected for the operational needs. Strategic Objective 1 and Strategic Objective 3 are predominant in EMOPs and PRROs to support relief and recovery efforts, with Strategic Objective 2 to prevent acute hunger. Strategic Objective 4 has its largest coverage in the development category along with Strategic Objective 5. Special operations reflect Strategic Objectives 1, 3 and 5 because of the role they play in supporting emergency operations and augmenting the capacities of both WFP and its partners in delivering humanitarian assistance.

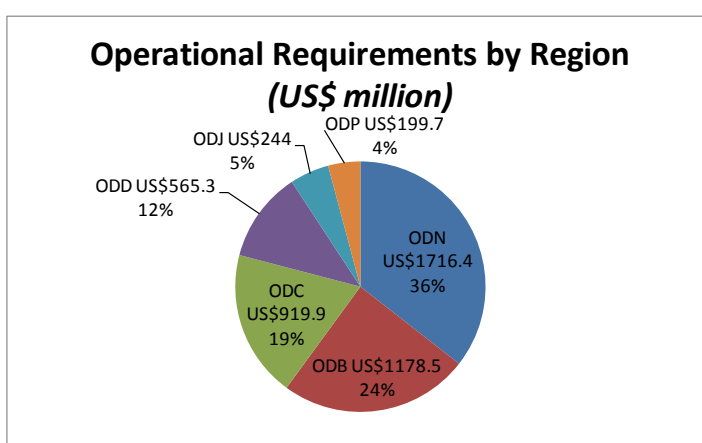
**Figure III.4: Programme Categories by Strategic Objective**



## REGIONAL OVERVIEWS

120. This section provides an overview of WFP's six regions and the aims, objectives and challenges in each region for 2012. Basic statistics are provided for each region on requirements in terms of tonnage and value, project category, beneficiary numbers and WFP's presence in that region.

121. WFP expects to implement 150 projects through 74 country offices. The needs for ODN, the new regional bureau in Nairobi, account for 36 percent of WFP's operational requirements; this is followed by ODB (24 percent), ODC (19 percent), ODD (12 percent), ODJ (5 percent) and ODPC (4 percent).

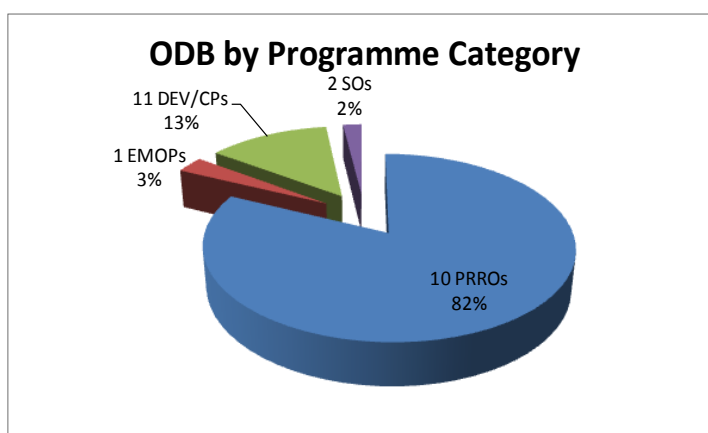


122. The following summary of activities is arranged alphabetically by region.

### ODB: Asia

US\$ million			
Food and related DOC	902.1	Beneficiaries (millions)	30.2
C&V and related DOC	52.4	Mt (in millions)	1.1
Capacity Augmentation	43.9	Country offices (COs)	14
DSC	180.1	Operations	24
<b>Total Operational Requirements</b>	<b>1 178.5</b>		

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



124. The regional bureau is a leader in the expansion of cash transfers and is pioneering the development of innovative new foods; it is also developing partnerships to deliver better nutrition in the first 1,000 days. A focus for ODB is supporting governments in developing their own hunger programmes: capacity development is part of WFP's portfolio in nine countries in the region. WFP offers its experience and expertise in social safety nets, food reserves, emergency preparedness and response, disaster risk reduction, nutrition and education to enhance government systems and increase resilience at the national level. In Bhutan and Timor-Leste, WFP support has helped the governments to take over its operations. In Afghanistan, Pakistan and the Philippines, WFP's assistance is critical in promoting and maintaining stability.

125. Cash transfers or vouchers will feature in 12 of the 14 ODB countries for relief, asset creation and the promotion of long-term sustainable livelihoods. The urban voucher programme in Afghanistan is evidence that WFP has the expertise required to use innovative transfer modalities effectively in difficult environments.

126. WFP and its partners in Asia have been developing innovative foods designed to treat acute undernutrition and to prevent chronic and acute undernutrition. In 2012–2014, WFP will focus on improving these foods and expanding their use. The long-term aim is to use these products in more external and government programmes, and eventually to sell them at prices that poor people can afford.

## ODC: Middle East, North Africa, Eastern Europe and Central Asia

US\$ million			
Food and related DOC	680.9	Beneficiaries (millions)	13.0
C&V and related DOC	88.2	Mt (in millions)	0.8
Capacity Augmentation	42.4	Country offices (COs)	12
DSC	180.4	Operations	28
<b>Total Operational Requirements</b>	<b>919.9</b>		

127. The 12 countries in which ODB has country offices are Algeria, Armenia, Egypt, the Islamic Republic of Iran, Iraq, Jordan, Kyrgyzstan, the Sudan, the Occupied Palestinian Territory, the Syrian Arab Republic, Tajikistan and Yemen.

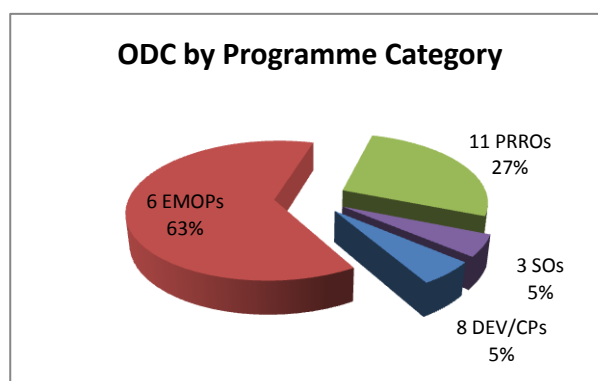
128. The regional bureau responds to the emergency food needs of people affected by conflict; the beneficiaries are IDPs, refugees and vulnerable groups.

Requirements will be adjusted to address the volatile situation in the region.

129. It is estimated that 5.4 million food-insecure people in the Sudan will require food assistance in 2012: WFP's interventions will focus on life-saving assistance that meets the immediate consumption needs of vulnerable populations. The modalities include general food rations, food-based nutrition programmes for malnourished children and pregnant and lactating women, and targeted food-for-asset schemes to improve access to food and offset seasonal hunger in vulnerable areas. WFP will also provide school meals for children in conflict and post-conflict areas where possible.

130. The regional bureau saves lives and protects livelihoods in emergency refugee and IDP situations in Algeria, the Islamic Republic of Iran, the Syrian Arab Republic, the Occupied Palestinian Territory, Tunisia, Tajikistan and Yemen. After the Sudan, Yemen is the second largest portfolio: WFP is implementing a nutrition programme for children under 2 to address the dire food-security situation there.

131. The markets function well in many countries in the region, which enables ODC to support school feeding and other safety nets, cash-and-voucher schemes, capacity development and hand-over strategies. School feeding programmes are ongoing in Algeria, Armenia, Egypt, the Islamic Republic of Iran, Iraq, the Occupied Palestinian Territory, the Syrian Arab Republic, Tajikistan and Yemen; Kyrgyzstan will be added in 2012. WFP is implementing cash transfer and voucher schemes in Iraq, the Occupied Palestinian Territory and the Syrian Arab Republic; in 2012 these will be extended to Kyrgyzstan, Tajikistan, Tunisia and Yemen. WFP is working with governments on capacity development in Armenia, Egypt, Georgia, Jordan, the Occupied Palestinian Territory and Tajikistan.



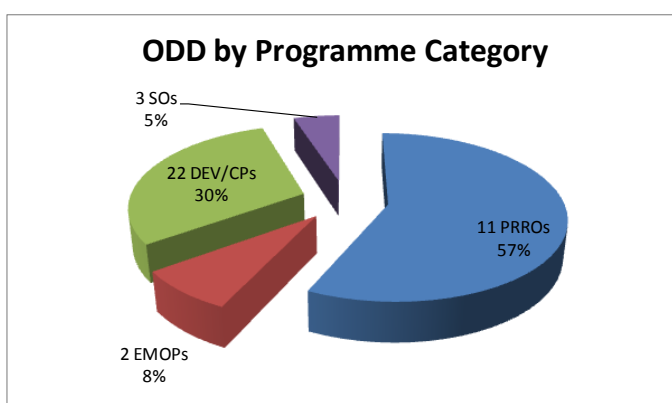
132. Priorities for ODC in 2012 will continue to be influenced by political developments, which could lead to scaling up of emergency operations and an increased budget. WFP will work to link emergency responses with sustainable recovery. It is anticipated that 63 percent of the operational requirements will be EMOPs and 27 percent will be PRROs.
133. A need for food aid will continue in the region, but ODC also intends to increase capacity development and cash and voucher programmes in a shift to food assistance.
134. The regional bureau will continue to seek opportunities to enhance partnerships in the region, for example with other United Nations agencies in drafting the regional response strategy and framework for action in the context of change. ODC will foster stability, sustainability and security as major themes in the region.
135. Political instability and consequent problems of access affect WFP's ability to assess needs and respond quickly. The global economic downturn has led to shrinking resources and fewer contributions to operations. The rising prices of fuel and food, which are often related to conflict, will affect the ability of the country offices to respond to changing situations.

### ODD: West Africa

US\$ million			
Food and related DOC	423.1	Beneficiaries (millions)	11.0
C&V and related DOC	37.2	Mt (in millions)	0.4
Capacity Augmentation	27.4	Country offices (COs)	19
DSC	77.6	Operations	38
<b>Total Operational Requirements</b>	<b>565.3</b>		

136. WFP has country offices in 19 countries in West Africa: Benin, Burkina Faso, Cameroon, Cape Verde, the Central African Republic, Chad, Côte d'Ivoire, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, São Tomé and Príncipe, Senegal, Sierra Leone, Togo and the Gambia.

137. In half of the ODD countries acute malnutrition among children under 5 exceeds the 10 percent threshold, even after harvests; these figures generally rise to the critical level during lean seasons. High food prices, which particularly affect import-dependent coastal countries such as Mauritania and Liberia, lead to the need for safety nets, especially in towns.





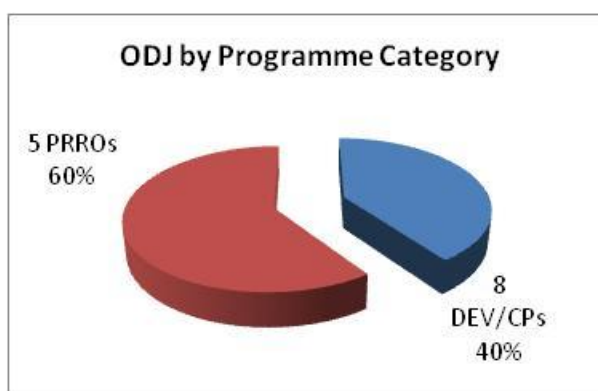
138. Humanitarian challenges in the central Africa sub-region result from conflicts in Chad, the Central African Republic, DRC and the Sudan. Needs are complex, with refugees, IDPs and vulnerable host communities living in places that are often difficult to reach. The post-election situation in Côte d'Ivoire has resulted in complex needs there and in Liberia, and the scope and types of intervention in these countries have to be modified.
139. Reducing undernutrition is a priority. In line with the Scale Up Nutrition (SUN) and REACH initiatives, WFP seeks to prevent undernutrition during the first 1,000 days and to continue treatment for malnourished children under 5 and pregnant and lactating women. There is also a focus on establishing local hunger solutions by enhancing government capacities to reduce malnutrition and increasing the availability of locally produced nutrition products.
140. The major commitment is to mitigate the impact of shocks on the most vulnerable. Life-saving assistance, asset preservation, promoting community-level resilience and developing safety nets and social protection mechanisms are the priorities. The use of cash transfers and vouchers is being scaled up in towns; seven countries plan to implement cash transfer and voucher activities in 2012. School feeding, which accounts for 20 percent of the ODD operational requirements, is integrated into government policies, community work and support for families through take-home rations. WFP will make more regional purchases when possible with a view to increasing local production capacity and reducing lead times. P4P will be implemented in Burkina Faso, Ghana, Liberia, Mali and Sierra Leone in 2012.
141. In view of recurrent crises, WFP is enhancing its early-warning systems, regional disaster risk reduction mechanisms and the management of inter-agency contingency plans. WFP provides training and technical guidance in emergency preparedness and response for government staff.
142. WFP leads the logistics and emergency telecommunications clusters and is helping the move to One UN in Benin, Liberia and Mali. Policy frameworks and collaboration in the field are being enhanced through cooperation with the Economic Community of West African States (ECOWAS) and the New Partnership for Africa's Development (NEPAD) and with humanitarian partners. WFP supports the country-led Comprehensive Africa Agriculture Development Programme (CAADP) process, which increases the productivity of small-scale farming. The UNHAS is critical for WFP's operations in the Central African Republic, Chad and Niger.
143. Transport can be difficult because of inadequate roads and ports, high costs, long lead times, adverse weather and occasional closing of routes. Timely pre-positioning of food is particularly important where rains make roads impassable. Further political instability and high fuel prices could lead to a change in intervention modalities.

## ODJ: Southern Africa

US\$ million			
Food and related DOC	178.4	Beneficiaries (millions)	6.7
C&V and related DOC	19.0	Mt (in millions)	0.2
Capacity Augmentation	2.8	Country offices (COs)	8
DSC	43.8	Operations	13
<b>Total Operational Requirements</b>	<b>244.0</b>		

144. In southern Africa WFP has country offices in Lesotho, Madagascar, Malawi, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe.

145. The situation in southern Africa is characterized by extreme weather, political instability and rising food and fuel prices. Widespread chronic food insecurity and the highest HIV rates in the world contribute to poverty and chronic malnutrition. There are currently no EMOPs in the region.



146. Emergency response focuses on enhancing governments' preparedness capacities and adding value to disaster risk reduction strategies, for example by improving early-warning systems. Coordination with the Office for the Coordination of Humanitarian Affairs (OCHA), development partners, governments and Southern African Development Community (SADC) is part of this process. Other work includes post-disaster relief and food for assets in support of early recovery.

147. Nutrition interventions in 2012 will include blanket supplementary feeding and micronutrient interventions for children under 2 and pregnant and lactating women; there will be scaled-up interventions for children aged 9–24 months as part of SUN. WFP also provides material and technical support for food fortification and institutional and supplementary feeding, with special emphasis on the first 1,000 days.

148. All countries in the region are at various stages of piloting cash and voucher transfers; this is expected to continue in 2012. WFP is consolidating and expanding best post-harvest practices that benefit smallholder farmers such as commodity exchanges, direct purchases and linking farmers with food processors.

149. WFP is extending food by prescription and mitigation for people living with HIV (PLHIV), and the integration of food and nutrition into national AIDS strategies. From 2012, WFP will expand capacity development and participation in regional research partnerships.

150. WFP will increase its engagement with national food-based safety nets. In Malawi, the Government will eventually take over supplementary feeding in 50 percent of districts and

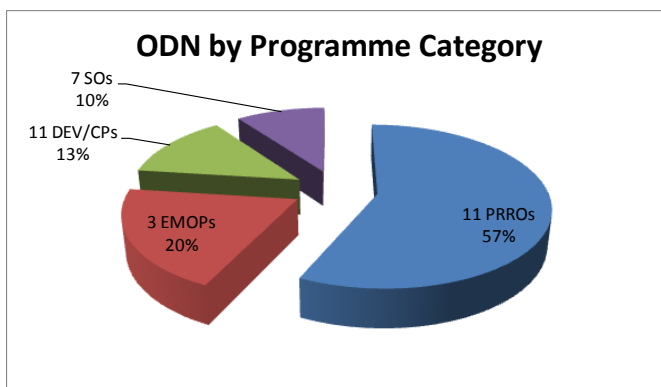
school meals in 36 percent of WFP-assisted schools. In an example of South–South cooperation in Mozambique, WFP will work with the governments of Brazil and Mozambique to develop local procurement and management models for school meals.

151. United Nations organizations collaborate through the Regional Directors Team and the Regional Inter-Agency Coordination Support Office. Lesotho, Malawi, Mozambique, Namibia and Zambia are Delivering-as-One countries, where operational coherence is enhanced through joint programming, common services and joint communication and resource-mobilization strategies. Greater synergy will be realized through enhanced partnerships with SADC, the New Partnership for Africa’s Development (NEPAD), research institutions and universities.

## ODN: East and Central Africa

	US\$ million		
Food and related DOC	1 301.6	Beneficiaries (millions)	20.2
C&V and related DOC	39.2	Mt (in millions)	1.7
Capacity Augmentation	181.0	Country offices (COs)	11
DSC	194.6	Operations	32
<b>Total Operational Requirements</b>	<b>1 716.4</b>		

152. In east and central Africa, WFP has country offices in 11 countries: Burundi, the Democratic Republic of the Congo (DRC), the Republic of the Congo, Djibouti, Ethiopia, Kenya, Rwanda, Somalia, South Sudan, the United Republic of Tanzania and Uganda.



153. The region is characterized by emergencies resulting from droughts and floods, rising food and fuel prices, and political instability. Of the beneficiaries in the region, 77 percent are targeted through EMOPS and PRROs. The regional priorities are hunger risk management, undernutrition solutions, improved food supply and delivery systems, and peace-building and consolidation.
154. The work of ODN will cover the new country of South Sudan, supporting the transition to independence and developing WFP’s presence into a country office.
155. The regional bureau will continue to consolidate partnerships, for example with NEPAD to assist governments in improving agricultural productivity, developing markets and integrating farmers into a market economy, and with the Intergovernmental Authority on Development to assess food security and nutrition in the Horn of Africa and advocate with governments for policies to identify long-term solutions to hunger. There are opportunities to work with: i) the East African Community to address food insecurity, disaster risk

reduction and climate change adaptation in its member states; ii) the SUN framework to reduce undernutrition through interventions for children aged 9–24 months and a multi-sectoral approach to address the causes of undernutrition; and iii) REACH to end child hunger and undernutrition through regional and country-led processes.

156. WFP has been working with: i) the Food and Agriculture Organization of the United Nations (FAO) since 2009 on augmenting disaster risk reduction and disaster risk management at the country level; ii) with UNHCR on early warning and situational analysis, preparedness planning and crisis response at the country and regional levels; iii) with UNICEF on enabling households to achieve basic nutrition security with sustained access to adequate food, nutrition, health care, water and sanitation; and iv) with the United Nations Environment Programme (UNEP) to address climate-related hunger and malnutrition. Regional work involves participation in the Inter-Agency Standing Committee at the regional level in the Regional Humanitarian Partnership Team and the Food Security and Nutrition Working Group. Work is under way on an inter-agency plan for the Horn of Africa to develop long-term ways to protect and rebuild the livelihoods of food-insecure communities and enhance their resilience to shocks.
157. Donor fatigue in the region has led WFP to focus on life-saving interventions and limits its ability to build resilience and reduce vulnerability. Conflict and lack of humanitarian access, particularly in southern Somalia, reduces WFP's ability to save lives; in eastern DRC and South Sudan, instability could exacerbate food insecurity. Increases in food and fuel prices affect consumers and WFP in that procurement is complicated by supplier defaults, production failures and increasing costs for inputs.

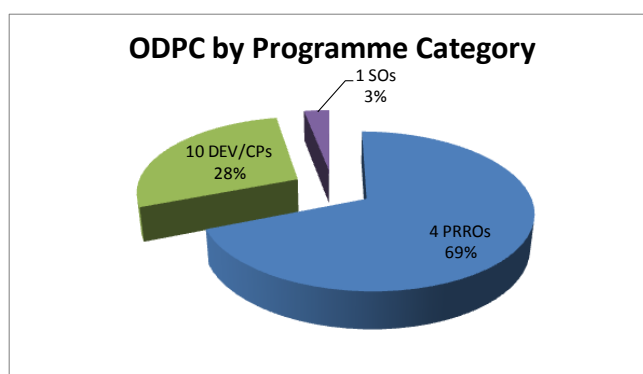
## ODPC: Latin America and the Caribbean Region

US\$ million

Food and related DOC	138.5	Beneficiaries (millions)	4.0
C&V and related DOC	18.7	Mt (in millions)	0.1
Capacity Augmentation	10.3	Country offices (COs)	10
DSC	32.2	Operations	15
<b>Total Operational Requirements</b>	<b>199.7</b>		

158. In Latin America and the Caribbean, WFP has country offices in ten countries: Bolivia, Colombia, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Peru.

