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para la  
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Agricultura

## FINANCE COMMITTEE

**Hundred and Forty-sixth Session**

**Rome, 29 - 30 October 2012**

**WFP Management Plan (2013-2015)**

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

**Mr Sean O'Brien**

**Acting Chief Financial Officer and Officer in Charge, Resource Management and  
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### EXECUTIVE SUMMARY

- The WFP Management Plan for 2013–2015 presents the Board with the 2013 budget for approval, and the projections and plans for 2014–2015 for consideration.
- The Management Plan reflects the organizational strengthening process and introduces the realigned organizational structure that seeks to improve WFP's efficiency and effectiveness in an increasingly complex and ever-changing humanitarian environment.
- The WFP Management Plan is fully aligned to the organization's management results framework; projected 2013 operational requirements are outlined by Strategic Objective; the Programme Support and Administrative (PSA) budget is presented by Management Results Dimensions.
- The 2013 budget proposal includes the projected operational requirements, support budget requirements, one-time investments and outlines special account and trust fund activities.
- In 2013, WFP plans to reach 71 million beneficiaries through 150 projects in 76 countries with operational requirements valued at US\$4,969 million, with 4.1 million metric tons of food and associated cost valued at US\$3,544 million, along with cash and voucher activities valued at US\$464 million and capacity development and augmentation activities valued at US\$304 million.
- The contribution forecast for 2013 is US\$3.7 billion; the current contribution forecast for 2014 and 2015 is foreseen to remain stable.
- The Secretariat proposes a continuation of the current 7 percent indirect support costs (ISC) recovery rate in 2013.
- The proposed PSA budget for 2013 – US\$249.1 million – represents zero nominal growth over the 2012 PSA budget baseline. It was determined by taking into account resources expected for foreseen operational requirements and current reserves.
- WFP proposes to allocate US\$20.0 million from the PSA Equalization Account to establish: i) a change-management package focusing on the implementation of the Framework for Action; and ii) a transition fund to provide flexibility in managing staff changes.
- Up to US\$10 million is requested from the interest income credited to the General Fund for security expenditures related to mandatory United Nations Department of Safety and Security costs and the WFP Security Emergency Fund. An additional US\$400,000 is requested from the same source for the completion and roll-out of the Treasury Management System enhancements.
- Projected requirements and anticipated resources for special accounts and trust funds are presented for information. In 2013, special accounts and trust funds are estimated at US\$412.9 million, comprising: i) trust funds of US\$233.3 million, of which US\$161.6 million is for corporate trust fund requirements and US\$71.7 million for country-specific trust funds; and ii) special accounts of US\$179.6 million.

### GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to review the “WFP Management Plan (2013–2015)”, 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 decisions as outlined in the document “WFP Management Plan (2013–2015)”.**

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Mundial  
de Alimentos

Executive Board  
Second Regular Session

Rome, 12–14 November 2012

# RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 5

*For approval*



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## WFP MANAGEMENT PLAN (2013–2015)

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

## NOTE TO THE EXECUTIVE BOARD

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

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

Acting Chief Financial Officer and Officer in Charge, Resource Management and Accountability Department:	Mr S. O'Brien	tel.: 066513-2682
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Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

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## EXECUTIVE SUMMARY

### Introduction

1. In 2012, the Executive Director launched a process of organizational strengthening. The 2013–2015 Management Plan reflects the direction of this effort and introduces the realigned structure of WFP and the actions required to enact transformational change across the organization to maximize efficiency and effectiveness in an increasingly complex humanitarian environment.
2. Driven by the identified organizational strengthening principles, the 2013–2015 Management Plan presents the resulting 2013 budget for approval and the 2014–2015 projections for consideration by the Board.
3. Operational requirements in 2013, which are projected at US\$4,969 million, are aligned with WFP's five Strategic Objectives to ensure that the most context appropriate tools available are employed to meet the needs of the world's most vulnerable, hungry poor. The requirements reflect the impact of volatile international prices on WFP's food basket and the food security and nutrition opportunities and challenges involved in reaching our beneficiaries.
4. The proposed Programme Support and Administrative budget of US\$249.1 million represents zero nominal growth from the 2012 baseline. In view of expected increases in WFP's input costs, especially the increase in personnel costs mandated by the International Civil Service Commission, the budget reflects WFP's intent to maximize cost efficiency. It is also the first step in decentralizing human and financial resources to increase the capacities of country offices and regional bureaux. The linkages between the Framework for Action and budget allocations will support the organizational realignment.

### Framework for Action

5. The Rapid Organizational Assessment facilitated an internal and external diagnostic review of the organization. This led to the development of the Framework for Action, which identified seven inter-related themes and corresponding actions to optimize the organization of WFP.



6. Theme 2: Organizational Design set out four principles to guide the organizational realignment:
  - Beneficiaries are the focus of WFP's work. This is the central tenet of the organizational redesign, and it drives the second and third principles.
  - Country offices are empowered as WFP's "centre of gravity", with decision-making authority located as close as possible to the point of implementation.
  - Regional bureaux serve as WFP's front-line platform for managing, overseeing and supporting the country offices.
  - Unity of purpose and strong corporate identity ensure that everyone in WFP operates according to its core policies and strategies that bind WFP together.
7. The Organizational Design and Realignment team reviewed individual functions to determine their optimum location in WFP. The aim was to maximize efficiency, avoid overlap, create synergies and establish points of reference for country offices, regional bureaux and liaison offices. The conclusions were submitted to the Executive Director and led to the document *Fit for Purpose: WFP's New Organizational Design*.



## Fit for Purpose: WFP's New Organizational Design

8. The 2013–2015 Management Plan focuses on the following design elements:

- *Empowered country offices.* Substantial resources from the Programme Support and Administrative budget and trust funds are allocated to build capacities for programme design, delivery, monitoring and reporting.
- *Supportive regional bureaux.* Increased Programme Support and Administrative resources are allocated to improve support for country offices and ensure that WFP's strategy and policies are implemented.
- *Light and lean Headquarters.* The field-oriented structure of Headquarters will support regional and country offices and operations. A balanced span of authority and clear lines of accountability are established.
- *Integrate policy and programming in a single division.* Create a clear point of reference for regional, country and liaison offices. The new Policy and Programme Innovation Division will increase efficiency and ensure a demand-driven approach.
- *Gender.* The Gender Unit will report directly to the Deputy Executive Director and Chief Operating Officer to ensure that gender receives the highest level of attention in operational management. Programme Support and Administrative resources will be increased to build capacity for addressing gender issues across WFP.
- *Monitoring and reporting.* A single, streamlined system will be established with a view to improving performance monitoring and reporting.
- *Evaluation.* Evaluation coverage will be increased, supported by Programme Support and Administrative and project resources.

## Budget Proposal 2013

9. The budget proposal for 2013, shown in Table 1, totals US\$5,661.4 million; it includes special accounts and trust funds. It offers a holistic view of the resources required for WFP to implement its 2013 programme of work<sup>1</sup> and to initiate the first phase of the organizational realignment.

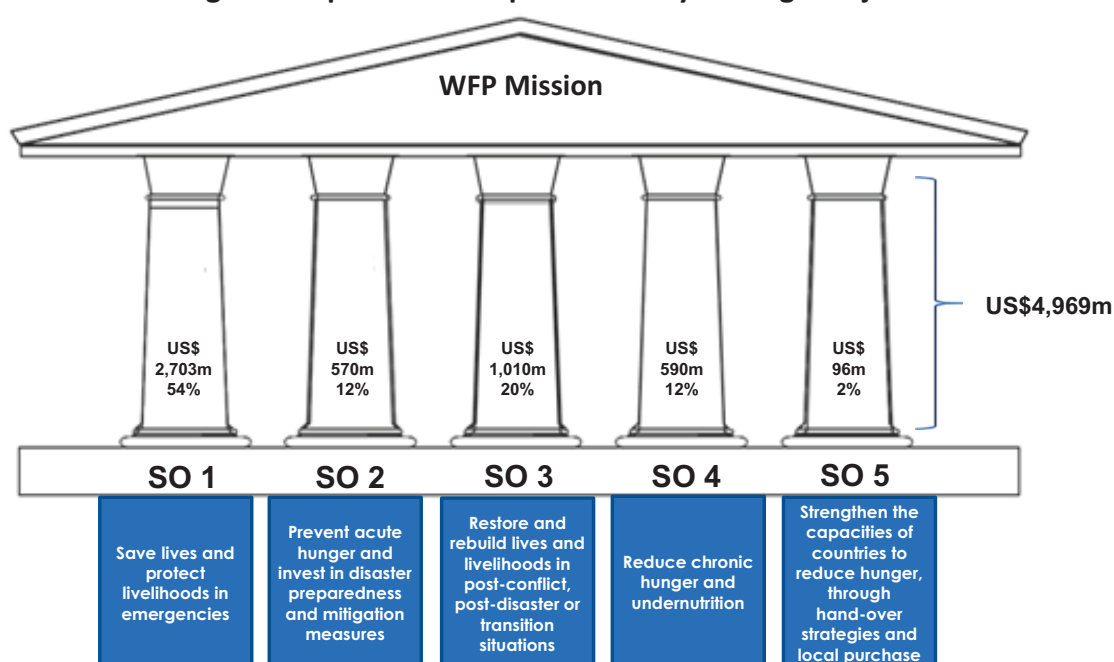
<b>TABLE 1: BUDGET PROPOSAL 2013 (US\$ million)</b>	
Operational requirements	4 969.0
Regular Programme Support and Administrative (budget)	249.1
Supplementary Programme Support and Administrative investments	20.0
Security funding (from the General Fund)	10.0
Treasury management system (from the General Fund)	0.4
Special accounts and trust funds	412.9
<b>TOTAL</b>	<b>5 661.4</b>

<sup>1</sup> Programme of work denotes operational requirements plus indirect support costs.

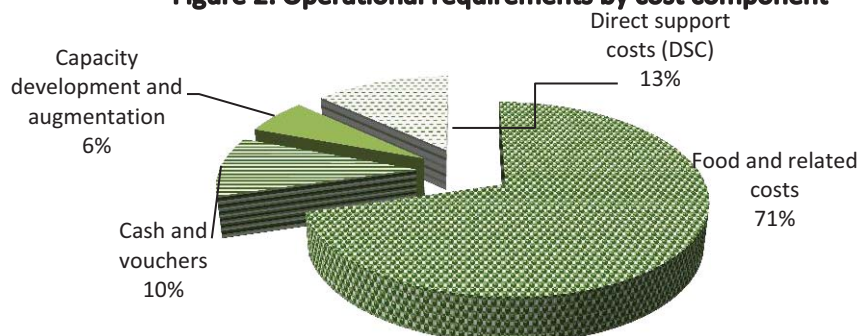
## Operational Requirements

10. The projected operational requirements of US\$4,969 million are an aggregation of active projects and their logical and foreseen extensions. This figure does not take into account any unforeseen needs that may arise during the year.
11. The Strategic Plan (2008–2013) reflected WFP's transition from food aid to food assistance. In this last year of the current Strategic Plan, WFP plans to assist directly 71 million people in 76 countries and to reach a larger number of people and communities through expansion of food for assets and other activities aimed at enhancing resilience. Most operational requirements are expected to fall under Strategic Objectives 1 and 3. Operational requirements by Strategic Objective are shown in Figure 1.

**Figure 1: Operational requirements by Strategic Objective**



**Figure 2: Operational requirements by cost component**



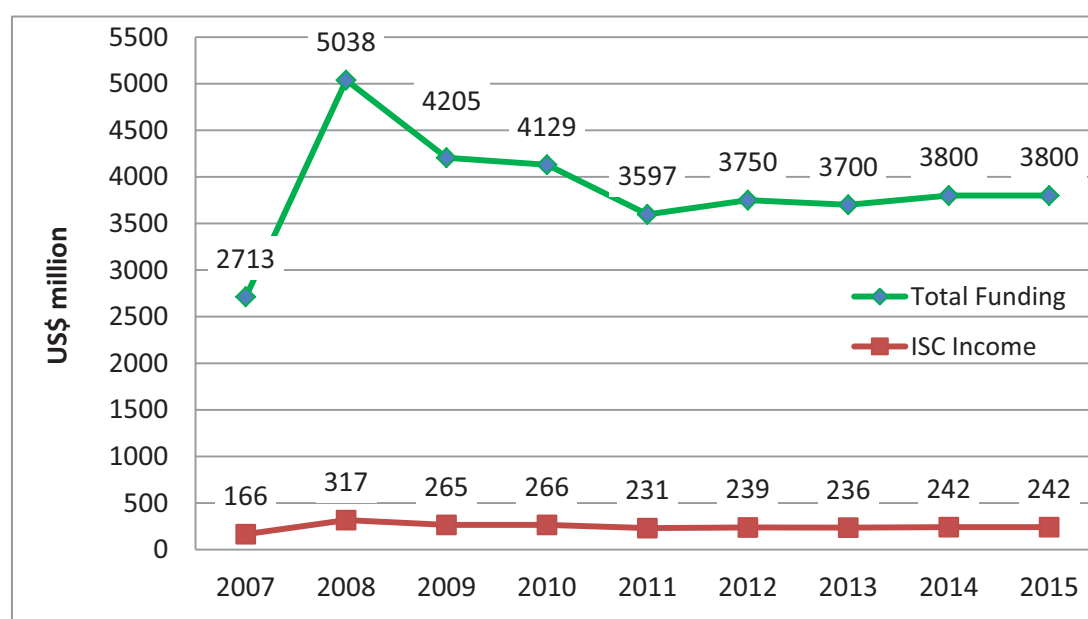
12. Operational requirements for 2013 by cost component are shown in Figure 2. Food and related direct operational costs will continue to constitute the largest share of operational requirements utilizing 4.1 million metric tons of food, including supplementary rations. Cash and vouchers account for an increased share of operational requirements compared with 2012 projections.
13. In 2013 lessons learned from cash and voucher pilot schemes and new telecommunications tools will enable WFP to make appropriate choices of tools for its programmes and to implement cash and voucher transfers efficiently and accountably.
14. As in previous years, most of WFP's operations will be conducted in Asia and Africa. There are, however, two significant movements in these regions: activities overseen by the Asia regional bureau in Bangkok are projected to decline from 24 percent of operational requirements in 2012 to 14 percent in 2013. This is a result of the region's transition plan and expected reduction in emergency requirements, which includes consolidation and streamlining of operations in Afghanistan, India and Pakistan.
15. The projected operational requirements for the Southern Africa regional bureau in Johannesburg will increase to 13 percent from 5 percent in 2012. This results partly from the reconfiguration of the Johannesburg and Nairobi regional bureaux to optimize operations and align with the needs of regional economic communities. It also reflects a scaling-up of cash and voucher transfers and consolidation of best practices for HIV, AIDS and nutrition.
16. Table 2 shows that 61 percent of operational requirements for 2013 are concentrated in ten countries, of which nine appeared in the corresponding table in 2012. This emphasizes the need for long-term commitment to support these countries through years of significant need.

<b>TABLE 2: WFP'S TEN LARGEST PROGRAMMES</b>		
	<b>2013 projected operational requirements (US\$ million)</b>	<b>% of total</b>
Ethiopia	613	12
South Sudan	394	8
Sudan	379	8
Kenya	307	6
Somalia	295	6
Yemen	266	5
Democratic Republic of the Congo	247	5
Chad	182	4
Pakistan	180	4
Niger	160	3
<b>TOTAL</b>	<b>3 024</b>	<b>61</b>
<b>TOTAL PROJECTED OPERATIONAL REQUIREMENTS</b>	<b>4 969</b>	<b>100</b>

## Resourcing

17. Because WFP is voluntarily funded, the scope of operations depends on the level of financial support. In the current challenging financial environment, it is increasingly important for WFP to have a broad base of support from traditional donors, host governments, emerging economies and private partnerships. WFP has a responsibility to both beneficiaries and donors to seek operational efficiencies and to strategically prioritize allocations of multilateral resources to the most critical activities.
18. Forecast contributions for projected operational requirements are used to determine the expected resources for indirect support cost income, which is generated by applying a recovery rate to all contributions to fund the Programme Support and Administrative budget. The Secretariat proposes to maintain the 7 percent indirect support cost rate.
19. The graph below shows actual and projected contributions and indirect support cost income for 2007–2015. A marginal decline in contributions is forecast for 2013, but WFP does not anticipate a downward trend for the second and third year of the planning period.

**Figure 3: Contributions, including forecasts for 2007–2015**



2007–2011 based on total contribution income as in the Financial Statements; 2012 estimated; 2013–2015 forecast.

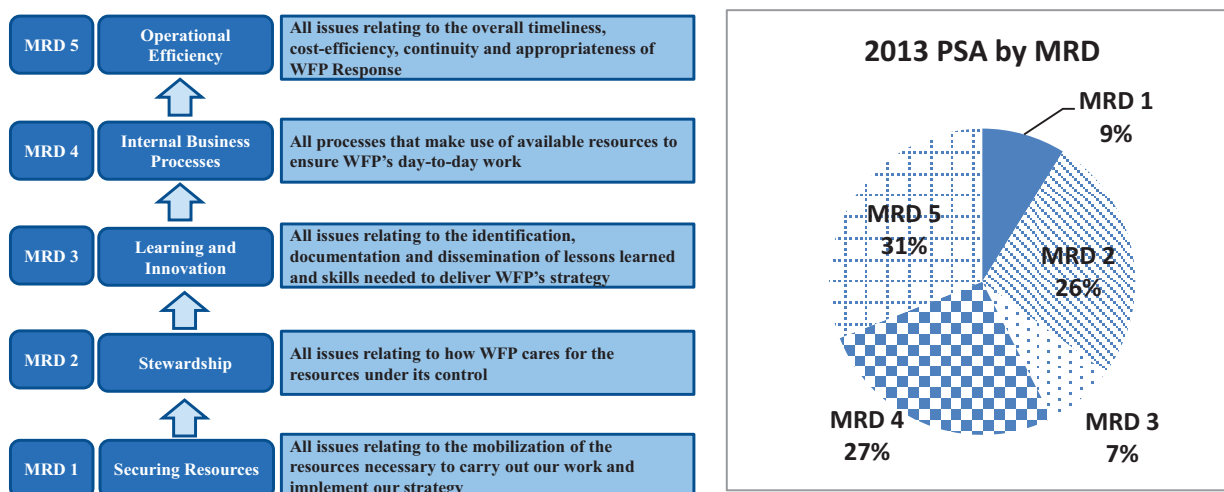
## Programme Support and Administrative Budget for 2013

20. The Programme Support and Administrative budget provides indirect support for WFP's activities. The 2013 proposal, which amounts to US\$249.1 million, takes into account the resources expected from forecast contributions in 2013 and resources available from current reserves.
21. The proposed budget reflects a 7 percent reduction in Headquarters appropriations from 2012 levels and an increase of 16 percent in the allocation for programme support at regional bureaux and country offices. The budget supports the priorities in the Framework for Action for increasing capacities in country offices and regional bureaux, and for gender, monitoring and reporting, and evaluation.

## Management Result Dimensions

22. This is the second year in which WFP has drawn up its Programme Support and Administrative budget by focusing on the Management Result Dimensions (MRD) of particular activities. Budget holders identified the dimensions to be achieved for each budgeted activity, and the classification was reviewed by the Performance and Accountability Management Division to ensure consistency. The activities are grouped into five Management Result Dimensions, as shown in Figure 4.