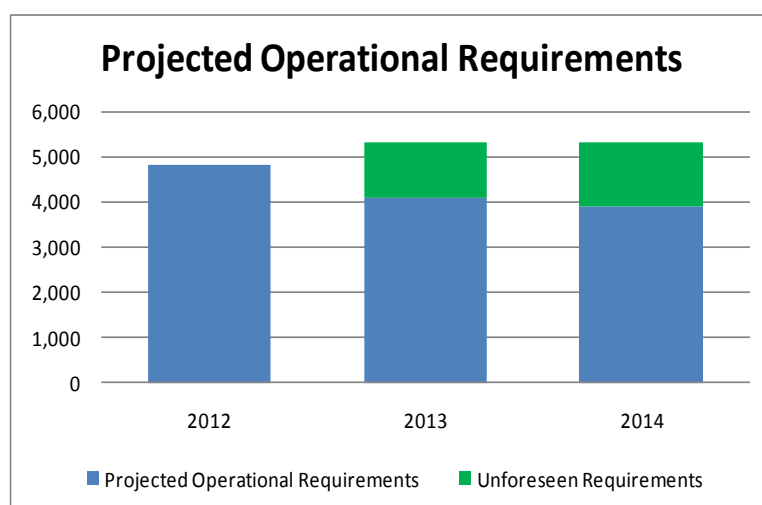
159. The most vulnerable groups are people affected by conflicts and natural disasters, indigenous peoples and those of African descent, people made vulnerable to food insecurity by the economic crisis, children under 5 – particularly those under 2 – pregnant and lactating women and people with HIV.



160. The three main challenges are chronic undernutrition and micronutrient deficiencies, natural disasters, and the effects of high food prices on food security. The priority of ODPC is to enhance government capacity to implement hunger solutions: its core activities include advocacy, facilitation of partnerships and South–South cooperation, technical assistance and information management. Activities focus on the development of government-led approaches that integrate investment in nutrition, social protection and local production with a view to ensuring a comprehensive response to undernutrition. The work of ODPC is linked with disaster management in areas where frequent natural disasters impede progress towards food and nutrition security.
161. Governments in the region are increasingly committed to including the eradication of malnutrition among children and pregnant and lactating women in development plans: most countries have established favourable legal frameworks. The regional bureau is enhancing the nutrition dimensions of social protection programmes and looking into increased use of micronutrient powders and ready-to-use supplementary foods, and the feasibility of producing them locally. With the Latin America and Caribbean Emergency Response Network (LACERN), ODPC has set up: i) warehouses for pre-positioning food and non-food items for emergencies; ii) a regional response roster; and iii) early-warning and emergency information systems. A regional PRRO is helping to develop rapid response linked to relief and recovery in Central America, and ODPC is formulating a strategy for scaling up disaster risk reduction and climate change responses.
162. The regional bureau is drawing on expertise in Brazil, Chile, Colombia and Mexico to enhance national capacities in school feeding, a safety net that reaches 80 million students every day. WFP is piloting P4P in four countries in Central America with a view to helping small farmers to increase yields and linking them to markets.
163. WFP works in partnership with governments, United Nations agencies, regional inter-governmental institutions, academic institutions and the private sector to leverage technical expertise. It promotes division of labour and cost-sharing strategies among agencies and partners, and works with the 1,000 Days partnership and SUN to develop capacities for eradicating undernutrition.

### 2013–2014 Outlook for Operational Requirements

164. For planning purposes the 2013 and 2014 operational requirements are presented in two scenarios: a low projection and a high projection. The low projection reflects the best estimate of the expected operational requirements in 2013 and 2014. The high projection, based on historical trends from the past five biennia, is estimated at 30 percent over the lower projection for 2013 and 36 percent for 2014.



165. The total operational requirements for 2013 have a low projection of US\$4.1 billion and a high projection of US\$5.3 billion. Under the low projection scenario, WFP foresees assisting 72.3 million beneficiaries with 3.5 million metric tons of food.
166. The total operational requirements for 2014 have a low projection of US\$3.9 billion and a high projection of US\$5.3 billion. Under the low projection scenario, WFP foresees assisting 68.3 million beneficiaries with 3.0 million metric tons of food.



## SECTION IV: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET

### Introduction

167. This section sets out WFP's Programme Support and Administrative (PSA) budget for financial year 2012 and outlines the associated assumptions, methods and budget drivers. The PSA budget covers programme support costs at regional bureaux, country offices and Headquarters and for management and administration in Headquarters.

168. The PSA budget is funded from indirect support cost (ISC) recoveries from contributions under the full-cost recovery policy. The 2012 budget is drawn up on the basis of a conservative estimate of the resources anticipated from the funding of known operational requirements and the resources available from current reserves. Table IV.1 provides a summary of the main changes in the PSA budget.

<b>TABLE IV. 1 SUMMARY OF MAIN AREAS OF INCREASE/DECREASE IN THE PSA BUDGET WHEN COMPARED TO 2011</b>	
	<b>US\$ million</b>
<b>Baseline: 2011 Approved appropriations</b>	<b>241.4</b>
<b>Increases related to national and international staff costs</b>	<b>7.3</b>
<b>Mainstream clusters: ICT, logistics and global food security</b>	<b>3.8</b>
<b>Mainstream administration of justice</b>	<b>1.6</b>
<b>Additional support for regional bureaux and country offices</b>	<b>0.6</b>
<b>Reallocation: field contingency fund to Headquarters</b>	<b>3.5</b>
<b>Creation of the Office of Nutrition</b>	<b>1.5</b>
<b>Total increases</b>	<b>18.3</b>
<b>Reallocation of field contingency fund to Headquarters</b>	<b>(3.5)</b>
<b>Reallocation of Headquarters resources to Office of Nutrition</b>	<b>(1.5)</b>
<b>Decreases from 3% reduction in Headquarters (excluding evaluation and oversight)</b>	<b>(5.6)</b>
<b>Total decreases</b>	<b>(10.6)</b>
<b>2012 proposed appropriation</b>	<b>249.1</b>

### Main Areas of Increase for 2012

⇒ *Increases in staff costs (US\$7.3 million)*

169. Analysis of actual costs versus the standard rates applied for 2011 for international positions and Rome-based general service staff is the basis for the standard rates for 2012, adjusted for inflation and taking into account actual payroll costs and allowances and entitlements paid outside the payroll such as assignment grants. The increase in standard costs for international staff and Rome-based general service staff is estimated at US\$4.8 million.

170. A similar review of national staff salaries in regional bureaux resulted in an estimated increase in national staff costs of US\$2.5 million.



⇒ *Cluster leadership (US\$3.8 million)*

171. Cluster leadership and administration of justice are mainstreamed into the 2012 regular PSA budget as corporate priorities. WFP is cluster leader for ICT, logistics and, with FAO, global food security. The total costs for the three clusters, estimated at US\$3.8 million, have been mainstreamed into the PSA allocations of the relevant divisions. Table IV.2 provides the cost breakdown.

<b>TABLE IV.2: AMOUNTS MAINSTREAMED FOR ICT, LOGISTICS AND FOOD SECURITY CLUSTERS</b>	
	US\$
ICT cluster in IT division (ODI) and regional bureaux	
<ul style="list-style-type: none"> <li>• Staff count: 6 positions</li> </ul>	
ODI	
<ul style="list-style-type: none"> <li>• Staff and non-staff costs</li> </ul>	676 656
Regional bureaux	
<ul style="list-style-type: none"> <li>• Staff costs</li> </ul>	690 192
Global logistics cluster in Logistics Division:	
<ul style="list-style-type: none"> <li>• Staff count: 9.5 positions</li> <li>• Staff and non-staff costs</li> </ul>	1 824 702
Food security cluster in management and emergency preparedness (ODE):	
<ul style="list-style-type: none"> <li>• Staff count: 3 positions</li> <li>• Staff and non-staff costs</li> </ul>	608 450
<b>TOTAL</b>	<b>3 800 000</b>

⇒ *Mainstreaming of the United Nations Reform of Administration of Justice (US\$1.6 million)*

172. WFP has implemented the United Nations Reform of Administration of Justice for its fixed-term national staff, as approved by the General Assembly in 2007. This has significantly changed the volume and nature of the work involved: resolution of personnel disputes is more complex and staff rights have been extended. The cost of the new system, estimated at US\$1.6 million, is mainstreamed into the PSA allocations of the divisions involved. Table IV.3 shows the cost breakdown.

<b>TABLE IV.3: AMOUNTS MAINSTREAMED FOR ADMINISTRATION OF JUSTICE</b>	
	<b>US\$</b>
Office of Inspector General and Oversight ➤ Staff count: 4 positions ➤ Staff and non-staff costs	654 372
Legal Office ➤ Staff count: 2 positions ➤ Staff and non-staff costs	380 384
Human Resources Division ➤ Staff count: 3 positions ➤ Staff costs	480 060
Ethics Office ➤ Non-staff costs	40 000
<b>TOTAL</b>	<b>1 554 816</b>

⇒ *Increase in regional bureaux and country offices (US\$600,000)*

173. In 2011, 78 country offices received PSA support at an average US\$450,000 per country. WFP plans 74 country offices in 2012, of which 72 will receive PSA support. The 4.5 percent increase in PSA resources for country offices compared with 2011 is for re-alignment of staffing. In 2012, PSA allocations will total US\$33.7 million, averaging US\$470,000 per country office. The proposal also includes a reallocation of PSA for the creation of the new regional bureau in Nairobi.

⇒ *Reallocation of funds – cost neutral*

174. The Field Contingency Fund has been re-allocated to Headquarters to increase support for field operations and enhance business efficiency. The fund will help to improve emergency preparedness through rapid deployment of IT staff and equipment and provision of centralized IT services.

175. The Office of Nutrition was created by re-allocating staff and resources from Headquarters divisions; there were no additional costs. The process involved the Office of the Executive Director, the Policy, Planning and Strategy Division and the Programme Division.

⇒ *Decreases in Headquarters costs (US\$5.6 million)*

176. The departmental allocation ceilings set for 2012 resulted in a 3 percent reduction in real terms except for regional bureaux, country offices, the Office of Evaluation and the Oversight Office.

177. In view of the financial outlook, the PSA budget for 2012 was set at US\$249.1 million. It absorbs the estimated US\$4.8 million increase in standard costs for international staff and the estimated US\$2.5 million increased cost of national staff; it also includes the cost of mainstreaming cluster leadership – US\$3.8 million – and administration of justice – US\$1.6 million for a total of US\$5.4 million. The 2012 PSA proposal preserves the priorities in the 2010–2011 budget in evaluation, audit and oversight, country offices and regional bureaux.

⇒ *Indirect support cost rate*

178. In line with WFP/EB.A/2006/6-C/1, analysis of the ISC rate for 2012 resulted in the proposal in Table IV.4.

<b>TABLE IV.4: ISC CALCULATION</b>	
2010 baseline	7.2%
Increase for higher indirect expenditures for 2012	+0.1%
Increase for lower funding forecast	+0.3%
Reduction for excess PSA Equalization Account balance	-0.4%
Proposed ISC rate for 2012	7.2%

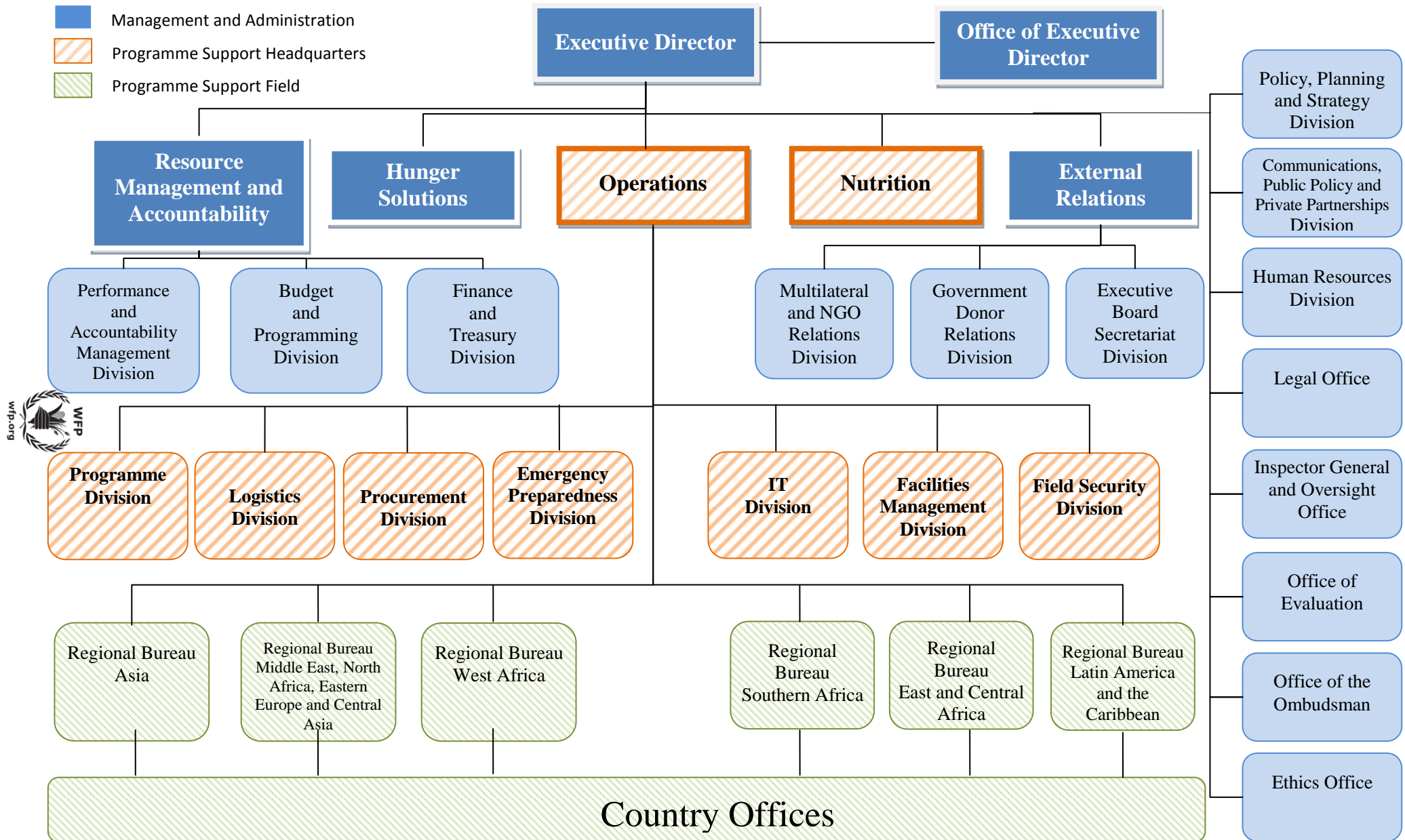
179. Although analysis indicated an ISC rate of 7.2 percent, the Secretariat recommends that the current 7.0 percent rate be maintained for 2012.

⇒ *Structure of the Secretariat*

180. To implement the Strategic Plan (2008–2013), the organization of the Secretariat was revised to align it with the needs of a food assistance agency (see Figure IV.1). Some changes were made to increase impacts on hunger, poverty and malnutrition such as establishment of the Office of Nutrition and the separate regional bureau for East and Central Africa.

Figure IV. 1

# WFP Secretariat



## PSA Budget Proposal 2012

181. The following sections give details and departmental summaries for the main appropriation lines.

	2010 Expenditures			2011 Estimated			2012 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	174	652	70.8	173	652	72.7	176	657	74.7
Programme support – Headquarters	160	312	63.9	160	312	61.6	169	321	68.7
Management and Administration	267	491	101.9	268	491	107.1	268	490	105.7
<b>TOTAL</b>	<b>601</b>	<b>1 455</b>	<b>236.7</b>	<b>601</b>	<b>1 455</b>	<b>241.3</b>	<b>612</b>	<b>1 467</b>	<b>249.1</b>

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

## Programme Support – Regional Bureaux and Country Offices

⇒ *Overview*

182. Table IV.6 shows the distribution of PSA posts and costs in regional bureaux and country offices for 2012 compared with 2010 actual and 2011 estimated costs.

	2010 Expenditures			2011 Estimated			2012 Projected		
	Post count		Total cost *	Post count		Total cost *	Post count		Total cost *
	Prof.	Total		Prof.	Total		Prof.	Total	
Asia	32	138	11.6	32	139	12.2	30	138	13.9
Middle East, North Africa, Eastern Europe and Central Asia	24	107	9.1	23	106	9.3	29	113	11.6
West Africa	46	129	16.2	46	129	16.6	39	122	16.5
East and Central Africa	n/a	n/a	n/a	n/a	n/a	0.0	28	88	11.9
Southern Africa	46	164	19.1	47	165	20.1	20	80	9.1
Latin America and the Caribbean	28	115	10.4	27	114	10.9	28	116	11.6
Field Contingency Fund	0	0	4.4	0	0	3.5	0	0	0.0
<b>TOTAL</b>	<b>174</b>	<b>652</b>	<b>70.8</b>	<b>173</b>	<b>652</b>	<b>72.7</b>	<b>176</b>	<b>657</b>	<b>74.7</b>

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

⇒ *Regional bureaux*

183. The regional bureaux help to decentralize authority so that it is closer to operations, coordinating their country offices and ensuring that they receive adequate support. For additional information about the regions please refer to Section III: 2012 Projected Operational Requirements.

184. Each regional bureau has a minimum of ten senior staff who provide guidance for the country offices in:

- direction and policy;
- oversight and immediate support for operations;
- advice and support for country directors;
- regional coordination during emergencies;
- identification of operational gaps; and
- partnerships with donors and host governments.

⇒ *Country offices*

185. The main responsibilities of country offices include: i) implementation of projects and programmes in accordance with the Strategic Plan; ii) monitoring of food and nutrition levels, especially among vulnerable groups; iii) implementation of new initiatives and tools; iv) enhancement of partnerships with governments; and v) coordinating staff safety and security.

186. The PSA is allocated according to country office size, as shown in Table IV.7.

<b>TABLE IV.7: STANDARD STRUCTURE OF COUNTRY OFFICES</b>		
<b>Size of office*</b>	<b>PSA allocation</b>	<b>Number of offices</b>
Large	One country director	30
Medium	One country director plus US\$100,00 in local operating costs, including national PSA-funded staff	20
Small	One country director plus US\$150,000 for local operating costs, including national PSA-funded staff	9
Very small	One country director plus US\$200,000 for local operating costs, including national PSA funded staff;	13
<b>TOTAL</b>		<b>72</b>

\*Categorization of country offices is based on DSC of 60 percent of estimated requirements.

## Programme Support – Headquarters

### ⇒ Overview

187. Table IV. 8 shows the staff and non-staff budget proposal for 2012 for programme support at Headquarters, compared with 2010 actual and 2011 estimated costs.

<b>Table IV.8: PROGRAMME SUPPORT – HEADQUARTERS (US\$ million)</b>									
	2010 Expenditures			2011 Estimated			2012 Projected		
	Post count		Total cost *	Post count		Total cost *	Post count		Total cost *
	Prof.	Total		Prof.	Total		Prof.	Total	
Office of Nutrition	n/a	n/a	n/a	n/a	n/a	n/a	6	6	1.5
Operations Department – Office of the ASG	6	9	2.0	6	9	2.2	6	9	2.2
Emergency Preparedness Division	5	7	1.2	5	7	1.4	7	10	2.0
Programme Division	37	48	8.5	37	48	9.1	33	43	8.3
Logistics Division	38	78	10.4	38	78	11.7	44	84	13.2
Procurement Division	14	25	4.3	14	25	4.5	12	23	4.4
Information Technology Division	46	75	22.5	46	75	17.1	47	76	21.0
Facilities Management Division	10	65	14.0	10	65	14.4	10	65	15.1
Field Security Division	4	5	1.0	4	5	1.1	4	5	1.0
<b>TOTAL</b>	<b>160</b>	<b>312</b>	<b>63.9</b>	<b>160</b>	<b>312</b>	<b>61.6</b>	<b>169</b>	<b>321</b>	<b>68.7</b>

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

### ⇒ Office of Nutrition

188. The Office of Nutrition, headed by a Deputy Executive Director at Assistant Secretary-General (ASG) level who reports to the Executive Director, comprises the units for food safety, quality and product development, nutrition research, nutrition operation support, policy and nutrition partnerships, and inter-agency affairs. It also hosts the REACH secretariat.

189. The Nutrition Partnerships and Interagency Affairs Unit: i) supports the ASG and ensures harmonized approaches and support for operations, including consistency of communications; ii) builds nutrition partnerships and develops resourcing strategies for field programmes and nutrition and food quality/technology needs; and iii) supports inter-agency engagement on nutrition policy, particularly the Scaling Up Nutrition (SUN) movement and the Standing Committee on Nutrition (SCN).

190. The Food Safety, Quality and Product Development Unit: i) ensures the highest food safety and quality standards with robust controls and systems; ii) enhances the nutritional composition of WFP food to ensure that beneficiaries receive maximum nutrition benefit and maintains a steady supply of food products.

191. The Nutrition Operational Support and Policy Unit: i) ensures that nutrition interventions target the most vulnerable populations by enhancing assessments and analyses; ii) provides evidenced-based programme guidance on food-based approaches and design and development of nutrition programmes in all operations; and iii) develops robust M&E systems to measure impacts on nutrition status.
192. The Nutrition Research Unit: i) provides guidance on nutrition-related research into issues such as costs/benefits, the acceptability of foods, and food-based interventions addressing undernutrition; and ii) leads decision-making and reviews with regard to accepting new food products for WFP operations.

⇒ *Operations Department*

193. The Operations Department (OD), which has a management and an operational mandate to implement the Strategic Plan, operates through the country offices, regional bureaux and Headquarters.
194. The department is central to fighting hunger and increasing food security. Its duties include: i) assessing needs; ii) developing and using appropriate tools; and iii) procuring and delivering nutritious food. Its divisions at Headquarters cover logistics, programming, procurement, security, IT, facilities management and emergency preparedness.
195. In 2012, the focus will be on shifting WFP to a food-assistance agency. Activities include:
- analysis of developments and trends in food security;
  - guidance and technical support for programmes related to nutrition, cash and voucher schemes and P4P;
  - procurement of food, goods and services and management of food purchased through the forward purchasing facility;
  - hand-over strategies and capacity development for governments; and
  - establishment of emergency preparedness and response mechanisms.



## Management and Administration

196. Table IV.9 provides a breakdown of management and administration costs and the staff count for 2012, compared with 2010 actual and 2011 estimates.

<b>TABLE IV.9: MANAGEMENT AND ADMINISTRATION (US\$ million)</b>									
	2010 Expenditures			2011 Estimated			2012 Projected		
	Post count		Total cost *	Post count		Total cost *	Post count		Total cost *
	Prof.	Total		Prof.	Total		Prof.	Total	
Office of Executive Director	11	21	5.0	11	21	5.1	8	17	4.2
Policy, Planning and Strategy Division	17	22	4.9	18	23	5.6	17	22	5.2
Communications, Public Policy and Private Partnerships Division	29	44	10.2	29	44	11.6	29	44	11.4
Legal Office	10	14	2.9	10	14	2.6	13	18	3.5
Inspector General and Oversight Office	25	33	5.8	25	33	7.0	28	37	7.9
Office of Evaluation	8	11	4.9	8	11	4.8	8	11	4.9
Office of the Ombudsman	1	2	0.5	1	2	0.5	1	2	0.5
Ethics Office	1	2	0.5	1	2	0.6	1	2	0.6
Human Resources Division	42	93	13.9	42	93	14.1	45	97	13.9
Office of Hunger Solutions	2	6	1.4	3	6	1.4	3	7	1.4
External Relations – Office of ASG	2	4	0.8	2	4	0.9	2	4	0.9
Multilateral and NGO Relations Division	17	26	5.7	16	25	5.6	14	23	5.5
Government Donor Relations Division	35	66	11.8	35	66	12.5	34	63	12.4
Executive Board Secretariat Division	8	22	4.7	8	22	4.7	8	22	4.8
<b>Subtotal Management</b>	<b>208</b>	<b>366</b>	<b>73.1</b>	<b>209</b>	<b>366</b>	<b>76.9</b>	<b>211</b>	<b>368</b>	<b>77.0</b>
Resource Management and Accountability Department – Office of the ASG/Office of Business Innovation and Support	8	12	2.3	8	12	2.4	8	12	2.4
Budget and Programming Division	20	45	6.0	20	45	6.5	18	44	6.5
Finance and Treasury Division	24	57	7.8	24	57	8.0	23	54	8.0
Performance and Accountability Management Division	7	11	2.0	7	11	2.1	8	12	2.1
<b>Subtotal Administration</b>	<b>59</b>	<b>125</b>	<b>18.1</b>	<b>59</b>	<b>125</b>	<b>18.9</b>	<b>57</b>	<b>122</b>	<b>19.0</b>
Central appropriations			10.7			11.2			9.7
<b>TOTAL</b>	<b>267</b>	<b>491</b>	<b>101.9</b>	<b>268</b>	<b>491</b>	<b>107.1</b>	<b>268</b>	<b>490.0</b>	<b>105.7</b>

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

197. The Office of the Executive Director supports the Executive Director in coordinating WFP's departments and divisions within WFP to address global hunger, food crisis and emergency response, and with overall management of WFP. It supports the establishment of collaborative relationships with Member States and donors, and oversees official correspondence by the Executive Director and interactions with government officials, delegates and heads of United Nations agencies and other organizations. It coordinates and supports the work of the offices reporting directly to the Executive Director and supports the Executive Director's participation in United Nations conferences and other such events and the chairing of the High-Level Committee on Management (HLCM). The office is managed by the Chief of Staff.
198. **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 2012, the division will work in the areas of: i) HIV and AIDS; ii) food security; iii) economic analysis and markets; iv) women, children and gender; v) humanitarian policy, protection and transitions; vi) climate-related hunger, disaster risk reduction; vii) school feeding policy and strategies; and viii) P4P. These activities support food assistance and contribute to all of WFP's Strategic Objectives.
199. **The Communications, Public Policy and Private Partnerships Division** works to ensure that information about WFP's life-saving work is clear, transparent and widely available, communicating about WFP's work to private and public donors, staff and the public. The division is responsible for media relations; external, internal, and web-based communications; outreach to teachers, students, civic groups, aid professionals, policymakers, key stakeholders and women's groups; pro-bono advertising; and public policy.
200. The private partnerships section of the division leads private-sector fundraising. It is responsible for developing and maintaining strong relations with private-sector donors globally, including businesses, foundations and high net-worth individuals. It also manages electronic fundraising appeals, on-line donations and donations from individuals.
201. **The Human Resources Division** ensures that WFP has the appropriate composition of staff who are well prepared and supported in carrying out their assignments. The division provides management guidance and services such as job classification, recruitment, training, staff counseling, medical support, and administration of benefits and entitlements, in a manner that maximizes staff motivation, commitment and productivity. Its workforce planning activities include analysis of staffing supply and demand, and initiatives to develop management competency. The division also contributes to maintaining an ethical and respectful workplace by administering disciplinary processes.
202. **The Inspector General and Oversight Office** provides assurance to the Executive Director on governance, policy, risk, resources, operations and accountability through independent and objective oversight services. The office leads WFP's implementation of best practices in the United Nations and the private sector for enabling managers to provide assurance to the Executive Director. It conducts internal audits, investigations and inspections to provide assurance that resources are utilized effectively and efficiently.
203. Internal audits are based on risk assessments and help ensure that processes linked to the goals supporting WFP Strategic Objectives are robust, represent best practices and reflect emerging oversight trends. In 2012, audits are expected to cover 58 percent of WFP's total audit-assessed risk.
204. Investigations ensure that individual actions that may hinder the achievement of WFP's objectives are identified and halted in a timely manner.

⇒ *Office of Hunger Solutions*

205. The Office of Hunger Solutions (HS) aims to re-position WFP as a humanitarian actor and as a partner in government-led hunger solutions. It engages with governments and other partners in advocating for the prioritization of food and nutrition security in national planning, and helps to build and enhance partnerships to share experiences and transfer food-assistance programmes to national ownership.
206. The priorities of HS are: i) directing WFP's interventions with a view to sustainable solutions to hunger and malnutrition; ii) supporting initiatives to scale up best practices in food and nutrition security; iii) promoting partnerships; iv) identifying and supporting external supporters of WFP; and iv) enhancing WFP's contributions to international debate on threats to food and nutrition security.

⇒ *External Relations Department*

207. The External Relations Department handles WFP's relationships with governments, United Nations agencies and NGOs. It engages decision-makers and stakeholders in addressing hunger and malnutrition, provides guidance on fundraising and external affairs, and facilitates WFP's dealings with the Executive Board and other governing bodies. The department leads in raising resources for the assessed needs of operations. The department has offices in Beijing, Berlin, Brussels, Dubai, Geneva, New York, Paris, Tokyo and Washington DC. The Executive Board secretariat, the Government Donor Relations Division and the Multilateral and NGO Relations Division report to the Deputy Executive Director for External Relations. The focus in 2012 will be on:
- enhancing OECD/DAC donor portfolios, protecting or increasing WFP's share of funding and developing engagement with Gulf states, BRIC and common funding mechanisms;
  - helping regional bureaux and country offices to increase fundraising capacity;
  - ensuring donor visibility and supporting communications;
  - managing WFP's information systems; and
  - advising on issues relating to the United Nations General Assembly, the Economic and Social Council of the United Nations (ECOSOC), G-20, G-8 and the Millennium Development Goals.

⇒ *Resource Management and Accountability Department*

208. The Resource Management and Accountability Department unites WFP's budgeting, finance, performance management, risk management, internal control and accountability functions.
209. The department has three divisions Budget and Programming; Finance and Treasury Performance and Accountability Management and the Office of Business Innovation and Support. Work in 2012 will focus on:
- the transition from food aid to food assistance, involving a shift to finance-based tools such as cash and vouchers, which present new challenges; support for cash and vouchers will be extended during the pilot phase with a view to enhancing financial and logistics support for country offices; and
  - strengthening capacity to report results, implementing measures for effective internal control and demonstrating cost efficiencies in view of the deteriorating economic climate and the consequent need for greater efficiency and effectiveness, and

improved internal budgeting with a view to cost containment and improved prioritization of resources.

### Statutory Requirements and other Central Appropriations

210. This section includes the cost of statutory requirements and other centrally-controlled appropriations, which are budgeted under management and administration. Table IV.10 shows how budgeted requirements for 2012 in this category compare with 2011 estimates.
211. The 2012 budget for central appropriations is expected to decrease by 14 percent compared with 2011. The reduction is associated with the 5 percent cost-containment measures implemented in the second half of 2011, which resulted in a 43 percent decrease in “other” items such as seminars and training. Other major decreases include reassignment costs (29 percent) and services from other agencies (8 percent).
212. As in the past, most costs in the corporate and central appropriations fund are based on WFP’s assessed shares of the budgets of other United Nations bodies; WFP’s central insurance premiums for malicious acts, public liability and travel are also covered. Reassignment costs related to PSA positions continue to be managed through a central fund to maintain cost controls and transparency. WFP has contained recruitment and reassignment costs by monitoring the costs and where possible extending duty periods.

<b>TABLE IV.10 STATUTORY REQUIREMENTS AND OTHER CENTRAL APPROPRIATIONS (US\$ million)</b>		
	<b>Estimated 2011</b>	<b>Proposal 2012</b>
Reassignment costs	3 375 000	2 400 000
Insurance fees	1 141 700	1 275 000
Joint Inspection Unit	706 500	900 000
International Civil Service Commission	600 000	600 000
External Audit	450 000	450 000
Chief Executives Board	307 500	307 500
Emergency medical evacuation	250 000	266 300
Audit Committee	111 500	176 700
Services from other agencies	1 689 826	1 540 500
Contingency Fund	1 197 500	850 000
Global Meeting	337 883	300 000
Others	1 071 549	611 000
<b>TOTAL</b>	<b>11 238 958</b>	<b>9 677 000</b>

⇒ *WFP Management Result Dimensions and PSA budget*

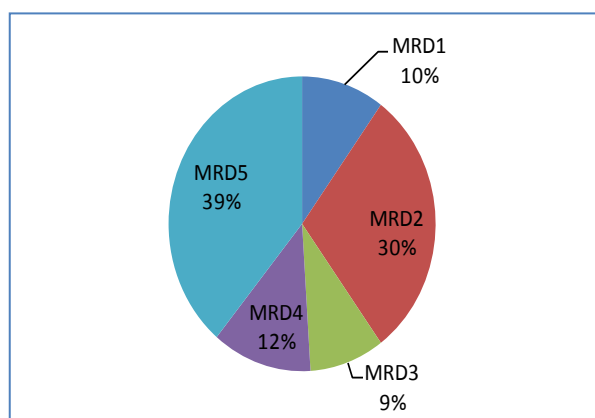
213. The PSA budget is results-based with a view to ensuring alignment of resources with needs. The 2012 PSA budget is allocated according to organizational structure and the Management Result Dimensions (MRDs). There are 18 macro activities under five MRDs.

## Figure IV.2 Management Result Dimensions

<b>MRD1</b>	•Securing resources: mobilizing resources for WFP's work and organization.
<b>MRD2</b>	•Stewardship: managing the resources under WFP's control.
<b>MRD3</b>	•Learning and innovation: identifying, documenting and disseminating lessons learned and skills needed to improve WFP's performance.
<b>MRD4</b>	•Internal business processes: supporting the continuity of WFP's operations.
<b>MRD5</b>	•Operational efficiency: maintaining the timeliness, cost-efficiency, continuity and appropriateness of WFP's responses.

## Figure IV.3: PSA Budget by Management Result Dimensions

214. The focus of WFP's management is operational efficiency under MRD5, which accounts for 39 percent – US\$96.2 million – of the 2012 PSA budget to ensure that programmes have the optimum impact on beneficiaries; 83 percent of the MRD5 amount is allocated to the Operations Department for programme support at Headquarters (US\$26 million) and in the field (US\$53.6 million).



215. Stewardship under MRD2 accounts for 30 percent – US\$75.7 million – of the 2012 PSA budget. Stewardship relates to the utilization and safeguarding of WFP's personnel, property and financial assets. WFP works to ensure the maximum return on funds entrusted to it by donors and prioritizes accountability, minimization of losses, safeguarding staff and physical and financial capital, and the reporting of results to sustain the trust of donors and other stakeholders. A large proportion of the resources are in the Inspector General and Oversight Office, the Resource Management and Accountability Department and the Operations Department.

216. Internal business processes under MRD4 account for 12 percent of the 2012 PSA budget – US\$28.7 million – of which 65 percent relates to IT hardware and systems support to improve communications and connectivity; 19 percent is allocated to the Resource Management and Accountability Department to improve resource allocation decisions and the management of core financial processes.

217. Securing resources under MRD1 includes mobilizing funds and contributions, identifying new funding channels and ensuring that the workforce is adequate and diverse; 10 percent of the 2012 PSA Budget – US\$25.8 million – is allocated for this. The External Relations Department comes under MRD1.

218. Learning and innovation under MRD3 accounts for 9 percent – US\$22.7 million – of the PSA budget for 2012, which is allocated for enhancement of staff learning and adaptation, and for building and disseminating organizational knowledge.

### **One-Time Investments: IT, Accountability, Financial Risk Management, Training**

219. One-time investments are separate from the regular PSA budget and proposed for funding under the PSA Equalization Account. This separation of non-recurring costs enables improved governance and management by making ongoing regular PSA costs more transparent. The investments are consistent with previous utilization of the PSA Equalization Account; they constitute a lower risk in that they will cease at the end of 2012.

<b>TABLE IV.11 ONE-TIME INVESTMENTS 2012 (US\$ million)</b>	
Corporate monitoring and evaluation tool (COMET)	1.7
Finalization of Strengthening Managerial Control Accountability initiative	1.8
Strategic budgeting review	1.9
Financial risk management for cash and vouchers	1.4
Training and staff development	2.1
Logistics execution system pilot project	3.0
Finalization of IT initiatives	10.3
<b>TOTAL ONE-TIME INVESTMENTS</b>	<b>22.2</b>

220. One-time investments include:

- The COMET monitoring and evaluation tool – US\$1.7 million. COMET is a tool to plan and monitor performance and results during a project's life-cycle; the 2012 allocation will enable completion of the roll-out of the basic system.
- Finalization of the Strengthening Managerial Control and Accountability (SMCA) Initiative – US\$1.8 million. This will enable finalization of the initiative, including the establishment of support systems for financial controls, improved risk management, enhancement of delegated authorities, and financial policies and manuals, and support for management follow-up of oversight recommendations.
- The Strategic Budgeting Review – US\$1.9 million: this envisages a holistic approach to WFP budgeting, particularly for projects, involving improved DSC analysis and benchmarking, enhanced tracking of efficiency in spending on projects, and monitoring returns on investments.
- Financial risk management for cash and vouchers – US\$1.4 million. This involves implementing financial sector capacity assessments at the country level to determine readiness for cash and voucher modalities, guidance on risk assessments of

cooperating partners and service providers, and establishing an internal control and risk assessment framework at the Headquarters and country levels.

- Training and staff development – US\$2.1 million. This includes training in the context of the workforce re-profiling exercise (see below), continuation of the management development programme and launch of the field office payroll system.
- The Logistics Execution System (LES) pilot project – US\$3 million. The aim is to create a more robust supply chain management system, with improved inventory management, accountability and tracking integrated into SAP; this allocation will cover costs for a pilot project in two country offices.
- Finalization of IT initiatives – US\$10.3 million: FoodLink, Connect, 1Truth, and the Emergency Preparedness Integration Centre (EPIC):
  - ◊ FoodLink increases data and voice communications bandwidth for field operations, reduces costs and standardizes system management services;
  - ◊ Connect provides a unified communications solution and video conferencing and desktop sharing;
  - ◊ 1Truth creates an information system that consolidates information stores across applications and provides tools enabling IT and business users to access and manage data; and
  - ◊ EPIC is an initiative for WFP’s role as IT cluster lead that provides a mobile computing and communications capability and decision-support platform accessible to humanitarian actors in emergency deployments.

⇒ *PSA Equalization Account*

221. Management has estimated that WFP’s 2012 funding will be US\$3.75 billion, which is expected to result in ISC income of US\$239.0 million.

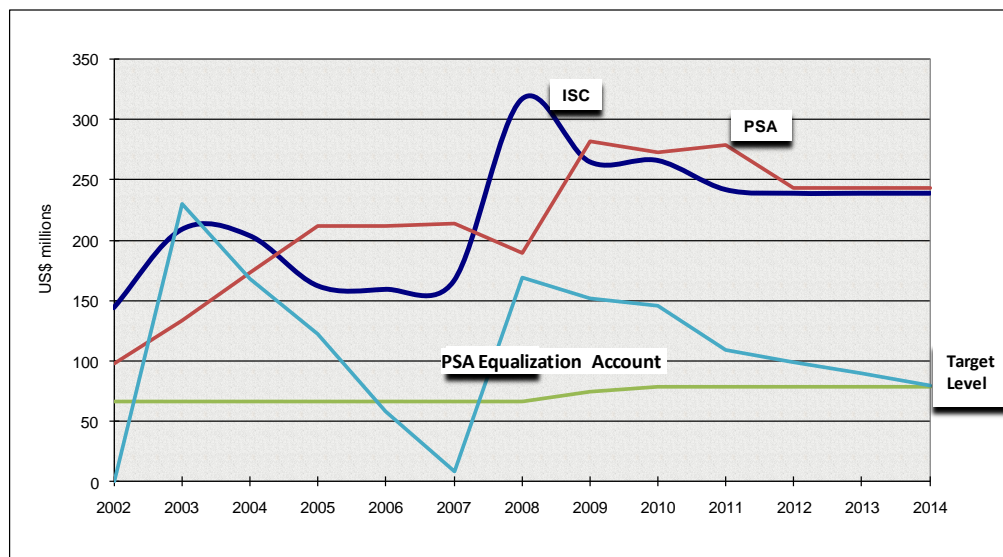
222. The 2012 opening balance of the PSA Equalization Account is estimated at US\$123.4 million. This is US\$34 million higher than the originally projected balance of US\$89.4 million as a result of higher ISC income than projected, recovery of ISC from previous years and reconciliation of balances migrated from WINGS I to WINGS II. The closing balance for the PSA Equalization Account for 2012 is projected to be US\$91.1 million, slightly higher than the US\$83.0 million targeted level requested by the Board.

2012 January 1, projected opening balance	123.4
2012 ISC revenue	239.0
2012 PSA expenditure	(249.1)
2012 One-time activities	(22.2)
2012 December 31, projected closing balance	91.1

## 2012–2014 PSA Outlook

223. If projected PSA income remains stable, the PSA Equalization Account is expected to reach the target level agreed to with the Board of US\$83 million during the 2012–2014 Management Plan, as shown in the Figure IV.4 below:

**Figure IV.4: PSA Equalization Account 2002–2014**



## Workforce Re-Profiling Exercise

224. In order to increase its impact on hunger and poverty reduction, WFP needs to ensure that it has a cadre of staff and managers with the necessary skills and competencies required by an effective food assistance agency. To this end, the Human Resources Division is conducting a strategic skills audit of current and anticipated workforce capabilities of the international professional cadre of staff. This review will take into account the workforce implications of WFP's strategic direction and aim to identify the skills and knowledge requirements necessary for successful implementation of the strategic plan and future activities. The three phases of the audit include the following:

- identification of future skills and knowledge requirements;
- assessment of current capabilities in terms of quantity and quality of required skills; and
- development of a workforce plan to transition into the future, addressing identified challenges and proposing strategies to close gaps.

225. It is anticipated that re-training alone will not be sufficient, and that new talent may need to be recruited with a view to realigning the workforce. To manage this, a voluntary separation programme is proposed with a view to vacating positions for which staff with the required skills can then be recruited.

226. This targeted and mutual approach to staff reduction will create opportunities to align skills and experience with the needs of WFP within the budget of the 2012–2014 Management Plan.