**Figure 4: Management Result Dimensions**



23. Figure 4 shows that activities in 2013 are predominately aligned with MRD 2 (stewardship), MRD 4 (internal business processes) and MRD 5 (operational efficiency). Compared with 2012, the 2013 budget reflects a shift towards MRD 4. The focus on improving internal business processes is particularly apparent in the management of communications and information.

## Additional Budget Line Items

24. The Framework for Action and Fit for Purpose documents charted a new direction for organizational change. To start the change-management process which is expected to occur over a two-year period, US\$20 million to support activities in 2013 is included as a supplementary allocation from the Programme Support and Administrative Equalization Account.
25. With regard to 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 to cover any amounts that cannot be charged to projects under the security special account. In addition, US\$400,000 is requested from the General Fund for the finalization of the Treasury Management System.

## Special Accounts and Trust Funds

26. Extra-budgetary requirements and resources for 2013, forecast at US\$412.9 million, will enable WFP to pursue innovations, invest in institutional capacity and optimize operational efficiency under the Strategic Plan.
27. Special accounts enable WFP to provide non-profit business services and support activities that do not fall into its programme categories. The 2013 estimate of US\$179.6 million includes special accounts for aviation, vehicle leasing, information technology and logistics.
28. Corporate trust funds valued at US\$161.6 million are essential for supporting institutional capacity development activities that are not covered by the Programme Support and Administrative budget. In planning for 2013, these requirements were prioritized in conjunction with the Programme Support and Administrative budget allocation process to ensure greater coherence. Unearmarked corporate trust fund resources will be targeted towards the following thematic areas: emergency preparedness and response; cash and vouchers; capacity development; performance management, monitoring and evaluation; gender; food quality and safety, and nutrition.
29. Country-specific trust funds support country offices in partnering with governments, United Nations organizations and civil society. In 2013, most of the US\$71.7 million forecast for country-specific trust funds will support school feeding. Countries in the Latin America and Caribbean region will account for 92 percent of country-specific trust funds in 2013.

## DRAFT DECISION\*

Having considered WFP's Management Plan for 2013–2015, as submitted by the Executive Director in document (WFP/EB.2/2012/5-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\$4.97 billion for 2013, excluding any provision for unforeseen emergencies and including direct support costs, as outlined in Section III;
- iii) **takes note** that the 2013 Programme Support and Administrative appropriation assumes a funding level of US\$3.7 billion in 2013;
- iv) **approves** a 2013 Programme Support and Administrative appropriation of US\$249.1 million, to be allocated as follows:

Programme support: regional bureaux and country offices	US\$86.3 million
Programme support: Headquarters	US\$54.0 million
Management and administration	US\$108.8 million
<b>Total</b>	<b>US\$249.1 million</b>

- v) **approves** a supplementary Programme Support and Administrative appropriation of US\$20.0 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) **approves** expenditures of up to US\$400,000 funded from the General Fund for the completion of the treasury management system enhancements and roll-out;
- viii) **approves** an indirect support cost recovery rate of 7.0 percent for 2013; and
- ix) **authorizes** the Executive Director to adjust the Programme Support and Administrative component of the budget in accordance with any variation in the volume of operational requirements of more than 10 percent from levels outlined in Section III.

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\* 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: READER'S GUIDE

30. The three-year Management Plan is one of WFP's principal governance documents. It is used internally and externally as part of WFP's oversight and accountability system.
31. The Management Plan (2013–2015) is the second document to follow the annual budget cycle as part of a three-year rolling plan. This enables the Secretariat to make annual adjustments to planning and budgeting with a view to enhancing stability, oversight and transparency.
32. This Management Plan outlines the resources needed to implement approved and foreseen projects and support activities planned for 2013. The indirect support costs (ISC) recovery rate, the Programme Support and Administrative (PSA) budget appropriation level and supplementary PSA investments are submitted to the Board for approval.
33. The 2013 budget is presented by Strategic Objective for operational requirements and by Management Result Dimension (MRD) for PSA appropriations with a view to aligning resources with priorities and ensuring that the Strategic Plan is implemented effectively. The budget includes forecast resource requirements for special accounts and trust funds that are outside of regular programmes.
34. In line with WFP's commitment to transparency, accountability and the management of risk and performance, the Secretariat has worked to enhance the clarity of the Management Plan, as requested by the Board. The Secretariat involves Board members through informal consultations, seminars and briefings to provide up-to-date information about constraints, risks and planning and implementation issues related to WFP's work.

## Management Plan Process

35. This Management Plan was prepared during WFP's organizational realignment. Principles and actions identified during the Rapid Organizational Assessment (ROA) and the Organizational Design and Realignment (ODR) underpin the strategic direction and draft decisions of the Management Plan.
36. The Management Plan (2013–2015) was developed in consultation with internal and external stakeholders. Representatives of country offices, regional bureaux and Headquarters formed a PSA review panel to recommend a budget allocation according to WFP's priorities for 2013.
37. In order to provide documentation in advance of the Board session, data is compiled more than six months in advance of the period covered. This can compromise the accuracy of requirements and forecasts, resulting in a trade-off between timeliness and accuracy.
38. Operational requirements were 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: i) the resources needed to deliver food assistance to beneficiaries; and ii) the resources needed to provide support such as United Nations common services. Projected operational requirements for 2013 are presented in the 2013 budget proposal; anticipated requirements for 2014 and 2015 are shown for context.

39. To create a complete picture of WFP's needs, PSA budget holders prepared zero-based budgets by activity showing staff and non-staff costs. Forecast income and the PSA Equalization Account level were taken into account when determining the PSA budget level.
40. Information on country-specific and corporate trust funds was collected during the PSA budget process to identify trust fund requirements in 2013. The PSA review panel identified capacity development needs for extra-budgetary funding.

## Structure of the Document

41. The Management Plan (2013–2015) consists of an Executive Summary and five sections supporting the draft decisions for consideration by the Board, and six annexes.
  - Section I outlines the purpose and structure of the document in the context of WFP's organizational strengthening and realignment process and the budgetary process involved.
  - Section II presents the total 2013 budget proposal, including funding assumptions and resourcing highlights. It previews individual budget components and the resources required to achieve the Strategic Objectives and implement the realignment plan.
  - Section III outlines projected operational requirements by Strategic Objective, programme category and cost component; regional overviews outline the context, challenges and partnership opportunities in each region.
  - Section IV sets out the PSA budget and supplementary PSA investments needed to support WFP's programmes and the organizational realignment and details WFP's plans for allocating resources to meet its Fit for Purpose objectives. The annual PSA budget is the first step in a two-year process of change management.
  - Section V outlines expected resources and the requirements for special accounts and trust funds. Requirements for corporate trust funds are prioritized to identify the additional resources needed for investment in capacity development.
  - The annexes provide further detail in support of the information in the body of the document.

## Governance and Planning Framework

42. The Management Plan should be read in conjunction with the Strategic Plan and the Annual Performance Report (APR). The current Strategic Plan (2008–2013) marks a transition from providing food aid to operating as a food assistance organization helping nations, communities and households to increase access to food and enhance nutrition security.
43. The Strategic Plan (2014–2017) will take into account WFP's re-alignment exercise and the Board's consideration of the mid-term review of the 2008–2013 plan and consultations with other United Nations agencies, which are for the first time preparing their strategies concurrently.
44. 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 the Board's approval as required under General Regulation Article XIV.6(a).

## Budget Methods

45. WFP uses standard rates for international professional staff and Headquarters general service staff.
46. The calculations of standard staff costs take into account payroll costs incurred by WFP in terms of grade, salary, post adjustment and rental subsidy, and include non-payroll entitlements such as assignment grants, repatriation grants and removal of household effects for international staff.
47. The proposed standard staff rates have been developed on the basis of actual expenditures for 2011, taking into consideration hedging exchange rates, inflation rates and anticipated increases in costs and salaries.



## SECTION II: 2013 BUDGET OVERVIEW

### Introduction

48. This section outlines WFP's budget proposal for 2013 and the resources required to implement the Strategic Plan.
49. The budget proposal includes the programme of work – the direct and indirect support cost of WFP's projects – and funding requirements from the special accounts and trust funds to support WFP's capacity development and implementation capabilities.
50. WFP's budget proposal is based on assumptions relating to:
  - active projects and expected extensions to meet beneficiary needs;
  - forecast contributions in 2013;
  - projected food, fuel and other costs; and
  - the conditions in which projects will be implemented.
51. WFP's operational requirements are compiled in collaboration with governments and other partners on the basis of assessed needs. This needs-based approach, which entails funding appeals based on identified needs,<sup>2</sup> means that the level of actual operational activity depends entirely on the level of contributions received.
52. WFP's proposed indirect support budget consists of a regular PSA budget and a supplementary PSA investment to enable the long-term alignment of the support budget to the organization's design implementation process.
53. Special accounts enable WFP to provide non-profit business services. Corporate trust funds improve institutional capacity, and country-specific trust funds mobilize complementary resources for programmes in line with the Strategic Plan.

### The 2013 WFP Budget Proposal

54. The budget proposal for 2013, including special accounts and trust funds, is US\$5,661.4 million, as outlined in Table II.1.