227. The audit of skills and targeted separation programme will require up to US\$10 million.



## Unearmarked Portion of the General Fund

228. Table IV.13 shows the forecast balance of the unearmarked portion of the General Fund at the beginning and end of 2012. The main source of income for the General Fund is interest income from WFP's investment portfolios and bank and money market accounts for 2012, estimated at US\$10 million.

229. WFP plans to utilize the unearmarked portion of the General Fund for the creation of a Security Special Account of US\$10 million and for the completion of the Treasury Management System (TMS) at a cost of US\$900,000.

<b>TABLE IV.13: UNEARMARKED PORTION OF THE GENERAL FUND 2012 (US\$ million)</b>		
1 January 2012 projected opening balance		10.3
2012 interest income		10.0
Security Special Account	-10.0	
Treasury Management System	-0.9	
<b>Subtotal</b>		<b>-10.9</b>
31 December 2012 Forecast		9.4

### ⇒ *Security Special Account*

230. WFP proposes to establish a special account for expenditure for WFP Security Emergency Fund (SEF) and mandatory UNDSO costs, using an advance of US\$16.9 million from the Working Capital Financing (WCF) facility for 2012.

231. This amount includes WFP's estimated US\$9.6 million share of UNDSO costs and the SEF estimated at US\$7.3 million; where possible, these will be charged to DSC. In view of the centrality of security in operations, WFP proposes to draw on the General Fund for up to US\$10 million to cover costs that cannot be funded by operations, especially in small country offices.

### ⇒ *Treasury Management System*

232. At its 2011 First Regular Session, the Board approved a US\$1.0 million allocation from the unearmarked portion of the General Fund for the first phase of Treasury Management System (TMS) investments.

233. The TMS is being set up in two phases: i) implementation of the treasury and risk management module for foreign exchange transactions, deposits and money market investments, including an on-line trading platform to obtain competitive prices from banks with a full audit trail; these functionalities are expected to save US\$1.25 million per annum; and ii) improvement of treasury management system functionalities relating to integration of WFP's enterprise resource planning (ERP) with banking systems; the revised business processes and technical enhancements will be put in place within a six-month period. The roll-out of the new functionalities will begin in 2012; cost savings are estimated at US\$750,000. Overall savings are expected to be US\$2 million per annum.

234. The US\$1.6 million required for TMS compares favourably with the annual cost savings of US\$2 million per year. Enhanced treasury functionalities primarily benefit the unearmarked portion of the General Fund, so the Secretariat proposes to fund the US\$900,000 investment for 2012 from this source, as in 2011.

⇒ *Hedging*

235. At its 2008 Annual Session, the Board approved a policy for hedging the Euro component of PSA expenses to enhance funding stability for PSA.
236. In June 2011, the Secretariat presented to the Board its intention to continue to hedge Euro expenditure for 2012 under hedging arrangements from mid-2011. The hedging policy for 2012 was implemented in July 2011; the average exchange rate was fixed at €1 = US\$1.41. The new standard position costs incorporate this average rate, which results in certainty of the US\$ value for Euro-denominated PSA expenditure and therefore benefits the planning process for the 2012 Management Plan. The Secretariat will continue to report regularly on the impact of hedging arrangements.



## SECTION V: SPECIAL ACCOUNTS AND TRUST FUNDS

### Introduction

237. This section details WFP's plan for the prioritization and use of special accounts and trust funds for 2012. Special accounts and trust funds may be established by the Executive Director as stipulated by Financial Regulation 5.1. In 2012, WFP forecasts trust funds valued at US\$205.1 million, of which US\$111.6 million is for corporate trust funds, US\$93.5 million for country-specific trust funds and US\$164.2 million for special accounts.

	<b>2012 Forecast Resources (US\$ million)</b>	<b>% of total</b>
Corporate	111.6	30
Country-specific	93.5	25
<b>Total trust funds</b>	<b>205.1</b>	
Special accounts	164.2	45
<b>TOTAL</b>	<b>369.3</b>	

### Purpose of Special Accounts and Trust Funds in 2012

238. As extra-budgetary resources, special accounts and trust funds constitute an important component of WFP's funding to:

- enable WFP to provide non-profit business services such as UNHRDs, UNHAS, Global Vehicle Leasing Programme (GVLP) and self-insurance through the special account cost-recovery and financing mechanisms;
- invest in organizational capacity development in new areas of business, complementing the PSA and operational budgets; and
- enable country offices to engage in south-south cooperation, private/public partnerships and partnerships with host governments to mobilize complementary resources for programmes, particularly in new areas of the Strategic Plan.

### Special Accounts

239. In accordance with WFP's Financial Regulations, special accounts are established by the Executive Director for special contributions or monies earmarked for particular purposes. A total of US\$164.2 million is forecast for special account activities in 2012. Five of the largest special accounts support air transport, vehicles, logistics, information technology (IT) and insurance services on behalf of WFP and partner agencies, accounting for 78 percent of anticipated special account activity.

**Figure V.1 : Special Accounts**



⇒ *Aviation*

240. This special account was established in December 2003 to finance aviation services and related activities as a non-profit business unit. The special account provides airlifts for internal and external clients, dedicated aircraft services for external clients and partnerships with other organizations. It centralizes financial accounting and reporting for aviation and serves to bridge funding gaps while awaiting payment from users, thus enhancing the efficiency of the service.
241. In 2012, the aviation special account will enable WFP to develop new management tools such as the web-based Flight Management Application for refresher training for aviation staff, to update documents such as the Air Transport Manual and the Aviation Safety Manual, and to continue to support EMOPs.

⇒ *United Nations Humanitarian Response Depot*

242. This special account was established in June 2000 to support the UNHRDs in Ghana, Italy, Malaysia, Panama and the United Arab Emirates. The UNHRD network serves United Nations humanitarian agencies, Member States and NGOs, and provides services for other parties under contractual agreements. The special account manages income from donor contributions and revenue from charges for services in UNHRD hubs, where demand is growing as a result of the increase in the numbers of partners and requirements for logistics support.
243. Priorities for 2012 include the establishment of a humanitarian procurement centre to increase the number of UNHRD users, and completion of the premises in Accra and Panama.

⇒ *Information and Communications Technology*

244. The information and communications technology (ICT) special account is a funding mechanism to support cost recovery for IT services, inter-agency emergency operations and the launch of Fast IT and Telecommunications Emergency and Support Team (FITTEST) missions for emergency responses and capacity development.
245. In 2012 the ICT special account will continue to support basic IT services and new initiatives such as Cash for Change, in which IT helps to enhance WFP's efficiency in cash transfer and voucher delivery.

⇒ *Global Vehicle Leasing Programme*

246. The GVLP special account was established in November 2006 to centralize global procurement of light vehicles in a major change in WFP policy. The GVLP has since increased the services offered to WFP and United Nations agencies as a supplier of light and armoured vehicles.
247. In 2012, GVLP plans to increase its green initiatives and reduce WFP's light vehicle fuel costs with its fleet-management tools. It will continue to roll out road safety training for WFP staff to reduce accidents and related costs. Centralized procurement will result in greater buying power, further reducing WFP's capital expenditure.

⇒ *Self Insurance*

248. The self-insurance special account is a cost-efficient financing mechanism to absorb the risks and economic impact of pre-delivery food losses and to maximize deliveries through salvage operations. WFP benefits from insurance premium rates below commercial market levels: lower insurance premiums for insuring WFP against catastrophic losses are negotiated and secured from this account.

249. In 2012, self insurance will continue to guarantee financial compensation for pre-delivery losses and to provide discounted market insurance premiums for donors.

⇒ *Other special accounts*

250. Other special accounts include the food security cluster, forward purchase, logistics, emerging donor funds and staff insurance.

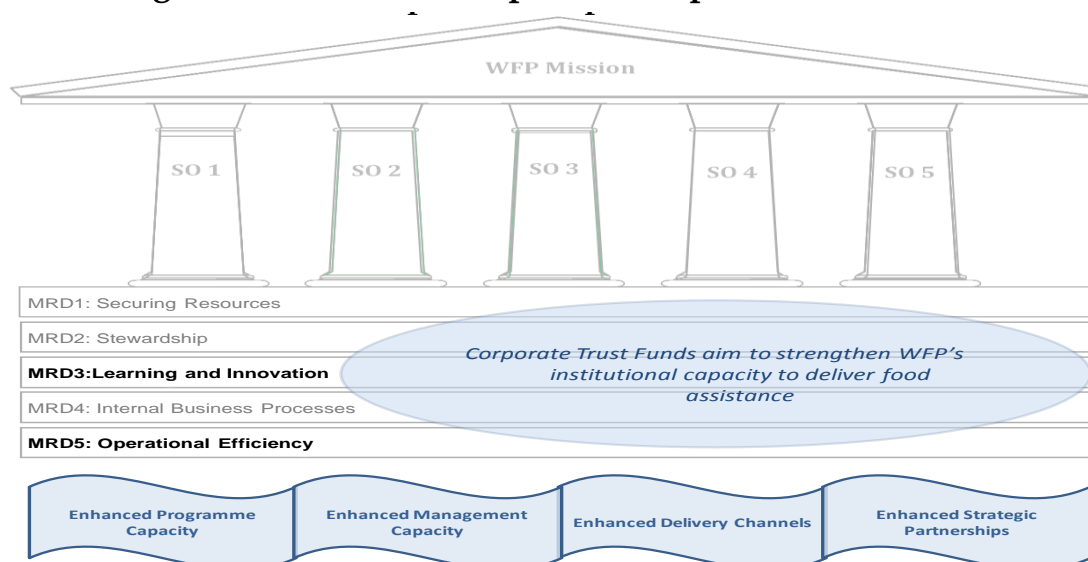
## Trust Funds

251. Trust funds, which are subdivisions of the WFP Fund, are established by the Executive Director to account for special contributions whose purpose, scope and reporting procedures have been agreed with the donor. Trust funds are classified as corporate or country-specific.

⇒ *Corporate*

252. In the absence of regular funding, corporate trust funds enable WFP to invest in research, the piloting of new initiatives and institutional capacity development with a view to enhancing operational efficiency in a changing environment.

**Figure V.2: Role and Purpose of Corporate Trust Funds**



253. Corporate trust funds will focus on MRD5: Operational Efficiency and MRD3: Learning and Innovation. Of the anticipated corporate trust fund resources, over 60 percent is expected to be allocated to country offices.

254. The role of corporate trust funds in 2012 will be to consolidate experience in the implementation of the Strategic Plan for: i) roll-out and scaling up of new tools, guidance, methods and partnership approaches at the country level; and ii) leveraging of new tools

and approaches through partnerships in the United Nations system to enhance coherence and effectiveness through Delivering as One.

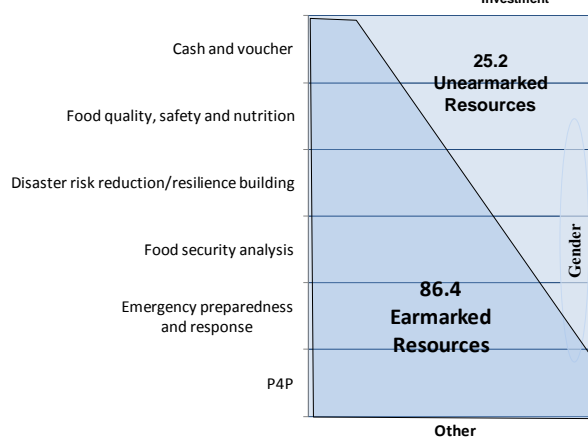
255. Trust funds will optimize WFP's capacity to deliver the Strategic Plan through targeted investments to improve management and programme capacities, expand delivery channels and increase impact and sustainability through partnerships.

256. The outcome of the mid-term review of the Strategic Plan will guide the prioritization of trust fund resources for 2012–2014.

257. In 2012, WFP anticipates US\$111.6 million in corporate trust fund resources; US\$86.4 million – 77 percent – has been earmarked and an additional US\$25.2 million – 23 percent – will be targeted towards priority areas for new investments to enhance WFP's organizational capacity to transition from a food aid agency to a food assistance agency.

258. The priorities for new investments in 2012 of US\$25.2 million are: cash transfers and vouchers; food quality, safety and nutrition; gender; disaster risk reduction/resilience-building; and food security analysis. Emergency preparedness and response and P4P are expected to be comparatively well resourced.

**Figure V.3: Corporate Trust Fund Resources**  
Prioritization of 2012 new Corporate Trust Fund Contributions (US\$ million) Priority Areas of Investment



⇒ *Cash transfers and vouchers*

259. The Cash for Change initiative, now in its second year, will support the roll-out and scale-up of cash transfer and voucher programming to increase WFP's capacity to expand food delivery channels, complementing PSA allocations. Capacity development to enhance corporate management and technical skills and to streamline quality-assurance processes will integrate new knowledge into programme guidance.

⇒ *Food quality, safety and nutrition*

260. As host agency for the REACH multi-donor trust fund, WFP will support the scaling up of government-led partnerships from 4 to 14 countries to meet MDG1 Target 3 with the initiating agencies – UNICEF, FAO and WHO. This will include multi-sectoral planning and coordination of nutrition interventions and enhancement of integrated food security and nutrition M&E systems, in line with SUN. WFP is also the convening agency for food and nutrition, a co-sponsor of UNAIDS and, with UNHCR, for HIV and humanitarian responses; as such, WFP is tasked by UNAIDS to lead and coordinate responses in these areas on behalf of the United Nations system.

261. Additional resources for food quality, safety and nutrition will enable the scaling up of new nutritional approaches to prevent and treat acute malnutrition and prevent stunting. A major initiative will be WFP's 2011–2013 "Building the Future for Children under 2: the Right Foods at the Right Time Initiative", a partnership with the Children's Investment Fund Foundation to develop a model for WFP's nutrition programmes to reduce stunting among children under 2. Large-scale nutrition programmes in Mozambique and Rwanda

will deliver nutritious complementary foods to children under 2 and mothers to facilitate learning and support replication in WFP operations.

⇒ *Disaster Risk Reduction/Resilience Building*

262. Building on WFP's innovative approaches such as index insurance and weather risk management, linkages with disaster prevention and recovery goals will be enhanced through training for WFP and partner staff in designing and implementing the new Food Assistance for Assets programme and in M&E approaches and tools. A major objective will be to restore productive assets and improve the resilience of food-insecure communities with a view to reducing the impact of shocks and promoting adaptation to climate change.

⇒ *Food Security Analysis*

263. In 2012, the Food Security Analysis Service will continue to enhance its inter-agency partnerships. WFP and FAO will implement the joint "Information System for Food and Nutrition Security Strategy" comprising capacity development, standardization of tools, food security monitoring and assessments, and statistics. WFP and UNHCR will improve the quality of joint assessment missions by applying new tools and methods in refugee situations, with an emphasis on urban areas. Operational trust funds continue to support country-led work to integrate nutrition and market analysis into national food security monitoring systems, develop capacities and hand programmes over to governments.

⇒ *Emergency Preparedness and Response*

264. The Strengthening the Response Capacity of the World Food Programme through Better Preparedness trust fund will continue to support investment in WFP's Preparedness and Response Enhancement Programme (PREP). In 2011 the trust fund ceiling was increased to US\$10 million, with no outstanding requirements foreseen for 2012. The PREP programme of work supports the enhancement of strategic response capability and capacity development across WFP that will extend to partnerships with governments.

⇒ *Purchase for Progress*

265. The P4P pilot, the largest corporate trust fund in 2012, seeks to maximize WFP's procurement from smallholder farmers to help them to achieve their potential in agricultural markets. In the 21 pilot countries WFP is working with partners to build farmers' capacities to provide food for WFP and participate in other markets. Work in 2012 will focus on implementing the recommendations of the mid-term evaluation and on consolidating learning from the first three years of the pilot.

⇒ *Other trust funds*

266. Additional investments will be required to complete the cross-cutting Gender Action Plan. Work will include capacity development in gender analysis, roll-out of the accountability framework and implementation of the Gender Innovations Fund. Incremental investments in logistics will improve the efficiency of delivery channels and standardization of inter-agency logistics responses by building the competencies of WFP and partner organizations. Programme and management capacities will be enhanced by the roll-out of the corporate M&E strategy, the upgrade of staff leadership skills in programme design. New IT tools will integrate and streamline standardized project reporting and measurement of outputs to improve performance management.



267. Because knowledge management is central to implementation of the Strategic Plan, all trust funds incorporate knowledge-sharing components. A nutrition information website will be created to share lessons from new nutrition approaches. Knowledge management will also be enhanced through south–south cooperation agreements. WFP and the Government of Brazil have established a Centre of Excellence against Hunger in Brasilia to enable capacity development in governments for school feeding, nutrition, and food security; the centre will augment WFP’s ability to assist governments in designing and managing national school feeding programmes and other social safety nets. The P4P programme has established the Data Analysis and Knowledge Management Hub (DAKMAH), which is managed by the Africa Economic Research Consortium in Kenya. A WFP knowledge centre for climate change and disaster risk reduction will improve the quality and impact of WFP programmes in these new areas of business.

⇒ *Country-specific trust funds*

268. Country-specific trust funds, which continue to increase in importance in line with United Nations reforms and increased government ownership of development and humanitarian activities, are estimated at US\$93.5 million. They enable country offices to engage in strategic partnerships such as One UN, cooperation with host governments and south–south partnerships to mobilize complementary resources, particularly in new areas of the Strategic Plan.

<b>TABLE V.2: COUNTRY-SPECIFIC TRUST FUNDS – OVERVIEW BY REGION AND THEMATIC AREA</b>			
<b>Regional Bureau</b>	<b>Thematic Area</b>	<b>2012 Forecast (US\$ million)</b>	<b>%</b>
<b>Panama</b>	School feeding	63.7	68
	Capacity development (Strategic Objective 5)	15.0	16
	Food quality, safety and nutrition	2.4	3
<b>Total Panama</b>		<b>81.1</b>	<b>87</b>
<b>Bangkok</b>	Capacity development (Strategic Objective 5)	4.5	5
	Food quality, safety and nutrition	1.6	2
	Prevention and recovery/disaster risk Reduction	2.1	2
<b>Total Bangkok</b>		<b>8.2</b>	<b>9</b>
<b>Dakar</b>	Cash and voucher	2.2	2
	Food security/VAM	0.8	1
	Capacity development (Strategic Objective 5)	1.0	1
<b>Total Dakar</b>		<b>4.0</b>	<b>4</b>
<b>Cairo</b>	Capacity development (Strategic Objective 5)	0.2	0
<b>Total Cairo</b>		<b>0.2</b>	<b>0</b>
<b>TOTAL</b>		<b>93.5</b>	<b>100</b>

269. Of total trust fund resources of US\$93.5 million, US\$63.7 million – 68 percent – are for school feeding and US\$20.7 million – 22 percent – are for capacity development under Strategic Objective 5.

### **Regional Bureau Panama City (Latin America and the Caribbean)**

270. The Panama City regional bureau accounts for US\$81.1 million – 87 percent – of country-specific trust funds, reflecting its many innovative partnerships with governments and national institutions.

271. WFP services are in demand to implement school feeding and capacity development programmes in El Salvador and Honduras. A south–south cooperation agreement has added fresh milk to the food basket of the Haiti school feeding programme. School feeding accounts for 68 percent of country-specific resources.

272. WFP's focus in the region is capacity development. It supports the Government of Colombia in formulating food security and nutrition policy and the Government of the Dominican Republic in enhancing the nutritional impact of safety net programming. WFP is an implementing partner in One UN programmes: these address zero malnutrition and increasing small farmers' access to markets in Bolivia and reducing anaemia in Cuba. The Government of Ecuador and WFP will access adaptation funds to enhance climate change resilience among food-insecure populations in the Jubones river basin.

### **Regional Bureau Bangkok (Asia)**

273. The Bangkok regional bureau accounts for US\$8.2 million – 9 percent – of country-specific trust funds, with a focus on capacity development. The One UN programmes in Afghanistan, Bangladesh, Cambodia and Pakistan address nutrition and disaster risk management; the Government of Sri Lanka will support climate change adaptation and community-based nutrition. Public/private partnerships are funding capacity development in food security and nutrition in Indonesia and research on the nutritional impact of fortified rice in Cambodia. In Sri Lanka, capacity development will focus on climate change adaptation in partnership with UNDP and on rehabilitation of livelihoods linked to community nutrition. The Nepal country office will embed the Nepal Food Security Monitoring System in government departments to enable the Government to monitor food security.

### **Regional Bureau Dakar (West Africa)**

274. The Dakar regional bureau accounts for US\$4.0 million – 4 percent – of forecast country-specific trust fund resources for 2012 for field-based research on delivery methods and One UN and capacity-development programmes in food security and nutrition.

### **Regional Bureau Cairo (Middle East, North Africa, Eastern Europe and Central Asia)**

275. The Government of Azerbaijan is funding capacity development in food security; Jordan will receive private-sector funding for capacity development to implement the Country Strategy Document.

## 2012–2014 Outlook for Special Accounts and Trust Funds

276. Special accounts and trust funds are expected to grow by 7 percent overall from 2012 to 2014. Special accounts alone are expected to increase by 5 percent to address third-party requests for services and to support WFP operations.

277. Corporate trust fund resources are expected to remain stable, while country-specific trust funds are likely to increase by 14 percent, reflecting the increasing focus on country-led hunger solutions.

**Figure V.4: 2012–2014 Outlook**

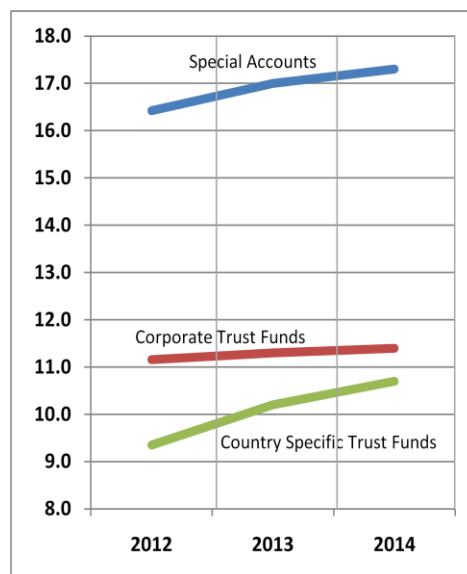




Table A.I.2: PSA and DSC staffing table by appropriation line, 2011 and 2012

International professional category and above													Others		
		ED	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total	
<b>A. PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>															
<b>REGIONAL BUREAUX</b>															
<b>Regional Bureau - Asia</b>															
2011	PSA	-	-	1.0	1.0	4.0	8.0	2.5	-	-	16.5	23.0	0.5	40.0	
2012	PSA	-	-	1.0	1.0	5.0	7.0	1.3	-	-	15.3	23.0	0.6	39.0	
<b>Regional Bureau - Middle East, North Africa, Eastern Europe and Central Asia</b>															
2011	PSA	-	-	1.0	1.0	3.0	5.0	1.0	-	-	11.0	23.0	-	34.0	
2012	PSA	-	-	1.0	1.0	6.0	6.0	3.3	-	-	17.3	23.0	0.6	41.0	
<b>Regional Bureau - West Africa</b>															
2011	PSA	-	-	1.0	1.0	4.0	9.0	6.5	-	-	21.5	28.0	1.0	50.5	
2012	PSA	-	-	1.0	1.0	4.0	9.0	5.3	-	-	20.3	28.0	0.7	49.1	
<b>Regional Bureau - East and Central Africa</b>															
2011	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-	
2012	PSA	-	-	1.0	-	3.0	2.0	6.3	2.0	-	14.3	25.0	1.6	41.0	
<b>Regional Bureau - Southern Africa</b>															
2011	PSA	-	-	1.0	3.0	7.0	6.0	7.5	-	-	24.5	51.0	1.0	76.5	
2012	PSA	-	-	1.0	1.0	4.0	3.0	0.3	-	-	9.3	26.0	0.6	36.0	
<b>Regional Bureau - Latin America and the Caribbean</b>															
2011	PSA	-	-	1.0	1.0	2.0	4.0	1.5	-	-	9.5	22.0	0.5	32.0	
2012	PSA	-	-	1.0	1.0	3.0	4.0	1.3	-	-	10.3	22.0	0.7	33.1	
<b>Subtotal Regional Bureaux</b>															
2011	PSA	-	-	5.0	7.0	20.0	32.0	19.0	-	-	83.0	147.0	3.0	233.0	
2012	PSA	-	-	6.0	5.0	25.0	31.0	18.0	2.0	-	87.0	147.0	5.0	239.0	
<b>COUNTRY OFFICES</b>															
2011	PSA	-	-	14.0	25.0	27.0	-	24.0	-	-	90.0	329.0	-	419.0	
	DSC	-	-	1.0	11.3	74.8	205.5	453.8	175.5	1.0	922.9	6 704.2	-	7 627.1	
2012	PSA	-	-	15.0	24.0	28.0	-	22.0	-	-	89.0	329.0	-	418.0	
	DSC	-	-	-	13.0	77.0	205.0	472.0	150.0	-	917.0	6 523.0	-	7 440.0	
<b>TOTAL PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>															
2011	PSA	-	-	19.0	32.0	47.0	32.0	43.0	-	-	173.0	476.0	3.0	652.0	
	DSC	-	-	1.0	11.3	74.8	205.5	453.8	175.5	1.0	922.9	6 704.2	-	7 627.1	
	TOTAL 2011	-	-	20.0	43.3	121.8	237.5	496.8	175.5	1.0	1 095.9	7 180.2	3.0	8 279.1	
2012	PSA	-	-	21.0	29.0	53.0	31.0	40.0	2.0	-	176.0	476.0	5.0	657.0	
	DSC	-	-	-	13.0	77.0	205.0	472.0	150.0	-	917.0	6 523.0	-	7 440.0	
	TOTAL 2012	-	-	21.0	42.0	130.0	236.0	512.0	152.0	-	1 093.0	6 999.0	5.0	8 097.0	



Table A.I.2: PSA and DSC staffing table by appropriation line, 2011 and 2012

		International professional category and above										Others		
		ED	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total
<b>B. PROGRAMME SUPPORT - HEADQUARTERS</b>														
<b>Office of Nutrition</b>														
2011	PSA	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	PSA	-	1.0	-	1.0	2.0	2.0	-	-	-	6.0	-	-	6.0
<b>Operations Department - Office of the ASG</b>														
2011	PSA	-	1.0	1.0	1.0	2.0	1.0	-	-	-	6.0	-	3.0	9.0
2012	PSA	-	1.0	1.0	1.0	2.0	1.0	-	-	-	6.0	-	3.0	9.0
<b>Emergency Preparedness Division</b>														
2011	PSA	-	-	-	-	1.0	1.0	1.0	2.0	-	5.0	-	2.0	7.0
2012	PSA	-	-	-	-	2.0	1.0	3.0	1.0	-	7.0	-	3.0	10.0
<b>Programme Division</b>														
2011	PSA	-	-	1.0	2.0	7.0	18.0	7.0	2.0	-	37.0	-	11.0	48.0
2012	PSA	-	-	1.0	2.0	7.0	13.0	8.0	2.0	-	33.0	-	10.0	43.0
<b>Logistics Division</b>														
2011	PSA	-	-	1.0	4.0	5.0	10.0	16.0	2.0	-	38.0	-	40.0	78.0
2012	PSA	-	-	1.0	4.0	7.0	12.0	16.5	3.0	-	43.5	-	40.0	83.5
<b>Procurement Division</b>														
2011	PSA	-	-	1.0	1.0	2.0	6.0	2.0	2.0	-	14.0	-	11.0	25.0
2012	PSA	-	-	1.0	1.0	2.0	6.0	2.0	-	-	12.0	-	11.0	23.0
<b>Field Security Division</b>														
2011	PSA	-	-	-	1.0	1.0	1.0	-	1.0	-	4.0	-	1.0	5.0
2012	PSA	-	-	-	1.0	1.0	1.0	-	1.0	-	4.0	-	1.0	5.0
<b>Information Technology Division</b>														
2011	PSA	-	-	1.0	1.0	6.0	12.0	17.0	9.0	-	46.0	12.0	17.0	75.0
2012	PSA	-	-	1.0	1.0	5.0	12.0	17.0	11.0	-	47.0	12.0	17.0	76.0
<b>Facilities Management Division</b>														
2011	PSA	-	-	-	1.0	3.0	2.0	3.0	1.0	-	10.0	12.0	43.0	65.0
2012	PSA	-	-	-	1.0	3.0	2.0	3.0	1.0	-	10.0	12.0	43.0	65.0
<b>TOTAL PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)</b>														
2011	PSA	-	1.0	5.0	11.0	27.0	51.0	46.0	19.0	-	160.0	24.0	128.0	312.0
2012	PSA	-	2.0	5.0	12.0	31.0	50.0	49.5	19.0	-	168.5	24.0	128.0	320.5



Table A.I.2: PSA and DSC staffing table by appropriation line, 2011 and 2012

International professional category and above												Others		
ED	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total		
<b>C. MANAGEMENT AND ADMINISTRATION</b>														
<b>MANAGEMENT</b>														
<b>Office of the Executive Director</b>														
2011	PSA	1.0	2.0	1.0	3.0	1.0	3.0	-	-	11.0	-	10.0	21.0	
2012	PSA	1.0	1.0	1.0	1.0	1.0	3.0	-	-	8.0	-	9.0	17.0	
<b>Policy, Planning and Strategy Division</b>														
2011	PSA	-	-	1.0	6.0	4.0	3.0	1.0	3.0	18.0	-	5.0	23.0	
2012	PSA	-	-	1.0	5.0	4.0	3.0	2.5	1.0	16.5	-	5.0	21.5	
<b>Communications, Public Policy and Private Partnerships Division</b>														
2011	PSA	-	-	1.0	2.0	12.0	8.0	3.0	3.0	29.0	1.0	14.0	44.0	
2012	PSA	-	-	1.0	2.0	12.0	8.0	3.0	3.0	29.0	1.0	14.0	44.0	
<b>Legal Office</b>														
2011	PSA	-	-	1.0	-	1.0	4.0	1.0	3.0	10.0	-	4.0	14.0	
2012	PSA	-	-	1.0	-	1.0	4.0	4.0	3.0	13.0	-	5.0	18.0	
<b>Inspector General and Oversight Office</b>														
2011	PSA	-	-	1.0	2.0	4.0	7.0	8.0	3.0	25.0	-	8.0	33.0	
2012	PSA	-	-	1.0	2.0	4.0	8.0	9.0	4.0	28.0	-	9.0	37.0	
<b>Office of Evaluation</b>														
2011	PSA	-	-	1.0	-	3.0	4.0	-	-	8.0	-	3.0	11.0	
2012	PSA	-	-	1.0	-	3.0	4.0	-	-	8.0	-	3.0	11.0	
<b>Office of Ombudsman</b>														
2011	PSA	-	-	-	1.0	-	-	-	-	1.0	-	1.0	2.0	
2012	PSA	-	-	-	1.0	-	-	-	-	1.0	-	1.0	2.0	
<b>Ethics Office</b>														
2011	PSA	-	-	-	1.0	-	-	-	-	1.0	-	1.0	2.0	
2012	PSA	-	-	-	1.0	-	-	-	-	1.0	-	1.0	2.0	
<b>Human Resources Division</b>														
2011	PSA	-	-	1.0	2.0	6.0	4.0	20.0	9.0	42.0	-	51.0	93.0	
2012	PSA	-	-	1.0	2.0	6.0	6.0	20.0	10.0	45.0	-	51.5	96.5	
<b>Hunger Solutions</b>														
2011	PSA	-	1.0	-	1.0	1.0	-	-	-	3.0	2.0	1.0	6.0	
2012	PSA	-	1.0	-	1.0	1.0	-	-	-	3.0	2.0	2.0	7.0	
<b>External Relations Department - Office of the ASG</b>														
2011	PSA	-	1.0	-	-	-	1.0	-	-	2.0	-	2.0	4.0	
2012	PSA	-	1.0	-	-	-	1.0	-	-	2.0	-	2.0	4.0	
<b>Executive Board Secretariat</b>														
2011	PSA	-	-	-	1.0	2.0	5.0	-	-	8.0	-	14.0	22.0	
2012	PSA	-	-	-	1.0	2.0	5.0	-	-	8.0	-	14.0	22.0	
<b>Multilateral and NGO Relations Division</b>														
2011	PSA	-	-	3.0	3.0	3.0	2.0	4.0	1.0	16.0	-	9.0	25.0	
2012	PSA	-	-	3.0	2.0	3.0	2.0	3.0	1.0	14.0	-	9.0	23.0	
<b>Government Donor Relations Division</b>														
2011	PSA	-	-	5.0	1.0	8.0	6.0	13.0	2.0	35.0	5.0	26.0	66.0	
2012	PSA	-	-	4.0	1.0	7.0	7.0	14.0	1.0	34.0	5.0	24.0	63.0	
<b>Subtotal, Management</b>														
2011	PSA	1.0	2.0	16.0	21.0	47.0	45.0	53.0	24.0	209.0	8.0	149.0	366.0	
2012	PSA	1.0	2.0	14.0	19.0	44.0	49.0	58.5	23.0	210.5	8.0	149.5	368.0	



Table A.I.2: PSA and DSC staffing table by appropriation line, 2011 and 2012

		International professional category and above										Others		
		ED	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total
<b>ADMINISTRATION</b>														
<b>Resources Management and Accountability - Office of the ASG</b>														
2011	PSA	-	1.0	-	1.0	1.0	2.0	1.0	2.0	-	8.0	-	4.0	12.0
2012	PSA	-	1.0	-	1.0	1.0	2.0	2.0	1.0	-	8.0	-	4.0	12.0
<b>Finance and Treasury Division</b>														
2011	PSA	-	-	1.0	2.0	4.0	4.0	10.0	3.0	-	24.0	-	33.0	57.0
2012	PSA	-	-	1.0	2.0	4.0	4.0	9.0	3.0	-	23.0	-	31.0	54.0
<b>Budget and Programming Division</b>														
2011	PSA	-	-	1.0	2.0	4.0	3.0	8.0	2.0	-	20.0	-	25.0	45.0
2012	PSA	-	-	1.0	2.0	4.0	3.0	8.0	-	-	18.0	-	25.5	43.5
<b>Performance Accountability and Management Division</b>														
2011	PSA	-	-	-	1.0	2.0	3.0	-	1.0	-	7.0	-	4.0	11.0
2012	PSA	-	-	-	1.0	2.0	3.0	1.0	1.0	-	8.0	-	4.0	12.0
<b>Subtotal, Administration</b>														
2011	PSA	-	1.0	2.0	6.0	11.0	12.0	19.0	8.0	-	59.0	-	66.0	125.0
2012	PSA	-	1.0	2.0	6.0	11.0	12.0	20.0	5.0	-	57.0	-	64.5	121.5
<b>TOTAL MANAGEMENT AND ADMINISTRATION</b>														
2011	PSA	1.0	3.0	18.0	27.0	58.0	57.0	72.0	32.0	-	268.0	8.0	215.0	491.0
2012	PSA	1.0	3.0	16.0	25.0	55.0	61.0	78.5	28.0	-	267.5	8.0	214.0	489.5
<b>GRAND TOTAL</b>														
2011	PSA	1.0	4.0	42.0	70.0	132.0	140.0	161.0	51.0	-	601.0	508.0	346.0	1 455.0
	DSC	-	-	1.0	11.3	74.8	205.5	453.8	175.5	1.0	922.9	6 704.2	-	7 627.1
	<b>TOTAL 2011</b>	<b>1.0</b>	<b>4.0</b>	<b>43.0</b>	<b>81.3</b>	<b>206.8</b>	<b>345.5</b>	<b>614.8</b>	<b>226.5</b>	<b>1.0</b>	<b>1 523.9</b>	<b>7 212.2</b>	<b>346.0</b>	<b>9 082.1</b>
2012	PSA	1.0	5.0	42.0	66.0	139.0	142.0	168.0	49.0	-	612.0	508.0	347.0	1 467.0
	DSC	-	-	-	13.0	77.0	205.0	472.0	150.0	-	917.0	6 523.0	-	7 440.0
	<b>TOTAL 2012</b>	<b>1.0</b>	<b>5.0</b>	<b>42.0</b>	<b>79.0</b>	<b>216.0</b>	<b>347.0</b>	<b>640.0</b>	<b>199.0</b>	<b>-</b>	<b>1 529.0</b>	<b>7 031.0</b>	<b>347.0</b>	<b>8 907.0</b>





**TABLE A.I.3: PSA BUDGET ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2011 AND 2012 (US\$ thousand)**

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies	Comm./IT Services	Insurance	Vehicle Leasing and Running Costs	Other Office Expenses	Hospitality	ICT Equip. Purchase and Repair	UN Org. Services	Contribution UN bodies	Governing Body	Legal Services	External Audit	Other	Total Non-Staff Cost	TOTAL
<b>A. PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>																								
<b>REGIONAL BUREAUX</b>																								
<b>Asia</b>																								
2011	8 464	1 432	97	2	0	248	0	320	124	65	1 097	7	77	129	4	40	91	38	0	0	0	1	3 771	12 235
2012	8 334	2 772	0	2	12	209	60	355	135	60	1 411	10	64	292	8	98	70	39	0	0	0	3	5 600	13 935
<b>Middle East, North Africa, Eastern Europe and Central Asia</b>																								
2011	6 001	1 674	5	16	2	268	0	177	55	113	736	7	46	77	2	117	34	42	7	0	0	0	3 380	9 381
2012	7 560	2 107	150	75	16	219	0	172	56	133	910	6	44	83	4	42	18	31	0	0	0	0	4 069	11 629
<b>West Africa</b>																								
2011	11 201	2 745	23	6	0	337	0	40	57	93	1 465	12	142	245	3	100	119	42	0	0	0	14	5 443	16 644
2012	10 608	3 228	23	5	7	295	0	32	95	90	1 537	26	119	170	6	101	102	34	0	0	0	13	5 882	16 490
<b>East and Central Africa</b>																								
2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	7 331	2 380	1	6	0	370	54	304	45	32	1 002	7	113	223	0	3	30	13	0	0	0	0	4 584	11 916
<b>Southern Africa</b>																								
2011	11 785	3 744	78	24	0	583	0	734	171	106	1 879	30	187	429	3	92	203	57	0	0	0	14	8 335	20 120
2012	5 191	1 935	2	12	0	329	27	341	112	75	689	26	78	215	0	6	66	29	0	0	0	1	3 944	9 135
<b>Latin America and the Caribbean</b>																								
2011	6 658	2 227	46	0	3	304	0	109	92	125	916	13	77	211	1	47	19	22	1	0	0	4	4 217	10 875
2012	7 178	2 528	0	0	4	250	0	106	82	92	999	15	78	160	0	44	27	20	1	0	0	2	4 410	11 588
<b>Field Contingency Fund</b>																								
2011	245	635	216	47	0	516	0	150	358	55	1 127	0	0	67	0	79	0	6	0	0	0	0	3 255	3 500
2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES</b>																								
2011	44 355	12 457	464	95	5	2 255	0	1 531	857	556	7 220	70	530	1 158	13	475	466	207	9	0	0	34	28 401	72 756
2012	46 203	14 952	176	100	39	1 672	141	1 310	526	483	6 548	89	497	1 143	19	294	313	167	1	0	0	20	28 489	74 692



**TABLE A.I.3: PSA BUDGET ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2011 AND 2012 (US\$ thousand)**

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies	Comm./IT Services	Insurance	Vehicle Leasing and Running Costs	Other Office Expenses	Hospitality	ICT Equip. Purchase and Repair	UN Org. Services	Contribution UN bodies	Governing Body	Legal Services	External Audit	Other	Total Non-Staff Cost	TOTAL	
<b>B. PROGRAMME SUPPORT - HEADQUARTERS</b>																									
<b>Office of Nutrition</b>																									
2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	1 506	0	0	20	0	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41	1 547
<b>Operations Department - Office of the ASG</b>																									
2011	1 964	0	39	38	9	154	0	0	0	3	7	0	0	2	3	0	0	0	0	0	0	0	0	256	2 220
2012	2 023	0	16	0	0	81	0	0	0	0	40	0	0	0	0	0	0	0	0	0	0	0	0	137	2 160
<b>Management Emergency Preparedness Division</b>																									
2011	1 034	0	72	100	1	70	0	0	0	36	40	0	0	9	0	31	0	0	0	0	0	0	2	362	1 395
2012	1 579	17	60	2	0	0	0	10	47	40	40	0	0	0	6	53	0	0	0	0	0	0	149	384	1 963
<b>Programme Support and Design Division</b>																									
2011	8 370	8	390	62	4	113	0	0	0	40	101	0	0	24	0	19	0	0	0	0	0	0	0	764	9 134
2012	7 675	0	140	5	5	300	50	0	0	20	50	0	0	36	0	40	0	0	0	0	0	0	0	646	8 321
<b>Logistics Division</b>																									
2011	10 914	32	405	23	2	104	0	0	0	43	170	0	0	1	3	24	0	0	0	0	0	0	0	808	11 722
2012	12 411	0	160	34	4	240	10	0	0	50	70	0	0	22	0	20	0	0	0	0	0	0	170	780	13 191
<b>Procurement Division</b>																									
2011	3 836	13	35	247	0	98	0	0	0	178	80	0	0	17	0	5	9	0	0	0	0	0	0	683	4 519
2012	3 671	0	170	283	0	107	23	1	0	11	84	0	0	1	0	16	25	0	0	0	0	0	11	732	4 403
<b>Information Technology Division</b>																									
2011	10 354	419	2 151	1 000	1	339	0	269	28	803	1 615	0	0	50	0	42	0	0	0	0	0	0	0	6 717	17 070
2012	10 190	0	1 200	609	0	450	260	90	0	10	3 960	0	0	0	0	100	3 404	750	0	0	0	0	0	10 833	21 022
<b>Facilities Management Division</b>																									
2011	6 372	132	515	765	143	84	0	259	3 309	928	480	0	46	1 301	0	51	47	0	0	0	0	0	0	8 062	14 434
2012	5 576	130	924	77	182	136	118	0	4 358	329	620	150	342	1 318	2	684	140	0	0	0	0	0	0	9 508	15 084
<b>Field Security Division</b>																									
2011	940	0	0	0	0	82	0	0	0	1	42	0	0	0	0	10	0	0	0	0	0	0	1	137	1 077
2012	968	0	0	0	0	50	0	0	0	0	22	0	0	6	0	0	0	0	0	0	0	0	0	78	1 047
<b>TOTAL PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)</b>																									
2011	43 783	604	3 608	2 235	161	1 045	0	529	3 337	2 033	2 536	0	46	1 406	6	181	57	0	0	0	0	0	3	17 788	61 571
2012	45 599	147	2 670	1 030	191	1 384	461	91	4 368	466	4 886	150	342	1 383	8	913	3 569	750	0	0	0	0	329	23 138	68 737