<b>TABLE II.1: BUDGET PROPOSAL 2013 (US\$ million)</b>	
Operational requirements	4 969.0
Regular PSA	249.1
Supplementary PSA investments	20.0
Security funding (from the General Fund)	10.0
Treasury Management System (from the General Fund)	0.4
Special accounts and trust funds	412.9
<b>TOTAL</b>	<b>5 661.4</b>

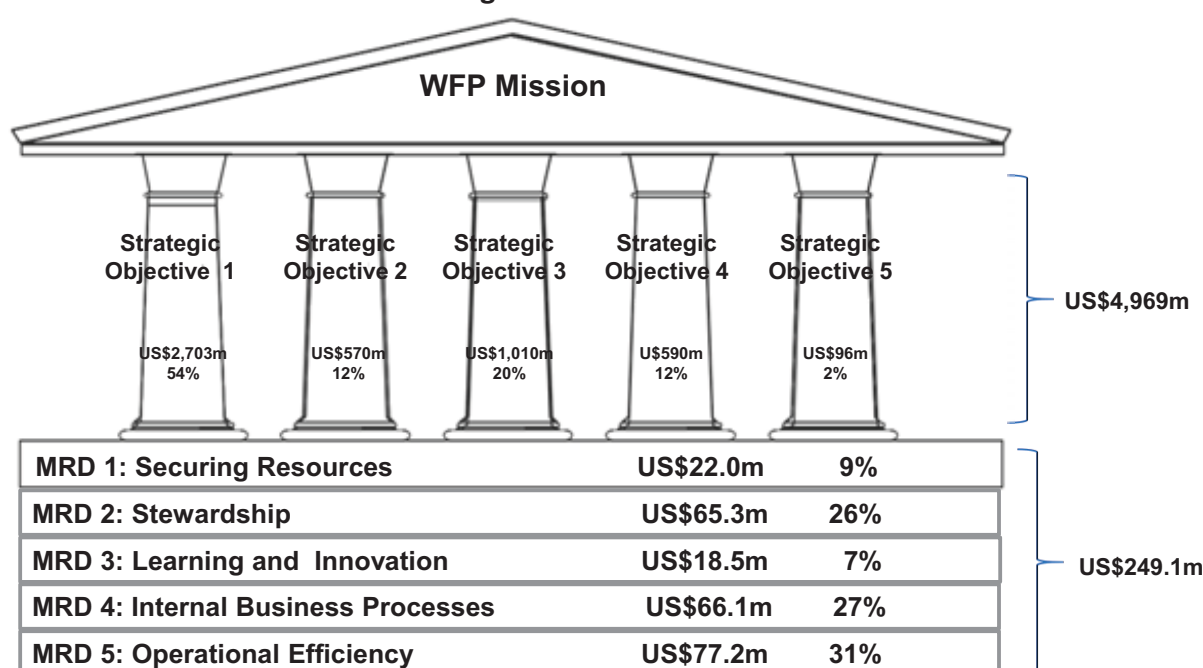
55. Operational requirements are driven by WFP's Strategic Objectives, which support the shift from food aid to food assistance. The direct costs of emergency operations (EMOPs), protracted relief and recovery operations (PRROs), development projects (DEVs) and

<sup>2</sup> The programme of work is based on needs, except for development (General Rule X.8).

special operations (SOs) account for 88 percent of the 2013 budget – US\$4,969 million. Projected operational requirements do not include provision for unforeseen requirements.

56. The proposed regular PSA budget for the year stands at US\$249.1 million – 4.4 percent of the total budget proposal. The 2013 PSA budget is designed to improve the organizational structure and align it with the principles of the Framework for Action and the Fit for Purpose document. The focus of the proposed 2013 PSA budget is to allocate additional resources to the regional bureaux and country offices in support of the realignment process.
57. The PSA budget is composed of three appropriation lines:
- programme support: regional bureaux and country offices – US\$86.3 million;
  - programme support: Headquarters – US\$54.0 million; and
  - management and administration – US\$108.8 million.
58. The 2013 budget is aligned to WFP's Management Results Framework. Projected 2013 operational requirements are outlined by Strategic Objective; the PSA budget is shown in terms of MRDs, as shown in Figure II.1.

**Figure II.1: 2013 Budget Proposal, by Strategic Objective and Management Result Dimension**



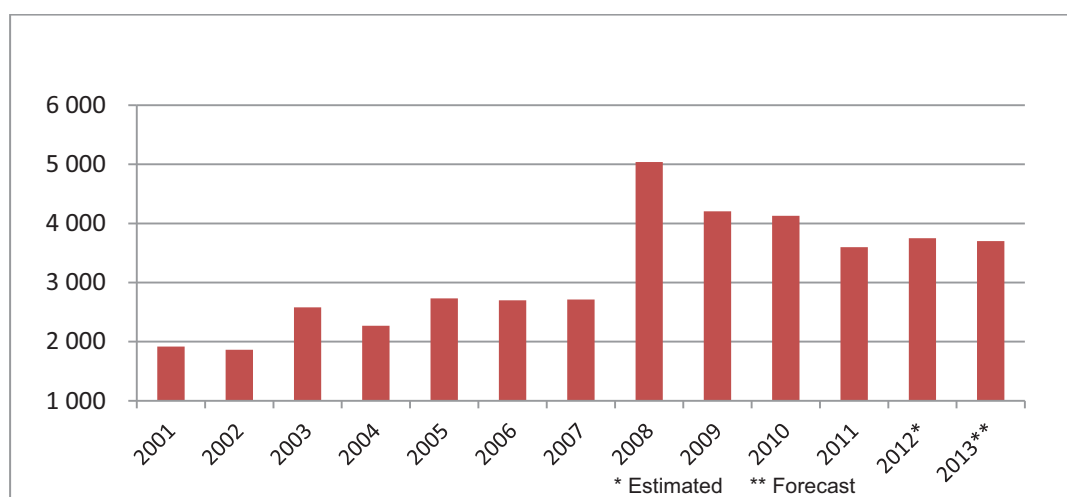
59. WFP's budget proposal includes US\$20 million in supplementary PSA investments to establish: i) a change-management package focusing on the implementation of the Framework for Action; and ii) a transition fund to provide flexibility in managing staff changes.
60. WFP anticipates security expenditures of US\$18.8 million. Where possible, individual projects will be charged for security expenditures that are directly related to operations. Up to US\$10 million from the interest income from the General Fund is proposed to cover amounts that cannot be charged to projects.

61. An additional US\$400,000 is sought from interest income from the General Fund in 2013 for completion and roll-out of the Treasury Management System enhancements.
62. Special accounts and trust funds account for US\$412.9 million of the budget proposal, of which US\$179.6 million is for special accounts and US\$233.3 million is for trust funds.

### 2013 Funding Assumptions and Resourcing Strategy

63. WFP is entirely funded by voluntary contributions: operations depend entirely on the level of contributions received. WFP is committed to transparency in resourcing, to increasing its advocacy for people in need and to working with a broader range of partners.
64. On the basis of an analysis of resourcing trends by donor, forecast income for 2013 is US\$3,700 million. This is similar to the 2012 figure.
65. The Secretariat proposes a continuation of the 7 percent ISC recovery rate.

**Figure II.2: Contributions from 2001 to 2013 (US\$ million)**



### Resourcing Highlights

66. Recovery from the global economic crisis is uncertain in view of risks such as high unemployment, debt and low growth in developed countries, and access to financing for developing countries. Food prices in 2011 and 2012 were volatile and almost reached the 2008 peak. With more and more people affected by food insecurity, WFP is working to increase the efficiency of its food assistance operations.
67. Some governments reviewed their official development assistance (ODA) programmes and relationships with partners early in 2011 to inform future commitments and funding engagements. In view of positive feedback from donors and WFP's expanded tools for addressing hunger, it is hoped that donors will maintain or increase their support in the coming years.
68. Innovative approaches such as twinning and debt swaps help to diversify WFP's donor base. Twinning offers host governments and emerging donors the opportunity to make in-kind contributions that enable WFP's established donors to leverage their cash contributions, thereby maximizing assistance to beneficiaries. Debt-swaps enable debtor and creditor countries to provide resources for WFP's beneficiaries, the former by investing repaid cash in operations in their own territories, the latter by returning repaid cash as a contribution to operations in the debtor country.

69. One of WFP's priorities is to secure flexible and predictable resources to improve planning and reduce risk. Multi-year contributions enable donors to plan their contributions over several years: this ensures that their priorities are aligned with those of WFP and increases the options for future budgets. To increase this type of funding, WFP is working with donors to establish more multi-year arrangements. Commitments for multi-year funding with a flexible funding component have been made by Australia, Belgium, Canada, Luxembourg, Norway and the United Kingdom. Donors who have committed to forms of multi-year funding from 2012 include Andorra, Cambodia, Ireland, Monaco, the Russian Federation, the United States of America and private donors.

### **The Way Forward**

70. The organizational realignment will improve WFP's ability to adapt and respond to changing needs in the coming years by allocating resources that will enable country offices and regional bureaux to implement the Strategic Plan more effectively.
71. Resources for the change management and organizational realignment will be allocated over the coming years. WFP will consult with the Board to ensure that resources are utilized in line with its Strategic Plan.



### SECTION III: PROJECTED OPERATIONAL REQUIREMENTS

72. Total projected operational requirements for 2013<sup>3</sup> are US\$4,969 million. WFP plans to reach 71 million beneficiaries through 150 projects in 76 countries using 4.1 million metric tons of food and US\$464 million in cash and vouchers (C&V).<sup>4</sup> Table III.1 breaks down the 2013 projected operational requirements by programme category.

<b>TABLE III.1: 2013 PROJECTED OPERATIONAL REQUIREMENTS BY PROGRAMME CATEGORY</b>			
<b>Programme category</b>	<b>Operational requirements (US\$ million)</b>	<b>%</b>	<b>Number of projects</b>
DEV/CP	839	17	68
EMOP	1 074	22	12
PRRO	2 800	56	51
SO	256	5	19
<b>TOTAL</b>	<b>4 969</b>	<b>100</b>	<b>150</b>

73. These projections include operational requirements and logical extensions of programme plans approved by the Board or by the Executive Director under authority delegated by General Rule VI.2. The projections, subjected to a rigorous review process, may change over the planning period.
74. The projected reduction in the number of beneficiaries compared with the 2012 Management Plan is a result of a combination of factors including the positive developments in food security situations, strengthened targeting and improved re-verification exercises, particularly in some of WFP's larger operations.
75. Operational costs in 2013 are influenced by WFP's increased focus on nutrition and resilience programmes, which require additional resources to meet the needs of beneficiaries and provide high-quality assistance, for example by ensuring that trained staff are available where needed, by enabling specialized monitoring, and by allowing the purchase and transport of high-value nutritional products and additional non-food supplies. WFP is enhancing its food assistance for beneficiaries through improved food baskets or longer ration periods.
76. The number of beneficiaries is measured in terms of people receiving food transfers or cash or voucher transfers. For activities such as capacity augmentation, resilience-building and creation of sustainable assets, WFP is developing a new output measurement tool to capture the scope of interventions and the related number of people benefitting.

### Distribution of Resources by Strategic Objective

77. WFP's Strategic Plan (2008–2013) provides a framework for enabling WFP to meet increasingly complex food security and nutrition challenges and to serve its food-insecure beneficiaries.

<sup>3</sup> Operational requirements exclude ISC. "Programme of work" includes operational requirements and ISC.

<sup>4</sup> These figures do not take into account any unforeseen needs.

78. WFP's 2013 operational planning includes various types of activities to address the full spectrum of food insecurity from immediate humanitarian assistance, through relief and recovery, to long-term capacity development. These activities address all five Strategic Objectives using the expanded food assistance toolkit. As the transition from food aid to food assistance continues in 2013, emphasis will be placed on C&V, combatting malnutrition, capacity development and augmentation, and resilience-building.
79. Cash and vouchers are central to the toolkit because they provide an efficient means to help food-insecure populations restore their livelihoods in situations where local markets are functioning. For 2013, the proportion of total projected operational requirements devoted to cash and vouchers is more than 80 percent higher than 2012 projections.
80. WFP's nutrition policy, approved in February 2012, affirmed the importance WFP places on the prevention and treatment of moderate acute malnutrition, particularly in children under 2 years of age and pregnant and lactating women (PLW), using the right nutritional products. WFP will increasingly procure nutritional products such as Supercereal Plus and lipid-based nutrient supplements for a variety of operations. Its nutrition activities are expected to reach 14 million beneficiaries in 2013, with a target of 20 million in 2014.
81. Operational planning for 2013 also emphasizes capacity development as a means to reduce hunger over the long term. Activities will aim to improve the institutions, infrastructure and processes necessary for governments to independently design and manage nationally owned food security programmes.
82. The growing recognition of the importance of resilience-building, particularly in communities that are vulnerable to recurrent crises, is reflected in the 40 percent increase over 2012 planning in requirements addressing Strategic Objective 2. Because building resilience helps ensure that communities are better able to withstand shocks, WFP aims to incorporate these activities into all relief and recovery operations.

<b>TABLE III.2: OPERATIONAL REQUIREMENTS AND MAIN ACTIVITIES BY STRATEGIC OBJECTIVE</b>				
<b>Strategic Objective</b>		<b>Total operational requirements (US\$ million)</b>	<b>% of total operational requirements</b>	<b>Main activities (% of requirements)</b>
Strategic Objective 1	Save lives and protect livelihoods in emergencies	2 703	54	General food distribution (81%)
				Supplementary feeding (6%)
Strategic Objective 2	Prevent acute hunger and invest in disaster preparedness and mitigation measures	570	12	Food for work/assets (75%)
				General food distribution (19%)
Strategic Objective 3	Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations	1 010	20	Food for work/assets (33%)
				School feeding (27%)
Strategic Objective 4	Reduce chronic hunger and undernutrition	590	12	School feeding (62%)
				Mother-and-child health and nutrition (12%)
Strategic Objective 5	Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase	96	2	Capacity augmentation (100%)

83. Strategic Objective 1 remains the main focus of WFP's work: activities under Strategic Objective 1 form the largest portion of projected operational requirements, at US\$2,703 million (54 percent). The main activity used to achieve the objective is general food distribution (GFD) in the form of food and, increasingly, C&V. Nutrition activities – particularly supplementary feeding and mother-and-child health activities – and capacity augmentation are also critical for achieving the objective.

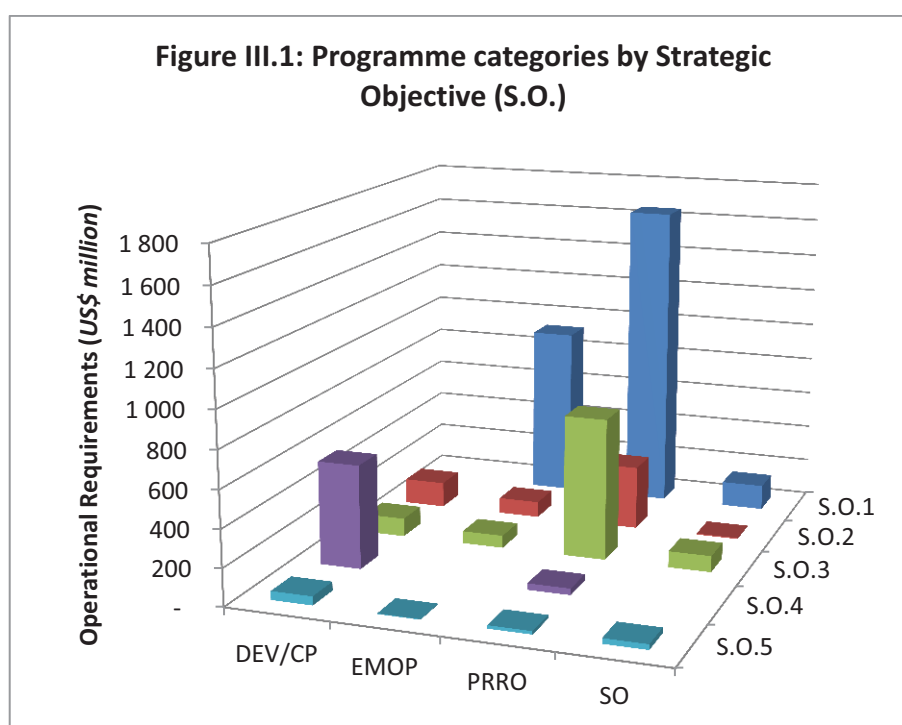
84. Under Strategic Objective 2, WFP aims to prevent acute hunger by helping communities and governments build the resilience needed to mitigate the impact of shocks and the capacity to respond effectively to shocks. Most Strategic Objective 2 activities involve food provided in conjunction with work, restoring or building assets or training<sup>5</sup> for the people and communities most vulnerable to food insecurity. GFD – particularly in Ethiopia and Yemen – and capacity development activities for government disaster response are also important activities under this objective.

85. The second-largest share of projected operational requirements – US\$1,010 million (20 percent) – is dedicated to Strategic Objective 3, employing a wide variety of activities to address often complex situations with context-specific interventions. The main activities are food for work/assets (FFW/FFA), school feeding, nutrition interventions and capacity augmentation.

86. School feeding is one of WFP's core activities and the main activity used in conjunction with Strategic Objective 4. Nutrition activities for women, children and people living with HIV make up one third of activities addressing the Strategic Objective.

<sup>5</sup> FFW activities provide food in exchange for work; FFA activities support work performed to build community assets; food for training (FFT) provides food to those who participate in training activities.

87. Strategic Objective 5 refers to using WFP's expertise and experience to help government structures at all levels to develop policies and augment operational capacity to reduce hunger. Capacity development activities make up 2 percent of projected total operational requirements.



88. Figure III.1 reveals how the appropriate tools are selected for operational needs. Given that EMOPs and PRROs are dedicated to relief and recovery, with special operations often designed to support them, the requirements for such operations are aligned mostly with Strategic Objective 1 and Strategic Objective 3, with some activities under Strategic Objective 2. Development projects usually address Strategic Objective 4, and occasionally Strategic Objectives 2 and 3; they are the main means used to achieve Strategic Objective 5.

### Operational Requirements by Cost Component

89. Total projected operational requirements of US\$4,969 million are budgeted using the new financial framework introduced in 2012, which separates food and non-food activities in projects. Table III.3 breaks down the requirements by cost component.

**TABLE III.3: 2013 OPERATIONAL REQUIREMENTS  
BY COST COMPONENT**

	US\$ million	%
Food and related direct operational costs (DOC)	3 544	71
Cash and vouchers and related DOC	464	10
Capacity development and augmentation	304	6
<b>Subtotal DOC</b>	<b>4 312</b>	<b>87</b>
Direct support costs (DSC)	657	13
<b>TOTAL OPERATIONAL REQUIREMENTS</b>	<b>4 969</b>	<b>100</b>

⇒ *Food and related direct operational costs*

90. Seventy-one percent of WFP projected operational requirements are for food and related DOC, which include external transport, landside transport, storage and handling (LTSH) and other direct operational costs (ODOC).
91. Total projected needs for food and related DOC come to US\$3,544 million, of which US\$2,150 million is for purchasing 4.1 million metric tons of food. The average unit cost is estimated at US\$531, a 3.5 percent increase over 2012 planning figures, owing mainly to increased market prices. Table III.4 shows the types of food and estimated costs in the WFP food basket for 2013.