TABLE A.I.3: PSA BUDGET ORGANIZATIONAL UNIT AND BY APPROPRIATION LINE, 2011 AND 2012 (US\$ thousand)

	Staff Cost	Local Staff	Consultancy	Temp. Assistance	Overtime	Duty Travel	Training	Rental	Utilities, Clean. and Maint. Premises	Office Supplies	Comm./IT Services	Insurance	Vehicle Leasing and Running Costs	Other Office Expenses	Hospitality	ICT Equip. Purchase and Repair	UN Org. Services	Contribution UN bodies	Governing Body	Legal Services	External Audit	Other	Total Non-Staff Cost	TOTAL	
<b>ADMINISTRATION</b>																									
<b>Resource Management and Accountability - Office of the ASG</b>																									
2011	2 047	0	123	26	0	124	0	0	0	8	22	0	0	0	1	9	0	0	0	0	0	0	314	2 361	
2012	2 134	0	40	0	3	104	12	0	0	9	31	0	0	48	0	9	0	0	0	0	0	0	256	2 390	
<b>Budget and Programming Division</b>																									
2011	6 286	0	17	119	8	18	0	0	0	7	0	0	0	0	0	33	0	0	0	0	0	0	0	201	6 487
2012	6 221	0	19	60	0	0	0	0	0	4	5	0	0	136	0	0	0	0	0	0	0	0	0	223	6 444
<b>Finance and Treasury Division</b>																									
2011	7 605	64	72	83	26	89	0	3	2	14	48	0	0	13	0	9	0	0	0	0	0	0	0	424	8 029
2012	7 507	118	16	0	0	80	24	1	0	28	22	0	0	165	0	16	4	0	0	0	0	0	0	474	7 981
<b>Performance and Accountability Management Division</b>																									
2011	1 822	0	98	42	2	66	0	0	0	2	19	0	0	1	0	15	0	0	0	0	0	0	0	244	2 066
2012	2 054	0	0	0	0	0	0	0	0	0	0	0	0	42	0	0	0	0	0	0	0	0	0	42	2 096
<b>Subtotal Administration</b>																									
2011	17 761	64	309	269	35	297	0	3	2	32	89	0	0	14	1	66	0	0	0	0	0	0	0	1 183	18 943
2012	17 916	118	75	60	3	184	36	1	0	41	58	0	0	392	0	25	4	0	0	0	0	0	0	996	18 912
<b>Central Appropriations</b>																									
2011																								0	11 238
2012																								0	9 697
<b>TOTAL MANAGEMENT AND ADMINISTRATION</b>																									
2011	75 828	586	7 569	1 722	274	3 679	2	879	123	869	1 393	0	31	2 106	176	452	27	3	18	4	0	89	20 003	107 069	
2012	76 848	582	4 833	1 139	225	3 679	409	1 027	180	796	2 036	11	9	2 813	266	415	64	15	431	1	0	182	19 113	105 658	
<b>GRAND TOTAL</b>																									
2011	163 966	13 647	11 640	4 053	440	6 978	2	2 939	4 317	3 459	11 149	70	608	4 671	195	1 108	550	210	26	4	0	126	66 192	241 396	
2012	168 650	15 681	7 679	2 269	455	6 735	1 011	2 428	5 074	1 745	13 470	250	848	5 340	292	1 622	3 946	932	432	1	0	532	70 740	249 088	



## ANNEX II

## REVIEW OF THE 2010–2011 MANAGEMENT PLAN

## Background

1. This section provides a brief description of significant changes that occurred during implementation of the 2010–2011<sup>1</sup> Management Plan.
2. The total approved budget in the original 2010–2011 Management Plan, including operational requirements, Programme Support and Administrative (PSA) budget and extra-budgetary resources was US\$9.42 billion; income for the biennium was estimated at US\$7.5 billion.

## Major Changes to Programme of Work

3. The final programme of work<sup>2</sup> for 2010–2011 is estimated to be US\$12.37 billion; this represents an increase of 38 percent over the US\$8.95 billion forecast in the original Management Plan.

	Original Management Plan (US\$ million)	Unforeseen requirements (US\$ million)	Total final programme of work (US\$ million)	Increase (%)
2010	4 606	2 245	6 848	49
2011	4 347	1 176	5 526	27
TOTAL	8 953	3 421	12 374	38

4. In 2010, the programme of work increased by nearly 50 percent owing to unforeseen emergencies and their supporting special operations.
5. The ten countries with the largest operational requirements at the beginning of the biennium account for most of the increases in 2010. Table A.II.2 highlights the countries and regions that account for 84 percent of operational increases.

<sup>1</sup> WFP/EB.2/2009/5/A/1.

<sup>2</sup> The term “programme of work” is used to denote operational requirements plus ISC.

Country/region	2010 original Management Plan	2010 final approved Management Plan
Haiti	97.9	592.3
Sahel*	269.2	651.5
Pakistan	75.5	810.1
Horn of Africa**	1 052.3	1 328.8
<b>Total operational budget</b>	<b>1 495.0</b>	<b>3 382.7</b>

\* The Sahel includes the requirements of Niger, Chad and Cameroon.

\*\* The Horn of Africa includes the requirements of Ethiopia, Kenya, Somalia and Uganda.

6. The latest 2011 foreseen operational requirements of US\$5.16 billion reflect a net increase of US\$1.10 billion, with increased requirements in Afghanistan, Pakistan, Ethiopia and Haiti totaling US\$1.77 billion and decreased requirements in the Sudan, Iraq and Burkina Faso totaling US\$600 million.
7. For the net increase in 2011 foreseen operational requirements of US\$1.10 billion, EMOPs have increased by US\$600 million in Pakistan, the Horn of Africa and countries affected by the Arab Spring events. PRROs have increased by US\$300 million in Afghanistan, Ethiopia and Pakistan. DEVs and SOs have increased by US\$200 million.

Programme Category	2011 original budget	2011 revised requirements	Net Increase
EMOPs	1 182.9	1 771.1	588.2
PRROs	2,245.0	2,568.0	323.0
DEVs	463.5	554.0	90.6
SOs	171.4	265.1	93.7
<b>TOTAL</b>	<b>4 062.7</b>	<b>5 158.2</b>	<b>1 095.5</b>

### Projected Income

8. The original WFP 2010–2011 Biennial Management Plan was based on an income forecast of US\$7.5 billion, generating US\$476 million of indirect support cost (ISC) income. In 2010, income totaled US\$3.8 billion, and latest forecasts indicate a similar level of funding for 2011.
9. During the biennium, WFP continued to engage with new and emerging donors, including through twinning, where the associated costs for food commodities from

emerging donors are matched with cash donations or from the emerging donor matching fund.

10. WFP also worked with donors to increase funding predictability, which greatly increases operational efficiency and programmatic effectiveness, enabling WFP to optimize procurement and shipment and often resulting in cost savings.

### PSA Budget

11. At the beginning of the 2010–2011 biennium, one-off PSA investments of US\$25.9 million were approved.
12. The one-off expenditures were for implementation of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) project to enhance internal control and enterprise risk management; completion of learning and development programmes; IT initiatives; cluster leadership; and United Nations reform of the internal justice system.
13. During the biennium, the Board approved additional PSA appropriations to fund 2011 unfunded staff liabilities for US\$3.4 million and an additional expenditure of US\$10.2 million for the WFP Security Emergency Fund (SEF).
14. Several expenditures were approved from the unearmarked portion of the General Fund in the original 2010–2011 Management Plan. The WFP portion of UNDSS costs was charged to the General Fund, including security funding expenditures carried over from 2009. The costs for UNDSS were later transferred to the PSA Equalization Account with the approval of the Board. In addition, US\$1 million was approved from the General Fund for implementation of a treasury management system

### Extra-Budgetary Resources

15. Extra-budgetary resources – special accounts and trust funds– have continued to support WFP in improving its operational efficiency and the quality of interventions, especially in areas such as cash and vouchers, food security/vulnerability analysis and mapping (VAM), nutrition, emergency preparedness and response, environment, P4P and ICT.

<b>TABLE A.II.4: REVISED FORECAST OF EXTRA-BUDGETARY RESOURCES FOR THE 2010– 2011 BIENNIUM (US\$ million)</b>			
<b>Original Management Plan</b>		<b>Revised forecast</b>	<b>Increase as % of original Management Plan</b>
Special accounts	280	331	18
Trust funds	226	309	46
<b>TOTAL</b>	<b>506</b>	<b>640</b>	<b>26</b>

16. Special accounts continued to serve WFP-wide and corporate purposes. During the biennium they were used for the UNHRD, aviation, the GVLP, self-insurance, the Forward Purchase Facility, IT and the food security cluster.
17. Trust funds have enabled country offices to undertake feasibility studies for the piloting and roll-out of new cash and voucher programmes in Cambodia, and the standardization of cash and voucher tools and modalities for expansion and roll-out in Nepal. Innovative partnerships have been set up with the private sector and government to reach HIV patients in Mozambique, and with research institutes in Senegal to evaluate cash and voucher

programming in urban contexts. ODC has developed a regional approach based on experiences and business processes from Iraq, the Occupied Palestinian Territory, the Syrian Arab Republic and Yemen. ODJ has built on its regional M&E system to develop a new strategy and tool for the M&E of cash and voucher programmes.



**ANNEX III****ANNUAL EVALUATION WORK PROGRAMME****Introduction**

1. Over the past four years, the Office of Evaluation (OE) has shifted the focus of its work programme from single operations to a higher level covering multiple operations, with a view to making evaluations more strategic and useful. These higher-level evaluations are:
  - strategic evaluations, which focus on corporate issues where evaluation insights can contribute to improvements at a global or systemic level and inform decision-making for instance on changes under way to improve emergency preparedness and response capacities;
  - policy evaluations, which provide insights into the implementation and results of policies to provide lessons and an evidence base for policy-making;
  - country portfolio evaluations (CPEs), which provide evidence useful to country offices in developing country strategies, and provide inputs for all of their new operations; and
  - impact evaluations, which provide valuable insights into the outcomes and impacts of WFP's core programme activities, filling important information gaps; for example, the impact evaluations of school feeding have increased WFP's understanding of the impact pathways of these activities.
2. The goal of evaluation is to generate insights that can facilitate positive change, thereby contribute to improving WFP's performance. The choice of evaluations is based on demand, with priority given to those that make the greatest contribution to learning. The focus on learning is balanced by evaluation of implementation and results against plans, which supports accountability. However, the resources provided for evaluation are insufficient to allow adequate coverage of WFP's work, so accountability across the WFP programme of work is not assured through evaluation.
3. A draft evaluation work programme was developed in consultation with country offices and regional bureaux, the Policy, Planning and Strategy Division, and senior management at Headquarters. It was also discussed with Board membership at the annual consultation on evaluation. The proposed evaluation work programme was reduced to fit the budget allocated to Office of Evaluation.

**2012 Work Programme**

4. The 2012 evaluation work programme and budget will include 11 evaluations, detailed in Table A.III.1, and be implemented by the same staff complement as in previous years: one director, seven professional staff, and three general service staff. The non-staff cost of the work programme is estimated at US\$2.7 million.

**TABLE A.III.1: OVERVIEW OF 2012 EVALUATIONS**

Type of evaluation	Number of evaluations	Link to management dimensions
Annual Evaluation Report		Capturing and disseminating organizational knowledge
Strategic evaluations	–	
Policy evaluations	1	Strengthening partnerships
Global joint evaluations	1	Strengthening partnerships
Impact evaluations (including joint)	5	Capturing and disseminating organizational knowledge
Regional portfolio evaluations	–	
Country portfolio evaluations	4	Aligning country strategies to government priorities
Decentralized operations evaluations	–	
<b>TOTAL</b>	<b>11</b>	

5. The planned 11 evaluations will be summarized in the Annual Evaluation Report, which is submitted every year to the Board's Annual Session. The evaluations will address three of the macro activities within WFP's management dimension: the policy and joint cluster evaluation will strengthen partnerships; the impact evaluations will generate knowledge about outcomes and impacts of WFP operations, thus contributing to knowledge sharing; and the CPEs are designed to assess and recommend alignment with government priorities.

### Policy Evaluations

6. The WFP policy formulation document embeds evaluation in the policy-making process and suggests that evaluations be carried out when policies are developed or updated and in any case within four to six years of their being approved. Table A.III.2 shows planned and past policy evaluations and policies that could be subject to evaluation in the future.

<b>TABLE A.III.2: POLICIES: PAST AND POTENTIAL FUTURE EVALUATIONS</b>			
<b>Date policy approved</b>	<b>Policy</b>		
2012 policy evaluation			
2008	WFP's Private-Sector Partnership and Fundraising Strategy		
Policies covered under policy evaluations, 2008–2012		Evaluation published	
2009	WFP School Feeding Policy	2012 <sup>a</sup>	
2004	Building National and Regional Capacities	2008	
2002	Gender Policy (2003–2007): Enhanced Commitments to Women to Ensure Food Security	2008	
2003	Programming in the Era of AIDS: WFP's Response to HIV and AIDS	2008	
Policies covered under other global or thematic evaluations, 2007–2011		Evaluation published	
2006	Food Procurement in Developing Countries	2011 <sup>b</sup>	
2006	Targeting in Emergencies	2007 <sup>c</sup>	
2004	WFP and Food-Based Safety Nets: Concepts, Experiences and Future Programming Opportunities	2011 <sup>d</sup>	
2004	Emergency Needs Assessment	2008 <sup>e</sup>	
Policies for potential future policy evaluations		Planning timeframe for evaluation <sup>f</sup>	
2012	Nutrition Policy	2016	2018
2004	Food for Nutrition: Mainstreaming Nutrition in WFP		
2004	Micronutrient Fortification: WFP Experiences and Ways Forward		
2010	WFP's HIV and AIDS Policy	2014	2016
2009	WFP Gender Policy	2013	2015
2009	WFP Policy on Capacity Development	2013	2015
2009	WFP Policy on Disaster Risk Reduction	2013	2015
2008	Vouchers and Cash Transfers as Food Assistance Instruments: Opportunities and Challenges	2012	2014
2002	Urban Food Insecurity: Strategies for WFP	2006	2008

<sup>a</sup> The school feeding policy evaluation will be presented at EB.1/2012.

<sup>b</sup> In 2011, OE is undertaking evaluations of Purchase for Progress and the Agriculture and Market Support project in Uganda.

<sup>c</sup> The 2007 evaluation of targeting was not a policy evaluation, but covered the subject.

<sup>d</sup> The evaluation of social protection and safety nets is not a policy evaluation, but its coverage was such that an additional evaluation of the policy is not warranted in the coming biennium.

<sup>e</sup> Emergency needs assessments were partially covered under the 2008 evaluation of the Strengthening Needs Assessments Project and the 2010 joint evaluation, with FAO, of the Food Security Information System.

<sup>f</sup> Based on WFP's policy-making process, evaluations should take place four to six years after the policy is adopted and prior to the development of an update or revision to the policy.

7. In line with the 2011 policy development cycle paper, in consultation with the Policy, Planning and Strategy Division and other stakeholders, – and taking into account past evaluations and current budget constraints, the evaluation of WFP's private-sector partnership and fundraising strategy has been included in the 2012 evaluation framework. WFP Management made a commitment to carrying out this evaluation in response to the recommendation of the Joint Inspection Unit, so it is necessary for accountability reasons.

It will also have an impact on WFP's relations with the private sector through the lessons it generates.

### **Global Joint Evaluations**

8. In 2012, OE will undertake a global joint evaluation of the global logistics cluster, with the evaluation office(s) of major cluster partners. This evaluation was requested by the Logistics Division as cluster lead. The evaluation will be designed to build on and provide additional insights beyond past inter-agency evaluations of the overall cluster system, led by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). The evaluation is expected to help WFP ensure good functioning of the cluster and strengthened partnerships with other cluster members.

### **Impact Evaluations**

9. Impact evaluations have been welcomed by WFP stakeholders, including the Board, as they deepen understanding of the outcomes and impacts of assistance and the reasons these occur. Evaluations are conducted in "series", meaning that a type of activity is subjected to several evaluations following the same methodology, to allow cross-analysis and learning that can be applied more widely.
10. In 2012, OE will work on five impact evaluations:
  - Two impact evaluations of food assistance – mostly general food distributions – to refugees in protracted situations in Chad and Yemen, will be completed jointly with UNHCR. Together with the two other evaluations in this series conducted in 2011 in Ethiopia and Rwanda, these will provide an evidence base for WFP and UNHCR to help improve all their operations to assist refugees in protracted situations, and will inform necessary revisions to the Memorandum of Understanding that governs the two agencies' collaboration.
  - Three impact evaluations of food for work for disaster risk reduction/climate change adaptation will be started. These will generate lessons to inform decisions on WFP's existing and expanding work in this area. The choice of countries will be based on an in-depth analysis of the current portfolio to identify the most suitable cases for evaluation using criteria that include number of beneficiaries and duration of operations. Opportunities for joint evaluations with partners concerned with this type of assistance, such as implementing NGOs or the other Rome-based United Nations agencies, will be sought.

### **Country Portfolio Evaluations**

11. Based on budget allocations, four CPEs will be conducted in 2012. These evaluations have an impact on WFP's strategy and operations in the selected countries and, if a sufficient number of them are carried out, generate lessons that may be valuable throughout WFP. Countries for evaluation are selected according to criteria – such as the number and size of operations and other activities, grants, the relative importance in WFP's programme of work, and the timing of country strategy documents – and demand. The countries selected for 2012 are Afghanistan, the Congo, Kyrgyzstan and the Niger. OE has a back-up list of other countries, should there be need to reprioritize in case one or more of these evaluations cannot be conducted in the year planned.
12. The Office of Evaluation seeks to arrive at a geographically balanced range of countries in terms of numbers of beneficiaries, countries and operations and US dollar values of

portfolios. As only a few CPEs can be carried out with the given budget, this balance will result in the following evaluation coverage for the 2008–2012 period:

- Overall evaluation coverage across all dimensions – numbers of beneficiaries, countries and operations and portfolio value – is low, which is particularly disconcerting given that coverage is computed on the basis of four-year cumulative totals.
- This low coverage rate is not surprising: at four CPEs per year, OE will require 15 years to evaluate all countries. Twelve CPEs per year would be required to achieve a more desirable cycle of five years – the cycle on which poverty reduction strategies, United Nations development assistance frameworks and WFP country strategies are prepared.
- The portfolio across the four dimensions is very diverse, so achieving a reasonable evaluation coverage for one dimension might not result in meeting others, as shown in Figures A.III.1 to A.III.4. For instance, Table A.III.3 illustrates that although smaller proportions of countries have been covered in the regions of Middle East, North Africa, Eastern Europe and Central Asia (Cairo – ODC), West Africa (Dakar – ODD) and Latin America and the Caribbean (Panama City – ODPC), the coverage is acceptable or even impressive – for ODPC – in terms of US dollar value. There are obvious gaps in terms of beneficiary numbers in the Sudan (ODS)<sup>7</sup> and ODC, where the future inclusion of the Sudan and Iraq – possibly in 2013, subject to security, country office priorities and funding for evaluations – will address low percentages.

<b>Regional Bureau</b>	<b>Countries</b>	<b>Beneficiaries</b>	<b>US\$ Value</b>	<b>Operations</b>
ODB	21	31	40	29
ODC	15	14	54	40
ODD	17	36	45	27
ODJ	25	57	56	25
ODPC	9	42	86	33
ODN	36	30	37	43
ODS	0	0	0	0

<sup>7</sup> Sudan operations will be fully incorporated into ODC and ODN as of January 2012.

Figure A.III.1: Numbers of countries

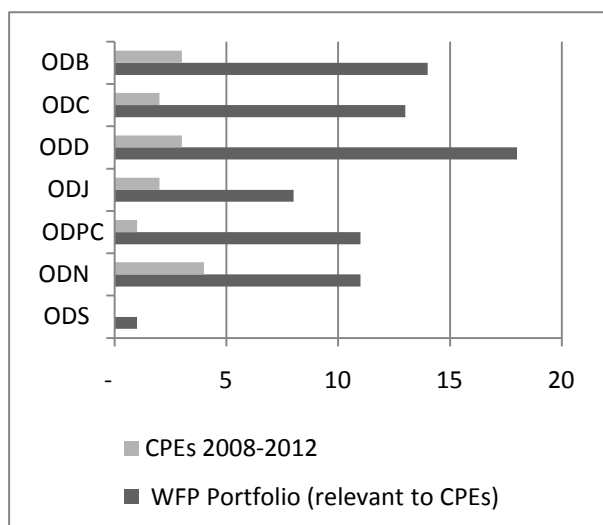


Figure A.III.2: Numbers of Beneficiaries

Annual Averages 2003–2010

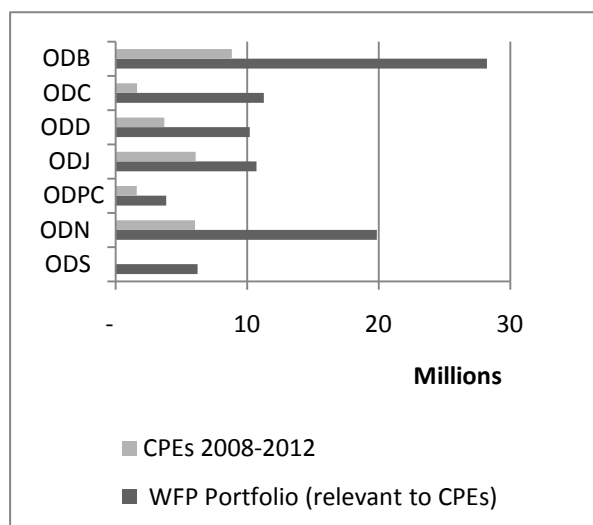


Figure A.III.3: US Dollar Values

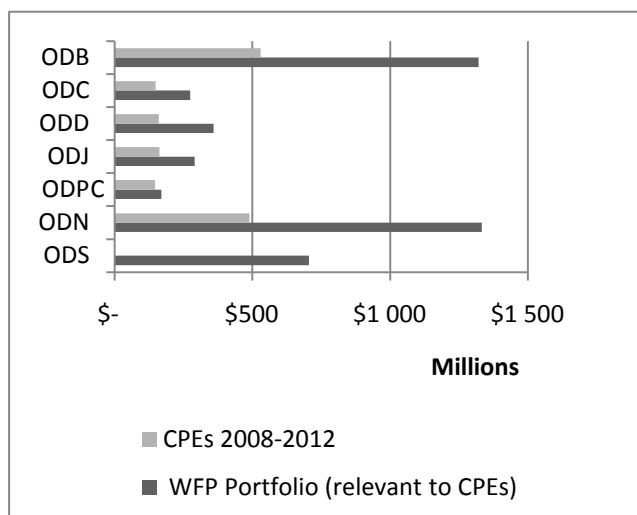
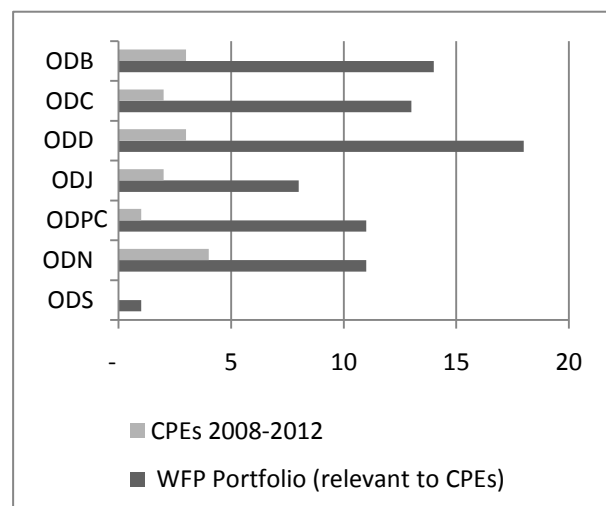


Figure A.III.4: Numbers of Operations



## Evaluations Not Included in the 2012 Work Programme

13. The budget allocated for evaluation is insufficient to cover the cost of evaluating: i) the Strategic Plan, even though many stakeholders, including WFP management, were enthusiastic about this proposal; ii) the urban food security policy, which was requested by the Policy, Planning and Strategy Division and would have been in line with requirements of WFP's policy-making cycle; and iii) decentralized operation evaluations, for which staff and non-staff allocations would be required. OE has carefully re-set priorities for the 2012 work programme in order to maximize the contribution of evaluations to accountability and learning, taking into account the immediate constraints in both staff and non-staff resources, intensified by the vacancy in the post of Director of Evaluation in late 2011. The lack of allocations from WFP's Programme Support and Administrative budget does not preclude country offices from using direct support costs for undertaking evaluations. However, experience has shown that resources from this source have been inadequate to undertake high-quality decentralized evaluations.

## Outlook: 2013–2014 Evaluation Work Programme

14. Subject to budget allocations, the evaluation work programme for subsequent years will include the following:
- a) *Strategic evaluations* will be developed based on the need for corporate-level, cross-cutting evaluations and the availability of resources.
  - b) *Policy evaluations* of important operational policies, such as capacity development, cash and vouchers, gender, nutrition, and urban food security. These will influence WFP policy-making by ensuring that policy choices are more informed by evaluation evidence, thereby building member countries' confidence in policy choices. The list of policies for potential evaluation is based on WFP's policy cycle (see paragraph 6) and will be updated based on developments over time.
  - c) *Global joint evaluations*: A joint evaluation of the global food security cluster with FAO is under discussion for 2013 or 2014, and a potential evaluation of the Committee on World Food Security could be conducted jointly with FAO and the International Fund for International Development (IFAD). These evaluations will have an impact on inter-agency collaboration and the results attained through global mechanisms to improve food security.
  - d) *Impact evaluations*: Continuing from 2012, additional impact evaluations of food for work will be undertaken to complete this series. This will be followed by impact evaluations of mother-and-child nutrition programmes, which will be phased over two to three years, depending on resource allocations. These evaluations will increase WFP's understanding of its work in these areas – which, according to evaluation evidence, tend to be the poorest performing at the moment – and introduce systemic programme improvements.
  - e) *Regional portfolio evaluations*: In 2013, OE will develop the methodology for regional portfolio evaluations, starting in the ODPC region and covering El Salvador, Guatemala and Honduras. If these prove useful, OE will identify other subregions for replication – such as groups of smaller countries in the ODC and/or ODD regions. These will inform WFP's planning of work in smaller countries with common programmes, to build synergies among programmes and enhance efficiency through subregional collaboration.
  - f) *Country portfolio evaluations*: OE maintains a list of countries for portfolio evaluation, which will be updated and implemented as budget allocations allow. The current list includes Cambodia, the Central African Republic, the Democratic Republic of the Congo, Indonesia, Iraq, the Sudan, the United Republic of Tanzania, Timor-Leste and Uganda.
  - g) *Operation evaluations*: OE will aim to keep track of mandatory operation evaluations – those requested and included in project design documents – and will aim to include these in its work programme, subject to resource availability. If a decision were taken to fund an adequate evaluation programme of 30 operations per year, with funds for staff and non-staff costs, these evaluations would have the potential to generate a corporate, representative picture of WFP's strengths and weaknesses.

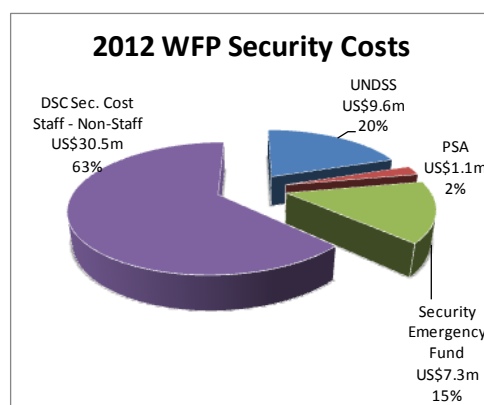
<b>TABLE A.III.4: PROJECTED RESOURCE REQUIREMENTS 2013 AND 2014</b>				
<b>Type of evaluation</b>	<b>2013</b>		<b>2014</b>	
	<b>Number of evaluations</b>	<b>Non-staff budget (est.) (US\$)</b>	<b>Number of evaluations</b>	<b>Non-staff budget (est.) (US\$)</b>
Annual Evaluation Report	1		1	
Strategic evaluations				
Policy evaluations	1	300 000	3	900 000
Global joint evaluations	1	250 000	1	250 000
Impact evaluations (including joint)	5	1 000 000	5	1 000 000
Regional portfolio evaluations	1	300 000	2	600 000
Country portfolio evaluations	6	1 200 000	6	1 200 000
Decentralized operations evaluations				
<b>Total</b>	<b>14</b>	<b>3 050 000</b>	<b>17</b>	<b>3 950 000</b>
Operational/management cost of the office		150 000		150 000
Staff requirements	9		11	



## ANNEX IV

### OVERVIEW OF WFP'S SECURITY BUDGET FOR 2012

1. The aim of WFP's security services is to ensure the safety and security of personnel, dependents, premises and assets to enable WFP to carry out its mandate. The 2012 security budget will enable the Field Security Division (ODF) to continue to respond to security challenges.
2. WFP's security strategy is designed to address challenges in the complex environments where WFP is required to operate. Its main features are:
  - i) a clear management structure;
  - ii) sustainable security training for WFP staff;
  - iii) mainstreaming of security risk management into corporate risk management.
  - iv) development and implementation of security risk management;
  - v) sharing of information, and coordination of security work; and
  - vi) enhancement of WFP's capacity for information analysis.
3. The ODF strategy recognizes the need for enhanced flexibility to respond quickly to new security challenges: ODF will continue to coordinate with the Inter-Agency Security Management Network to conserve resources and avoid duplication.
4. The Director of ODF heads an internal security-management structure in support of field operations. It is based on a fully staffed security operations team headed by the Chief of Field Security Operations with six regional security officers to coordinate security management and advise regional and country directors and field security officers. The operations of ODF are supported by security training, policy development in coordination with the UNDSS, information analysis and coherent risk management to enable the division to keep abreast of WFP's security needs.
5. Security costs are envisaged in four areas for 2012: WFP's share of UNDSS costs; PSA; field support for country offices from the Security Emergency Fund (SEF); and DSC.



## United Nations security cost-sharing

6. 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 borne 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, for whose safety and security the United Nations system is responsible.
7. Table A.IV.1 outlines the UNSMS budget for 2012. The proposed budget for field-related security costs for the 2012 biennium is US\$110.5 million, to be approved by the United Nations General Assembly.

	<b>United Nations system field-related costs</b>	<b>WFP's share</b>
2002–2003	42.9	6.5
2004–2005	113.1	13.2
2006–2007	172.3	20.2 (a)
2008–2009	174.4	17.3
2010–2011	209.9 (c)	24.4 (b)
2012	110.5 (d)	9.6

(a) Credit of US\$3.2 million received in 2006

(b) Credit of US\$1.4 million received in 2010

(c) As per proposed 2010–2011 UNDSS budget

(d) Projected figure still under review by UNDSS

8. WFP's projected share of UNDSS costs for 2012 is US\$9.6 million. This is based on the number of WFP staff in the field, as per methodology outlined in the Chief Executives Board document "Cost-Sharing Arrangements for Jointly Financed Activities" (CEB/2009/HLCM/FB/8).
9. UNDSS will continue to report regularly on the structure, distribution and function of jointly financed positions. 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.

## PSA budget

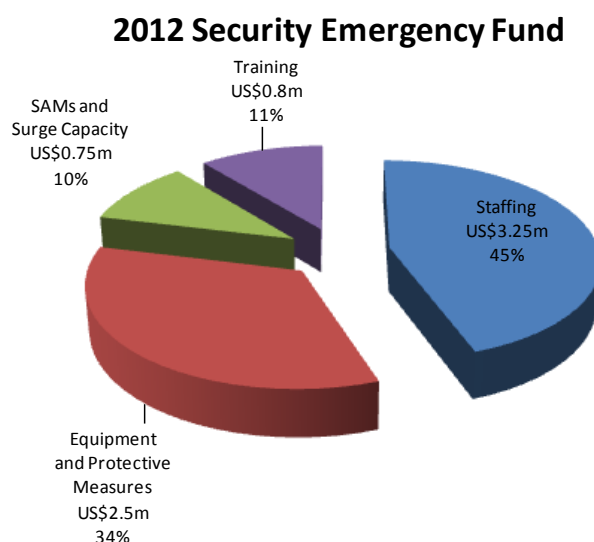
10. The PSA budget covers the Director of ODF, a senior security officer, two security analysts and an administration assistant at Headquarters, reflecting the core requirements for management, coordination of security risk management in the field, and information analysis and dissemination.

## Security Emergency Fund

11. The SEF, proposed at US\$7.3 million, will cover the costs of equipment related to security and safety when DSC is insufficient (see next section). Security and building protection equipment such as blast mitigation measures, telecommunications equipment, body armour, satellite tracking sets, access-control equipment and armoured vehicles are provided to ensure that WFP country offices comply with minimum operating security standards (MOSS).

12. The SEF will cover some ODF staff at Headquarters – the six regional security advisors, a four-person training team, blast engineers and assessors and a security analyst. A standby team of security consultants is retained to ensure that ODF can operate as required and to support country office security officers. The SEF will also fund security awareness training, pre-deployment training and hostage incident management, training for drivers and security focal points and in first aid, and – in coordination with UNDSS – field security awareness programmes for high-risk countries.

13. For 2012, SEF will again cover MOSS costs such as physical security enhancements and emergency support. The costs of blast mitigation measures will be authorized through the Premises Security Committee and budgeted for in the DSC of country offices, in consultation with ODF.



## DSC Security Cost – Staff and Non-Staff

14. The remaining security costs are covered by country offices through DSC. DSC covers UNDSS local cost-sharing as determined by the United Nations country security management team and MOSS requirements such as security guards.

<b>TABLE A.IV.2: SECURITY COSTS COVERED THROUGH DSC (US\$ million)</b>	
DSC – Non-staff	20.0
DSC – Staff	10.5
<b>TOTAL</b>	<b>30.5</b>

15. The staff costs for the 51 country-specific field security officers total US\$10.5 million.

16. The total non-staff security expenditure in 2010 was US\$18.0 million. In 2011 the budgeted equivalent is US\$21.0 million, but the actual costs are expected to be lower. The total non-staff DSC security expenditure for WFP field operations in 2012 is estimated to be US\$20.0 million.

**ANNEX V**

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**BUDGETING METHODS****Staff Costs**

1. WFP uses standard staff rates for international professional staff and Rome-based general service staff, and has analysed actual costs versus the standard rates for 2010–2011 on the basis of information extracted from WINGS II to establish the standard rates for the coming year.
2. The calculations take into account payroll costs incurred by WFP in terms of grade, salary, post adjustment and rental subsidy, and include entitlements paid outside the payroll such as assignment grants, repatriation grants and removal of household effects for international staff.
3. Proposed standard staff rates have been developed on the basis of actual payouts for 2010–2011, including exchange rates and cost/salary increases. The exchange rate is established at US\$1.41 = €1.
4. Staff costs for 2012 are expected to increase by 3.0 percent annually for international staff at Headquarters, liaison offices and field locations: this includes estimated inflation, which will affect post adjustments.

**Rounding**

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

**Units**

6. Monetary values are expressed in United States dollars (US\$), unless otherwise stated. Quantities of food are given in metric tons (mt) unless otherwise stated.

**ANNEX VI**

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**STRATEGIC RESULTS FRAMEWORK****2011 Revised Version**

1. The Strategic Results Framework (SRF) has been refined to show the results of WFP operations more clearly. The revised SRF defines an outcome as “the medium-term results attributed to WFP operations”, in line with the Development Assistance Committee of the Organisation for Economic Co-operation and Development. It focuses on outcome indicators measured and reported at the beneficiary and community levels. Impact-level indicators have been removed.
2. WFP demonstrates change or impact by linking its performance to the MDGs through:
  - i) reports on national progress towards the MDGs; ii) mid-term reviews of United Nations Development Assistance Frameworks; and iii) evaluations carried out by WFP and United Nations, international and NGO partners and stakeholders. Country offices report impact-level indicators through annual standard project reports (SPRs) when applicable.

- Note:** The indicators are distinguished by font as follows:
- Regular: internationally recognized indicators used by United Nations agencies.
  - **Bold:** indicators developed with WFP's operational partners.
  - *Italic:* specific to WFP.

STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES			Impact: Contribution to MDGs 1 and 4
<b>Goals</b> 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 <sup>1</sup>	Project target and data source
<b>Outcome 1.1:</b> Reduced or stabilized acute malnutrition in target groups of children and/or populations	1.1.1 Prevalence of acute malnutrition among children under 5 <sup>2</sup> (weight-for-height as %) <sup>3</sup>	Reduction in acute malnutrition prevalence achieved among children under 5 for 80% of projects	Target: Population-specific – Reduction in acute malnutrition prevalence rate Source: Survey data and/or monitoring data
		Stabilized prevalence of acute malnutrition among children under 5 for 80% of projects	Target: Population-specific – Acute malnutrition prevalence rate stabilized at pre-emergency levels Source: Survey data and/or monitoring data
	1.1.2 Prevalence of low mid-upper arm circumference (MUAC) among children under 5 <sup>4,5</sup>	Low MUAC prevalence stabilized for 80% of projects	Target: Population-specific – Stabilized prevalence of low MUAC Source: Survey data or assessment data
	1.1.3 Supplementary feeding performance rates <sup>5</sup>	Target met for 80% of projects	Target: Population-specific <sup>7</sup> Source: Programme monitoring



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

<sup>2</sup> Projects targeting children under 2 should measure prevalence of acute malnutrition of this target group.

<sup>3</sup> The prevalence rate of acute malnutrition among children under 5 is a proxy for the nutritional status of the population.

<sup>4</sup> Prevalence of low MUAC among children under 5 is a proxy for the nutritional status of the population.

<sup>5</sup> Projects targeting children under 2 should measure prevalence of low MUAC in this target group.

<sup>6</sup> Recovery, Death, Default and Non-response rates. These rates only apply in the context of treatment of moderate acute malnutrition (targeted interventions).

<sup>7</sup> SPHERE standards (Recovery rate > 75%; Death rate < 3%; Default rate < 15%; Non-response rate < 5%) should be used as guidance.

<b>Outcome 1.2:</b> Improved food consumption over assistance period for target households <sup>8</sup>	1.2.1 <i>Household food consumption score</i> <sup>9</sup>	Score exceeded the threshold for 80% of projects	Target: Food consumption score exceeded 21 or 28 <sup>10</sup> for target households Source: Annual survey data
<b>Outcome 1.3:</b> Stabilized enrolment of girls and boys at high risk of dropping-out from target primary schools	1.3.1 <i>Retention rate</i>	Retention rate met for 80% of projects	Target: Retention rate reached 70% for girls and boys in emergency situations Source: Survey data
<b>Outcome 1.4:</b> Maintained access to services for anti-retroviral therapy (ART), tuberculosis (TB) treatment and/or prevention of mother-to-child transmission (PMTCT)	1.4.1. Default rate <sup>11</sup>	Target met for 80% of projects	Target: Default rate < 15% Source: Programme monitoring
<b>Output</b>	<b>Indicator</b>		
<b>Output 1.1</b> <sup>12</sup> : Food and non-food items, cash transfers and vouchers distributed in sufficient quantity and quality to target groups of 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, non-food items, cash transfers and vouchers, by category, activity, transfer modality and as % of planned 1.1.2 Tonnage of food distributed, by type, as % of planned distribution <sup>13</sup> 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 Total amount of cash transferred to beneficiaries 1.1.6 Total food/cash equivalent of vouchers distributed 1.1.7 WFP expenditures related to distribution of food, non-food items, cash transfers and vouchers, by activity and transfer modality (US\$) 1.1.8 Number of institutional sites assisted (e.g. schools, health centres etc.) 1.1.9 Number of United Nations agencies/international organizations that collaborate in the provision of complementary inputs and services 1.1.10 Number of NGOs that collaborate in the provision of complementary inputs and services 1.1.11 Number of joint United Nations programmes/activities		

<sup>8</sup> Results will be disaggregated by target groups: IDPs, refugees, conflict- and/or disaster-affected households with school children or hosting orphans and other vulnerable children (OVC).

<sup>9</sup> Along with the Household Food Consumption Score, it is recommended that country offices measure the coping strategies index. Dietary diversity scores can also be computed from the Household Food Consumption Score module to indicate changes in the quality of the diets.

<sup>10</sup> Threshold depends on local eating habits and diet composition.

<sup>11</sup> This indicator will be reported towards universal access to services for ART, TB treatment and/or PMTCT.

<sup>12</sup> This is the corporate output to be reported for all activities that include distribution of food and/or non-food items. Additional outputs are to be reported as they apply, by Strategic Objective.

<sup>13</sup> Planned distribution includes quantity, quality and timeliness.