**TABLE III.4: FOOD BASKET COMPOSITION – MANAGEMENT PLAN, 2012 AND 2013**

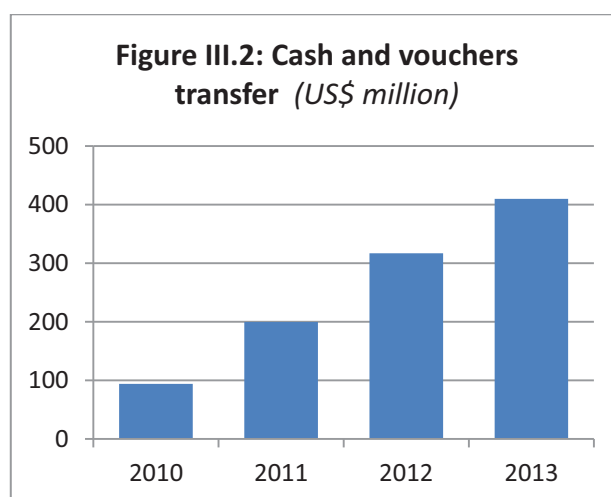
Food type	2012		2013		Food basket composition % difference 2012 vs. 2013 (mt)	% difference unit cost per mt
	Expected food basket composition (% mt)	Estimated unit cost per mt (US\$)	Projected food basket composition (% mt)	Projected unit cost per mt (US\$)		
Cereals	72.8	367	71.8	370	-1.0	0.8
Mixed and blended foods	10.8	936	11.7	981	0.9	4.8
Pulses	9.2	612	9.7	675	0.5	10.3
Oils and fats	5.2	1 352	4.8	1 407	-0.4	4.1
Other	2.0	909	2.0	879	0.0	-3.3

92. Table III.4 shows that the proportion of cereals in the planned 2013 food basket will decrease by 1.0 percent compared to 2012 planning figures, while the share of mixed and blended foods will increase by 0.9 percent. The share of pulses will increase by 0.5 percent, while oils and fats will decrease by 0.4. The share of other foods will remain at 2 percent.
93. This shift toward mixed and blended foods reflects WFP's emphasis on the use of nutritional products to ensure the right food is used in the right place at the right time. A 45 percent increase in the tonnage of corn-soya blend Supercereal Plus and the introduction of micronutrient powder (MNP) to 75 percent more countries than in 2012 are further evidence of WFP's worldwide nutrition scale-up.

94. The cost per unit of most food to be used in 2013 will increase, ranging from a 0.8 percent increase for cereals<sup>6</sup> to 10.3 percent for pulses. The reduction of 3.3 percent in the “other” category can be attributed in large part to a 50 percent decrease in the tonnage of dried milk products which is compensated by an increase in mixed and blended nutritional foods.
95. Seventy-five percent of food distributed by WFP continues to be procured while 25 percent is donated in kind. Procurement allows WFP greater flexibility and efficiency in meeting the food needs of beneficiaries.
96. External transport costs are estimated at US\$297 million for 2013. The 2013 rate for international shipping is US\$106 per metric ton, a 6 percent increase over 2012 planning. The rate has been affected by increasing fuel prices and surcharges, as well as higher shipping costs for containerized nutrition products as opposed to bulk shipments.
97. Requirements for LTSH are projected at US\$898 million, which is similar to the 2012 figure. However, the average cost of US\$221 per metric ton is 14 percent higher than the 2012 average, owing mainly to proportionally higher tonnages in countries where LTSH rates are higher than average, such as Niger, South Sudan and Yemen.
98. Food distribution ODOC account for US\$196 million of total projected requirements. DEVs have a 7 percent share of ODOC in relation to food and related DOC, compared to 4 percent for EMOPs and 5 percent for PRROs, because of higher ODOC for non-food items needed for FFW, FFA and school feeding activities.

⇒ *Cash and vouchers and related direct operational costs*

99. In 2013, C&V and related DOC make up 10 percent of projected total operational requirements, compared to 5 percent in 2012. At a cost of US\$464 million, cash and voucher activities increased 82 percent over 2012 planning.
100. Of the total US\$464 million, 88 percent represents the actual value of the cash or vouchers transferred to beneficiaries; the rest covers delivery costs and ODOC. As seen in Figure III.2, approved and projected requirements for cash and voucher transfers to beneficiaries have increased steadily since 2010.

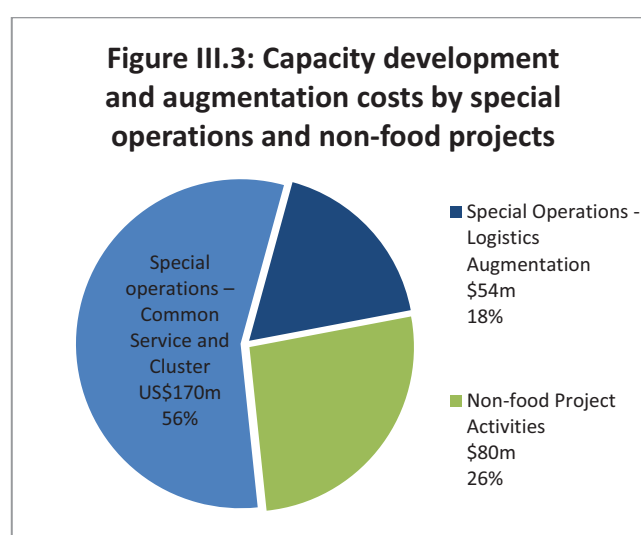


<sup>6</sup> Note: The unit cost per metric ton for cereals in the 2012–2014 Management Plan was reported incorrectly as US\$341.30. The correct figure is US\$367.

101. The countries with the largest cash and voucher portfolios are the Democratic Republic of the Congo (DRC), Kenya and Ethiopia. Cash and voucher activities will begin in eight countries in 2013, including Liberia, Madagascar and Yemen.
102. In 2012, the Cash for Change initiative focused on providing capacity development throughout WFP and field support to country offices, and modifying business processes in order to lay the foundations for future scaling up. The modified business processes and programming approaches associated with C&V will be fully integrated and consolidated in WFP at all levels between 2013 and 2015 and the use of cash-based transfers will be fully mainstreamed in WFP.

⇒ *Capacity development and augmentation*

103. Capacity development and augmentation tools establish, strengthen or supplement the institutions, infrastructures and processes necessary to manage food security programmes and support humanitarian activities. At an estimated cost of US\$304 million, these activities comprise 6 percent of total 2013 operational requirements.
104. In 2012, capacity development and augmentation activities were planned for 47 countries. In 2013, 63 countries will benefit – 83 percent of all countries in which WFP is planning operations.



105. Seventy-four percent of capacity development and augmentation costs are planned for SOs, which improve transport and logistics infrastructure and provide common services such as the United Nations Humanitarian Air Service (UNHAS) and support for the cluster mechanism. SOs are planned in 10 countries, with the largest portfolios in South Sudan, the Sudan and Somalia.
106. The remaining 26 percent of capacity development and augmentation costs is allocated to project activities in 131 DEVs, EMOPs and PRROs, including initiatives to develop national capacity in programme design, vulnerability analysis and mapping (VAM), needs assessment, disaster management, market development and food fortification.

⇒ *Direct support costs*

107. Direct support costs (DSC) are estimated at US\$657 million in 2013, or 13 percent of total operational requirements. Staff and staff-related costs account for 64 percent of all DSC requirements, while recurring and capital costs account for the rest; these figures are in line with 2012 planning figures.

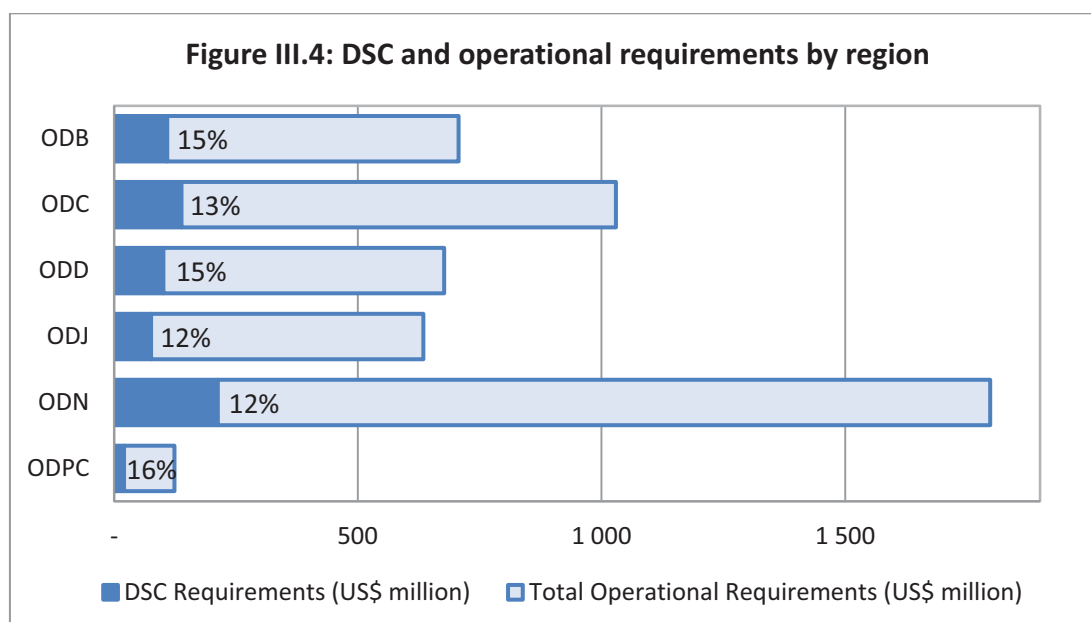


**TABLE III.5: DSC AS PERCENTAGE OF OPERATIONAL REQUIREMENTS BY YEAR**

2011 Actual	2012 Estimated	2013 Projected
14.6	13	13

108. Development projects have the highest proportion of DSC of total operational costs, at 15 percent. DSC requirements for EMOPs, PRROs and SOs are 13 percent.

109. Regional variations in the proportion of DSC are a result of numerous factors. The higher proportion for the Regional Bureau Bangkok (Asia) (ODB) – 15 percent – is because of high staffing and security costs in Afghanistan and Pakistan, while the lower proportion for the Regional Bureau Nairobi (East and Central Africa) (ODN) – 12 percent – is because of the economies of scale and the more stable staffing needs associated with a larger programme of work.

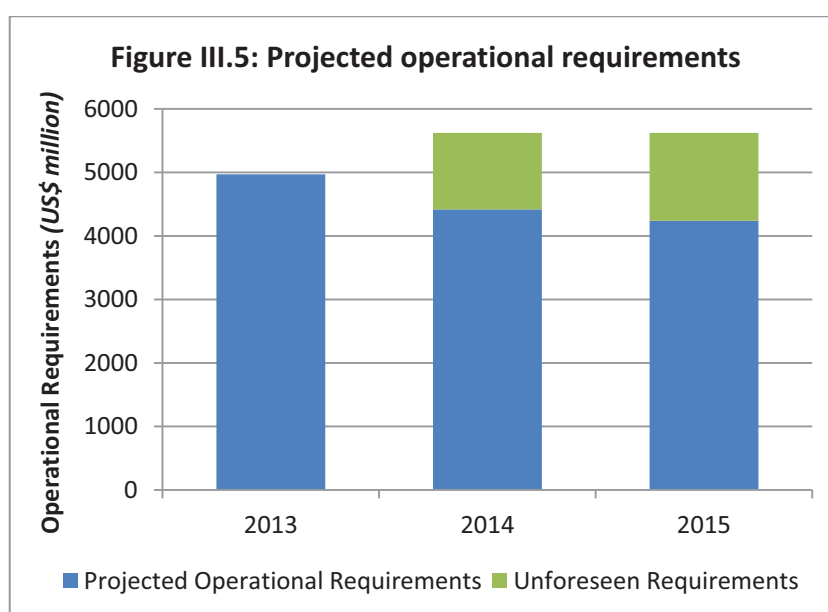


ODB	Regional Bureau Bangkok (Asia)
ODC	Regional Bureau Cairo (Middle East, North Africa, Eastern Europe and Central Asia)
ODD	Regional Bureau Dakar (West Africa)
ODJ	Regional Bureau Johannesburg (Southern Africa)
ODN	Regional Bureau Nairobi (East and Central Africa)
ODPC	Regional Bureau Panama City (Latin America and the Caribbean)



## 2014–2015 Outlook for Operational Requirements

110. For planning purposes, both low and high projections of the 2014 and 2015 operational requirements are presented. The low projections reflect the best estimate of the expected operational requirements in 2014 and 2015. The high projections are based on historical trends since 2004<sup>7</sup> and are estimated at 27 percent over the lower projection for 2014 and 32 percent over the lower projection for 2015.
111. For 2014 the low projection of total operational requirements is US\$4,440 million and the high projection is US\$5,620 million. The low projection foresees WFP assisting 62 million beneficiaries with 3.6 million metric tons of food.
112. For 2015 the low projection of total operational requirements is US\$4,240 million and the high projection is US\$5,620 million. The low projection foresees WFP assisting 56 million beneficiaries with 3.4 million metric tons of food.



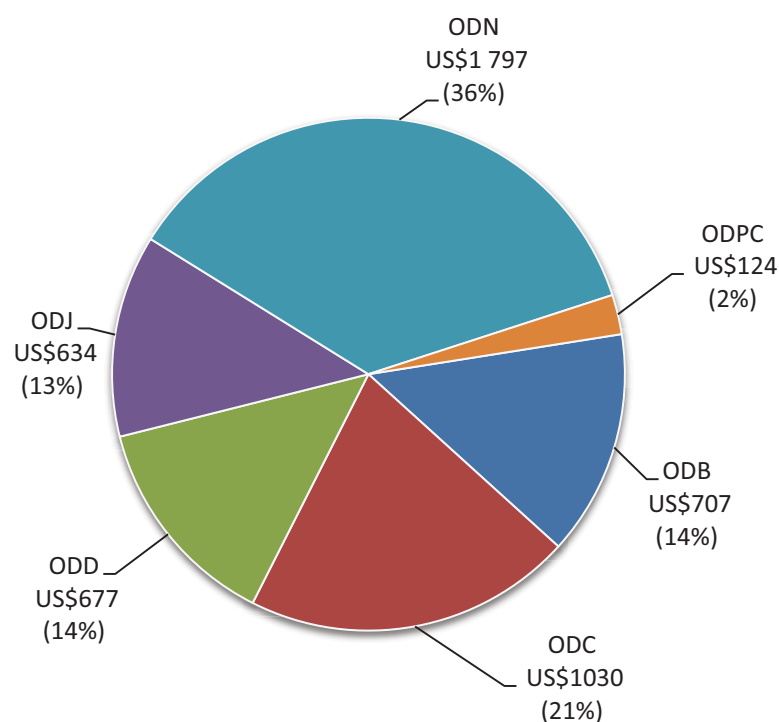
<sup>7</sup> See Annex V.

## REGIONAL OVERVIEWS

113. This section outlines the contexts of hunger, and the main objectives, challenges and operational requirements in WFP's six regions. Requirements by region are shown in Figure III.6.

114. Following recommendations emanating from the Organizational Design and Realignment initiative, the portfolios of ODJ and ODN were reviewed. This resulted in approval to recategorize the country offices of the Congo, DRC and the United Republic of Tanzania under ODJ beginning in 2013. This reconfiguration better balances the projected operational requirements in the regions and better reflects opportunities for alignment with regional economic communities.

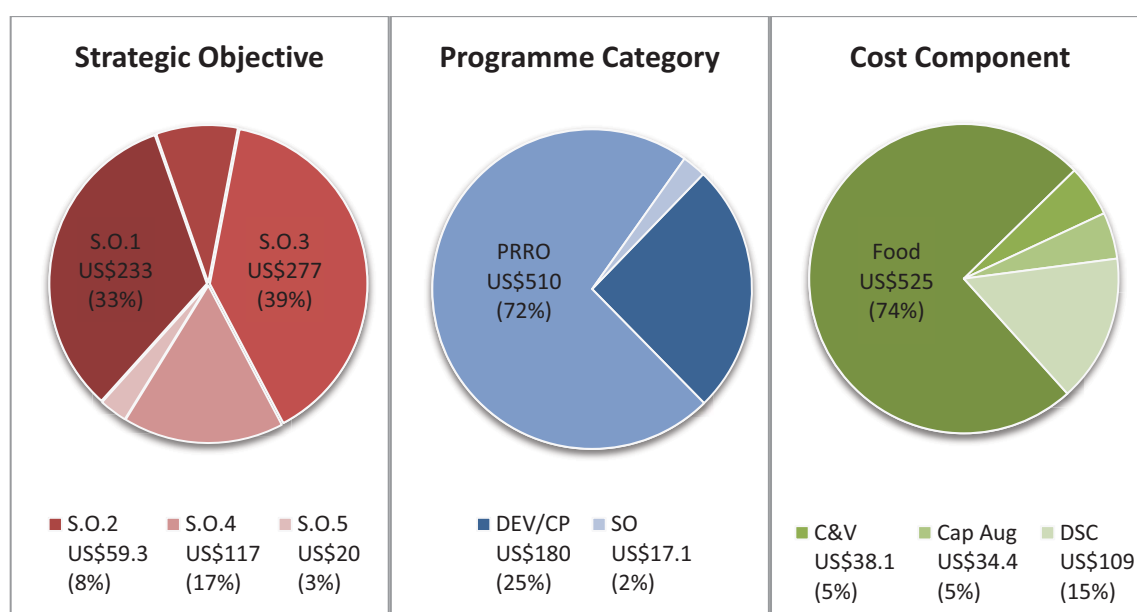
**Figure III.6: Operational requirements by region (US\$ million)**



## The Asia Regional Bureau (ODB)

TABLE III.6: ODB REGIONAL OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$707 million
Number of beneficiaries	14.4 million
Total volume of food	0.7 million mt
Number of operations	22 (11 DEVs, 9 PRROs, 2 SOs)
Countries with planned operations	14: Afghanistan, Bangladesh, Bhutan, Cambodia, the Democratic People's Republic of Korea, India, Indonesia, the Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka, Timor-Leste

Figure III.7: ODB operational requirements (US\$ million)



115. The Asia region faces complex economic, political, social and environmental challenges, exacerbated by natural disasters and climate change, poverty, food insecurity and alarming nutrition indicators. ODB's requirements over the next three years reflect strategic investments, building on long-term food security approaches and an expected reduction in emergency requirements. Operations in Afghanistan, India and Pakistan will be consolidated and streamlined, while overall requirements in the Lao People's Democratic Republic and Myanmar will increase.
116. In 2013 ODB will increase its focus on longer-term food security objectives, with almost half of its operations for 2013–2015 taking the form of CPs or DEVs. However, 72 percent of the value of the region's projected operational requirements will be in PRROs, reflecting the complexity of the contexts in which WFP works. Seventy-five percent of beneficiaries will be living in low-income nations.
117. Strategic Objectives 1 and 3 form the core of ODB's work, accounting for more than 70 percent of its portfolio. Under Strategic Objective 1, WFP will address the acute food and nutrition security needs of the most vulnerable people in Afghanistan, Myanmar, Pakistan and the Philippines and refugees in Bangladesh and Nepal, balancing needs