STRATEGIC OBJECTIVE 2: PREVENT ACUTE HUNGER AND INVEST IN DISASTER PREPAREDNESS AND MITIGATION MEASURES			Impact: 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
<b>Outcome 2.1:</b> Early-warning systems; contingency plans; <sup>14</sup> food security monitoring systems set in place and enhanced with WFP capacity development support	<b>2.1.1 Disaster preparedness index</b>	Government capacity strengthened as per plan for 80% of countries supported	Target: Disaster preparedness index reached at 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
<b>Outcome 2.2:</b> Adequate food consumption over assistance period reached for target households at risk of falling into acute hunger	<i>2.2.1 Household food consumption score<sup>15</sup></i>	Score exceeded the threshold for 80% of projects	Target: Food consumption score stabilized at or greater than 35/42 for target households Source: Annual survey data
<b>Outcome 2.3:</b> Hazard risk reduced at community level in target communities	<i>2.3.1 Household asset score<sup>16</sup></i>	Risk reduction and disaster mitigation assets increased for 80% of projects	Target: Asset score threshold set to capture increase (created or restored) in household disaster mitigation assets over base level Source: Survey data
	<i>2.3.2 Community asset score<sup>17</sup></i>	Risk reduction and disaster mitigation assets increased for 80% of projects	Target: Asset score threshold set to capture increase (created or restored) in community disaster mitigation assets over base level Source: Survey data
Output	Indicator		
(refer to <b>Output 1.1</b> for distribution of food and non-food items, cash transfers and vouchers)			
<b>Output 2.1:</b> Disaster mitigation measures set in place with WFP capacity development support	2.1.1 Risk reduction and disaster preparedness and mitigation systems set in place, by type (early-warning systems; contingency plans; food security monitoring systems, etc.)		
<b>Output 2.3:</b> Built or restored disaster mitigation assets by target communities	2.3.1 Risk reduction and disaster mitigation assets created or restored, by type and unit of measure (area in hectares protected/improved; number of trees planted; dams constructed, etc.)		

<sup>14</sup> Refers to government or inter-agency contingency plans.

<sup>15</sup> Along with the Household Food Consumption Score, it is recommended that country offices measure the coping strategies index. Dietary diversity scores can also be computed from the Household Food Consumption Score module to indicate changes in the quality of the diets.

<sup>16</sup> In this context, **household disaster mitigation assets** include both **natural** (e.g. water, fruit trees) and **physical** (e.g. plough, fishing gear) assets.

<sup>17</sup> In this context, **community disaster mitigation assets** include both **natural** (e.g. shelterbelts, trees planted) and **physical** (e.g. dykes, shock-resistant roads) assets.





STRATEGIC OBJECTIVE 3: RESTORE AND REBUILD LIVES AND LIVELIHOODS IN POST-CONFLICT, POST-DISASTER OR TRANSITION SITUATIONS			Impact: 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
<b>Outcome 3.1:</b> Adequate food consumption over assistance period reached for target households, communities, IDPs and refugees <sup>18</sup>	3.1.1 <i>Household food consumption score</i> <sup>19</sup>	Score exceeded the threshold for 80% of projects	Target: Food consumption score exceeded 35/42 for target households Source: Annual monitoring and/or survey data
<b>Outcome 3.2:</b> Increased access to assets in fragile, transition situations for target communities	3.2.1 <i>Community asset score</i> <sup>20</sup>	Functioning, useful productive assets increased for 80% of projects	Target: Asset score threshold set to capture increase (created or restored) in functioning productive community assets over base level Source: Survey data
<b>Outcome 3.3:</b> Stabilized enrolment for girls and boys, including IDPs and refugees, in assisted schools at pre-crisis levels	3.3.1 <i>Retention rate</i>	Retention rate met for 80% of projects	Target: Retention rate reached 85% for girls and boys in post-crisis situations Source: Survey data
	3.3.2 <i>Enrolment: average</i> <sup>21</sup> annual rate of change in numbers of girls and boys enrolled	Annual rate of increase of <b>5%</b> met or exceeded for 80% of projects	Target: Annual rate of increase in numbers of girls and boys enrolled reached <b>5%</b> Source: Annual monitoring and/or survey data



<sup>18</sup> Results will be disaggregated by target groups: IDPs, refugees, conflict-affected, disaster-affected, households with school children or hosting orphans and other vulnerable children (OVC). Mitigation and safety-net programmes, for households affected by HIV, contribute to this outcome. Household support can also contribute to improved adherence to ART or improved success of TB treatment for the individual client.

<sup>19</sup> Along with the Household Food Consumption Score, it is recommended that country offices measure the coping strategies index. Dietary diversity scores can also be computed from the Household Food Consumption Score module to indicate changes in the quality of the diets.

<sup>20</sup> In this context, **community assets** include **natural** (e.g. ponds, springs), **physical** (e.g. dams, roads to markets) and **social infrastructure** (e.g. schools, health centres) assets.

<sup>21</sup> Average is calculated by dividing the sum of annual rate of change of each school surveyed by total number of target schools.

<b>Outcome 3.4 (a):</b> Reduced acute malnutrition in target groups of children and/or populations	3.4.1	Prevalence of acute malnutrition among children under 5 (weight-for-height as %)	Reduction in acute malnutrition prevalence achieved among children under 5 for 80% of projects	Target: Population-specific – Reduction in acute malnutrition prevalence rate Source: Survey data and/or monitoring data
	3.4.2	Prevalence of low mid-upper arm circumference (MUAC) among children under 5	Low MUAC prevalence stabilized for 80% of projects	Target: Population-specific – Stabilized prevalence of low MUAC Source: Survey data and/or assessment data
	3.4.3	Supplementary feeding performance rates <sup>22</sup>	Target met for 80% of projects	Target: Population-specific <sup>23</sup> Source: Programme monitoring
<b>Outcome 3.4 (b):</b> Reduced stunting in targeted children/ targeted populations in post-crisis situations	3.4.4	Prevalence of stunting among children under 2 (height-for-age as %)	Reduction in stunting prevalence achieved among children under 2 for 80% of projects	Target: Population-specific – Reduction in prevalence rate of stunting Source: Survey data and/or monitoring data
<b>Outcome 3.5:</b> Improved nutritional recovery of ART and/or TB treatment clients	3.5.1	Nutritional recovery rate <sup>24</sup>	Target met for 80% of projects	Target: Nutritional recovery rate > 75% Source: Programme monitoring
<b>Output</b>	<b>Indicator</b>			
(refer to <b>Output 1.1</b> for distribution of food and non-food items, cash transfers and vouchers)				
<b>Output 3.2:</b> 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, by type and unit of measure		

<sup>22</sup> Recovery, Death, Default and Non-response rates. These rates only apply in the context of treatment of moderate acute malnutrition (targeted interventions).

<sup>23</sup> SPHERE standards (Recovery rate > 75%; Death rate < 3%; Default rate < 15%; Non-response rate < 5%) should be used as guidance.

<sup>24</sup> This indicator will be reported separately for ART and/or TB treatment.



STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION			Impact: Contribution to MDGs 1, 2, 3, 4, 5 and 6
<b>Goals</b> 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
<b>Outcome 4.1(a):</b> Increased production capacity for fortified foods, including complementary foods and special nutritional products, in countries supported by WFP	4.1.1 % increase in production of fortified foods, including complementary foods and special nutritional products	Production target met for 80% of countries supported	Target: Percentage increase in production over assistance period, by commodity type established for each country assisted Source: Capacity assessment
<b>Outcome 4.1(b):</b> Adequate food consumption reached over assistance period for targeted households <sup>25</sup>	4.1.2 Household food consumption score <sup>26</sup>	Score exceeded the threshold for 80% of projects	Target: Food consumption score exceeded 35/42 in targeted households Source: Annual household survey or monitoring data
<b>Outcome 4.2:</b> Increased access to education and human capital development in assisted schools	4.2.1 Enrolment: average <sup>27</sup> annual rate of change in number of girls and boys enrolled	Annual rate of increase of 6% met or exceeded for 80% of projects	Target: Annual rate of increase reached 6% Source: Annual monitoring and/or survey data
	4.2.2 Attendance rate: number of schooldays in which girls and boys attended classes, as % of total number of schooldays	Attendance rate of 90% met or exceeded for 80% of projects	Target: Attendance rate reached 90% Source: Annual monitoring and/or survey data
	4.2.3 Gender ratio: ratio of girls to boys enrolled	Gender ratio set at 1 for 95% of projects	Target: Gender ratio set at 1 Source: Annual monitoring and/or survey data
	4.2.4 Pass rate for girls and boys	Pass rate of 50% met or exceeded for 80% of projects	Target: Pass rate reached 50% Source: Survey data from sampled schools



<sup>25</sup> Mitigation and safety-net programmes, for households affected by HIV contribute to this outcome. Household support can also contribute to improved adherence to ART or improved success of TB treatment for the individual client.

<sup>26</sup> Along with the Household Food Consumption Score, it is recommended that country offices measure the coping strategies index. Dietary diversity scores can also be computed from the Household Food Consumption Score module to indicate changes in the quality of the diets.

<sup>27</sup> Average is calculated by dividing the sum of annual rate of change of each school surveyed by total number of target schools.

STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION			Impact: Contribution to MDGs 1, 2, 3, 4, 5 and 6
<b>Goals</b> 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
<b>Outcome 4.3:</b> Improved nutritional status of target groups of women, girls and boys	4.3.1 Prevalence of stunting among target children under 2 (height-for-age as %) <sup>28</sup>	Nutritional target reached for 80% of projects	Target: 10% reduction <sup>29</sup> in stunting prevalence per year Source: Monitoring data and/or survey data
	4.3.2 Prevalence of iron deficiency anaemia (IDA) among target women and children <sup>30</sup>	Nutritional target reached for 80% of projects	Targets: – 10% reduction in IDA prevalence per year if fortified food provided – 20% reduction in IDA prevalence per year if multiple-micronutrient powder provided Source: Monitoring data and/or survey data
<b>Outcome 4.4 (a):</b> Improved success of TB treatment for target cases <sup>31</sup>	4.4.1 TB treatment success rate <sup>32</sup>	Treatment success rate <sup>33</sup> of 85% reached for 65% of projects	Target: 85% TB treatment success rate <sup>34</sup> Source: Monitoring data and/or survey data
<b>Outcome 4.4 (b):</b> Improved adherence to ART treatment for target cases	4.4.2 ART Adherence rate <sup>35</sup>	Adherence rate reached for 80% of projects	Target: Population-specific – Adherence rate to ART treatment Source: Survey and/or monitoring data
<b>Output</b> (refer to <b>Output 1.1</b> for distribution of food and non-food items, cash transfers and vouchers)	<b>Indicator</b>		



<sup>28</sup> Prevalence of stunting among target children under 5 (height-for-age as %) should be used for projects of a 5-year duration (refer to Indicator Compendium: project-specific).

<sup>29</sup> Indicates percent reduction, not a percentage point reduction.

<sup>30</sup> <110 g/l for pregnant women; <120 g/l for non-pregnant women; <110 g/l for children aged 6–59 months; <115 g/l for schoolchildren 5–11 years; <120 g/l for schoolchildren 12–14 years.

<sup>31</sup> Case of tuberculosis refers to a patient in whom tuberculosis has been confirmed by bacteriology or diagnosed by a clinician (WHO, 2007).

<sup>32</sup> For projects performing Care and Treatment programmes, it is mandatory to report *TB nutritional recovery rate* in addition to *TB treatment success rate*.

<sup>33</sup> TB treatment success rate is % of TB cases who are cured plus % of those with a course of treatment completed (WHO 2007).

<sup>34</sup> WHO's international target for patients going on TB treatment (WHO 2007); Global tuberculosis control: surveillance, planning, financing (WHO 2008).

<sup>35</sup> For projects performing Care and Treatment programmes, it is mandatory to report *ART nutritional recovery rate* in addition to *ART adherence rate*.

STRATEGIC OBJECTIVE 5: STRENGTHEN THE CAPACITIES OF COUNTRIES TO REDUCE HUNGER, INCLUDING THROUGH HAND-OVER STRATEGIES AND LOCAL PURCHASE			Impact: 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
<b>Outcome 5.1:</b> Increased marketing opportunities at national level with cost-effective WFP local purchases	5.1.1 <i>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
<b>Outcome 5.2:</b> Progress made towards nationally owned hunger solutions <sup>36</sup>	5.2.1 National Capacity Index (NCI), by hunger solution	Target met for 80% of projects	Target: Set for country – Threshold set to capture increase in national capacity (based on initial assessment, by hunger solution) Source: Capacity assessment exercise
Output	Indicator		
<b>Output 5.1:</b> Food purchased locally	5.1.1 Tonnage of food purchased locally, by type and country classification		
<b>Output 5.2:</b> Capacity and awareness developed through WFP-led activities	5.2.1 Number of people trained in programme design and planning, implementation procedures and practices, disaggregated by category (national government and partner staff) 5.2.2 Number of technical assistance projects conducted by WFP to strengthen the national capacity 5.2.3 WFP expenditures for technical assistance to strengthen national capacity (US\$) 5.2.4 Number of WFP-managed hunger solutions, systems and tools <sup>37</sup> handed over to the National Government		

<sup>36</sup> Hunger solutions are about investing in people through effective, targeted social protection programmes, including sustainable home-grown and country-led responses to the urgent challenges of hunger and malnutrition facing the most vulnerable and poor people. Hunger solutions include P4P activities, targeted productive and social safety net programmes, home-grown school feeding, nutrition programmes, enhancing the resilience of vulnerable people through community-level disaster risk reduction, risk transfer and insurance schemes, natural resources management, asset creation, livelihoods diversification and infrastructure development programmes.

<sup>37</sup> WFP's supporting analysis tools to implement hunger solutions are tailored, together with the required targeting and monitoring institutional tools - vulnerability and food security analysis, comprehensive food security and vulnerability analysis, early warning systems, needs assessment, contingency planning, market analysis – to the needs of the most vulnerable countries and communities. Operational tools used are as follows: local and international tendering processes, modalities (such as food, cash and vouchers), food, cash or vouchers distribution mechanisms, food processing, food management, food ration calculation, cash/voucher entitlement calculation, general food distribution methodology, beneficiary registration, etc.

## ANNEX VII

## UNFORESEEN REQUIREMENTS

1. WFP's 2012 programme of work comprising operational requirements and ISC, includes only the foreseen needs of existing operations and their extensions. It makes no provision for unforeseen requirements. Table A.VII.1 compares unforeseen requirements with the original Management Plans for the past five biennia.

	Original Programme of Work (US\$ million)	Unforeseen requirements (US\$ million)	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
2010	4 606	2 245	6 848	49
2011	4 347	1 176	5 526	27
<b>Average 2002–2011</b>	<b>5 732</b>	<b>2 685</b>	<b>8 417</b>	<b>47</b>

2. In the past four biennia, increases to the Programme of Work averaged 47 percent as a result of additional unforeseen needs. In the 2008–2009 Management Plan the increase was 103 percent, largely because of high food and fuel prices.

## Reasons for Unforeseen Requirements

3. There are many uncertainties that will influence the 2012 Programme of Work. WFP's operations are most affected by political, environmental and economic factors, the effects of which vary from region to region.

⇒ *Political factors*

4. Political instability and conflicts are major factors resulting in unforeseen requirements.
5. In fragile political and economic situations, events such as elections may be accompanied by increased instability that compromises WFP's activities and leads to conflict and food insecurity. The conflicts in the Horn of Africa, Chad, DRC and the Sudan, for example, could result in increases in WFP requirements.
6. When regional political instability deteriorates, food insecurity is likely to increase. This leads to increased food assistance needs and consequently a larger Programme of Work.

⇒ *Environmental factors*

7. Environmental factors such as drought, cyclones, flooding and earthquakes increase the need for WFP interventions and may reduce WFP's access to beneficiaries because national emergency preparedness and management capacities and infrastructures are often inadequate.

⇒ *Economic factors*

8. Economic factors include price volatility for food and fuel, currency fluctuations and the impact of the economic crisis on income and remittances.
9. There are indications that the global financial crisis has reduced international remittances and exports, resulting in high unemployment and increased food prices, and smaller incomes and fewer livelihood opportunities.
10. This trend will continue to increase food insecurity among vulnerable populations such as people who depend on markets, cash crop producers and remittance receivers, and will therefore result in increased needs for assistance.

## ANNEX VIII

### TERMINOLOGY

To the extent possible, commonly used United Nations system terminology for budget preparation has been employed in the formulation of this document. In certain cases, 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.

#### **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.

#### **Board**

The Executive Board of WFP and its predecessors.



## **Capacity augmentation**

Capacity augmentation refers to integrated activities that establish, enhance or expand the institutions and processes needed to manage food security programmes and humanitarian interventions. These activities are planned under EMOPs, PRROs, DEVs and SOs.

## **Capacity development**

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

## **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).

## **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.

## **Emergency preparedness**

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

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

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

## **Fortification**

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

## **Forward Purchase Facility**

The Forward Purchase Facility is a subset of the WCF facility with the objective to speed up the delivery of food to beneficiaries and exploit favourable market conditions.

## **Full-cost recovery**

The recovery of operational costs, direct support 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.

## **Household**

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

## **Indicator**

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

### **Indirect support costs (ISC)**

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

### **Logistics execution system (LES) pilot project**

Supply chain management system, inventory management, accountability and tracking, fully integrated into SAP.

### **Malnutrition**

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

### **Management Plan**

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

### **Multilateral contribution**

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

### **Partner - See Cooperating partner**

### **Performance**

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

### **Programme of work**

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

**Programme category**

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

**Programme Support and Administrative [budget]**

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

**Project**

A separately identified undertaking within a programme category.

**School meals**

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

**Special account**

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

**Strategic Resource Allocation Committee**

The advisory body to the Executive Director that ensures the strategic prioritization of the allocation of WFP's resources and of areas for conducting major appeals and fundraising.

**Trust fund**

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

**WFP budget**

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

**Working-capital financing (WCF)**

This is WFP's internal advance financing mechanism; it has two main objectives: i) to maximize the utilization of resources destined to projects; and ii) to improve the timely availability of food. WCF provides projects access to funds in anticipation of a confirmation of forecasted income.

## ACRONYMS USED IN THE DOCUMENT

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AIDS	acquired immune deficiency syndrome
APR	Annual Performance Report
ART	anti-retroviral therapy
AU	African Union
BRIC	Brazil, Russian Federation, India, China
C&V	cash and vouchers
CAADP	Comprehensive Africa Agriculture Development Programme
CERF	Central Emergency Response Fund
CO	country office
COMET	corporate monitoring and evaluation tool
COO	Chief Operating Officer
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CP	country programme
CPE	country portfolio evaluation
CSB	corn-soya blend
DAC	Development Assistance Committee
DAKMAH	Data Analysis and Knowledge Management Hub
DEV	development project
DOC	direct operational costs
DPRK	Democratic People's Republic of Korea
DRC	Democratic Republic of the Congo
DSC	direct support costs
ECOSOC	Economic and Social Council of the United Nations
ECOWAS	Economic Community Of West African States
EMOP	emergency operation
EPIC	Emergency Preparedness Integration Centre
EPR	emergency preparedness and response
ERM	enterprise risk management
ERP	enterprise resource planning
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FFW	food for work
FITTEST	Fast IT and Telecommunications Emergency and Support Team
PPF	Forward Purchase Facility

GFD	general food distribution
GVLP	Global Vehicle Leasing Programme
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
IRA	Immediate Response Account
ISC	indirect support costs
IT	information technology
JPO	junior professional officer
LACERN	Latin America and Caribbean Emergency Response Network
LES	logistics execution system
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation
MCHN	mother-and-child health and nutrition
MDG	Millennium Development Goal
MOSS	minimum operating security standards
MRD	management result dimension
MUAC	mid-upper arm circumference
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODA	official development assistance
ODB	Regional Bureau Bangkok (Asia)
ODC	Regional Bureau Cairo (Middle East, North Africa, Eastern Europe and Central Asia)
ODD	Regional Bureau Dakar (West Africa)
ODF	Field Security Division
ODI	Information Technology Division
ODJ	Regional Bureau Johannesburg (Southern Africa)
ODN	Regional Bureau Nairobi (East and Central Africa)
ODOC	other direct operational costs
ODPC	Regional Bureau Panama City (Latin America and the Caribbean)
OECD	Organisation for Economic Co-operation and Development
OVC	orphans and other vulnerable children

P4P	Purchase for Progress
PLHIV	people living with HIV
PMTCT	prevention of mother-to-child transmission
PREP	Preparedness and Response Enhancement Programme
PRRO	protracted relief and recovery operation
PSA	Programme Support and Administrative [budget]
REACH	an initiative to end child hunger
SCN	Standing Committee on Nutrition
SEF	Security Emergency Fund
SMCA	Strengthening Managerial Control and Accountability
SO	special operation [occasionally in figures it refers to Strategic Objective]
SPR	standard project report
SRAC	Strategic Resource Allocation Committee
SRF	Strategic Results Framework
SUN	Scale Up Nutrition
TB	tuberculosis
TMS	Treasury Management System
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNGA	United Nations General Assembly
UNGASS	United Nations General Assembly Special Session on HIV/AIDS
UNHAS	United Nations Humanitarian Air Service
UNHCR	United Nations High Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNICEF	United Nations Children's Fund
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 II