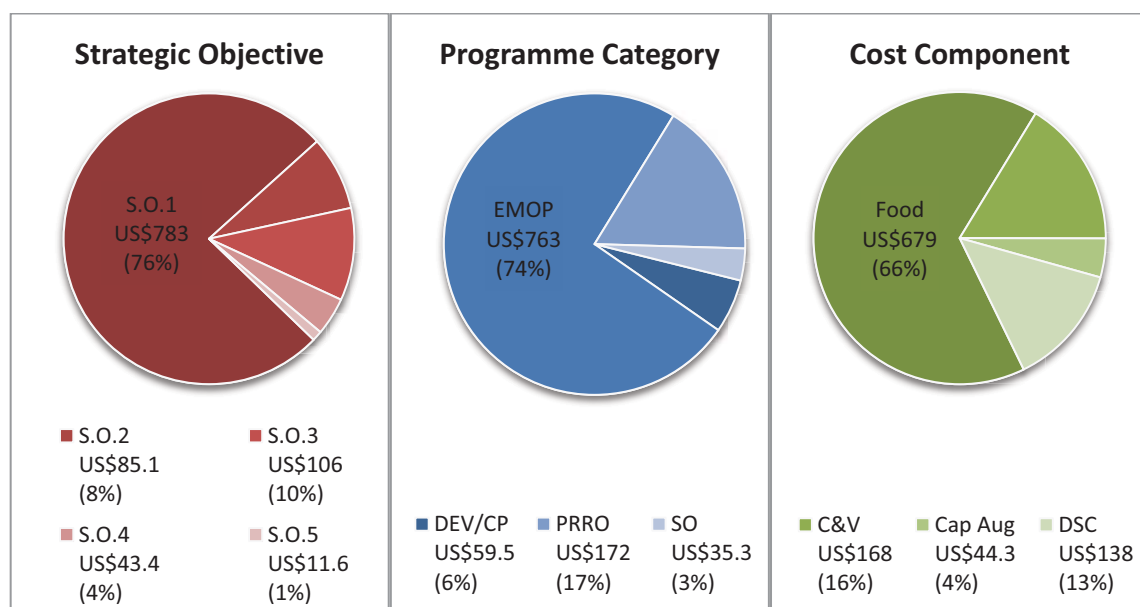
against constraints where necessary. Activities under Strategic Objective 3 account for almost 40 percent of ODB's programmes as countries emerge from years of conflict or disasters or enter transition. Internally displaced persons (IDPs) in Afghanistan and Pakistan and vulnerable populations in Myanmar, the Philippines and Sri Lanka will be targeted through livelihood support, school feeding and/or nutrition programmes. WFP's interventions in the Democratic Republic of Korea and Timor-Leste focus on addressing the impact of undernutrition.

118. As a third of all malnourished children under 5 years of age live in Asia, WFP is scaling up mother-and-child nutrition programmes across the region. Under Strategic Objective 4, there will be significant increases in programming targeting the 1,000 days from conception to age 2 in Cambodia, Indonesia, Lao People's Democratic Republic and Myanmar. School feeding programmes provide opportunities for improving nutrition outcomes in Bangladesh, Bhutan, Lao People's Democratic Republic and Nepal. WFP will continue to work with partners to develop innovative nutritious foods, with a long-term aim to utilize the products in government safety net programmes, and eventually to allow them to be sold commercially at accessible prices.
119. Given the growing recognition of the importance of resilience, WFP will build community resilience to shocks through asset creation under Strategic Objective 2. Vouchers, cash and food-based safety nets will be employed in countries including Bangladesh, Cambodia, Indonesia and Nepal, and WFP will work with communities and partners to identify ways of building resilience. Cash transfers or vouchers will be used increasingly for asset creation and the promotion of sustainable livelihoods. Beginning in 2013, WFP will significantly increase the cash component of activities in Bangladesh, the Lao People's Democratic Republic and Myanmar.
120. In parallel, under Strategic Objective 5, WFP will continue working with governments to develop and enhance hunger solutions, particularly in social safety net programmes. For example, building on its success in Odisha State in India, WFP is providing technical and policy-oriented support to the Indian Government to enhance targeting – creating efficiencies and cost-savings – through the use of biometric technology in the Targeted Public Distribution System. Programmes in all but one country will feature capacity development. Given that most of the world's natural disasters occur in Asia, WFP will work with governments in the region to enhance their emergency preparedness and response (EPR) capacity.
121. The regional bureau will increase its commitment to demonstrating the results and effectiveness of WFP programmes. Monitoring and evaluation (M&E) will be enhanced to show impact and build evidence for further interventions.
122. The regional bureau will work more with strategic regional and national actors to achieve WFP's objectives, including continuing its collaboration at regional and country levels with the Office for the Coordination of Humanitarian Affairs (OCHA), its regular dialogue with the Food and Agriculture Organization of the United Nations (FAO) and its nutrition advocacy in partnership with the United Nations Children's Fund (UNICEF).

## The Middle East, North Africa, Eastern Europe and Central Asia Regional Bureau (ODC)

TABLE III.7: ODC REGIONAL OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$1,030 million
Number of beneficiaries	12.9 million
Total volume of food	0.8 million mt
Number of operations	27 (11 DEVs, 5 EMOPs, 9 PRROs, 2 SOs)
Countries with planned operations	16: Algeria, Armenia, Egypt, Iran (Islamic Republic of), Iraq, Jordan, Kyrgyzstan, Lebanon, Morocco, Occupied Palestinian Territory, the Sudan, the Syrian Arab Republic, Tajikistan, Tunisia, Turkey, Yemen

**Figure III.8: ODC operational requirements (US\$ million)**



123. The ODC region comprises mainly middle-income countries facing widespread food insecurity. It depends heavily on food imports: the Middle East and North Africa region imports up to 50 percent of its cereal needs. The region faces increasing political, social and economic instability, with high food and fuel prices and growing economic imbalances, often compounded by conflict, leading to widespread displacement and security challenges. WFP will work with host governments and national partners to develop capacity and ensure sustainability and ownership of interventions.
124. The regional bureau will pursue a twin-track approach, continuing to address short-term food security challenges through relief and recovery operations, while developing national capacities to ensure long-term sustainable impact.
125. Strategic Objective 1 is the main focus of ODC operations owing to a large increase in EMOPs in response to the Syrian crisis and challenges in Yemen. GFD in the form of food, C&V is the primary tool implemented, complemented by school feeding and supplementary feeding activities to address nutritional needs in complex situations. With more beneficiaries being supported through EMOPs, a regional priority is to enhance

emergency and disaster preparedness and response through capacity development and augmentation activities.

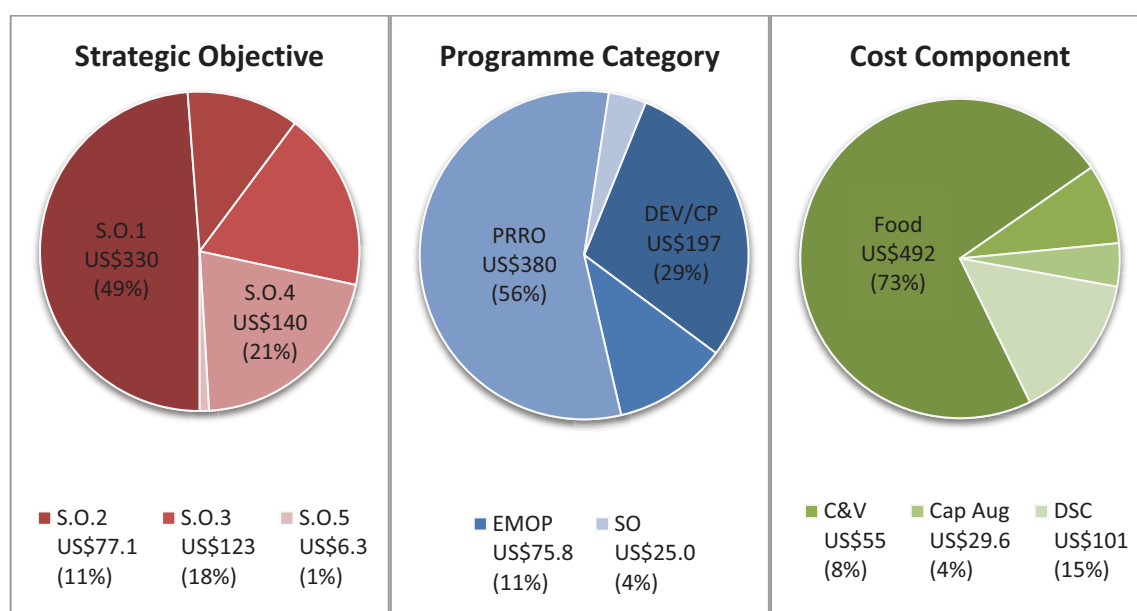
126. In line with Strategic Objective 2, ODC will deliver GFD and incorporate FFW and FFA activities into EMOPs. ODC activities include supporting food subsidy systems, enhancing supply chain management, and embedding climate change-related indicators in food security monitoring systems to contribute to climate change adaptation.
127. Activities addressing Strategic Objective 3 account for the second-largest share of the ODC portfolio. ODC will implement school feeding, FFW, FFA and GFD in communities affected by shocks to assist in re-establishing livelihoods and to address nutrition and food insecurity.
128. School feeding accounts for more than three-quarters of ODC's activities under Strategic Objective 4. School feeding programmes will support 1.5 million beneficiaries, and ODC will introduce school feeding projects in Jordan, Kyrgyzstan, Morocco and Tunisia. In addition, 1 million schoolchildren will be reached through food for education in the Sudan.
129. Under Strategic Objective 5 capacity development activities will be implemented in partnership with host governments, national partners and civil societies. In 2013, WFP will undertake new school feeding initiatives with the governments of Kyrgyzstan, Morocco and Tunisia and through a new DEV with a substantial capacity development component.
130. Addressing multiple Strategic Objectives, ODC will support Syrian refugees in Iraq, Jordan, Lebanon and Turkey; continue to assist refugees in Algeria, the Islamic Republic of Iran, the Occupied Palestinian Territory and Yemen; and address the needs of vulnerable and displaced people in Georgia, Kyrgyzstan and other post-conflict countries.
131. Throughout the ODC region WFP is placing greater emphasis on cash and voucher interventions. Cash and voucher activities are in place in Iraq, Jordan, the Occupied Palestinian Territory, the Syrian Arab Republic and Tunisia, and will be expanded to Lebanon and Turkey as part of the emergency response to the Syrian crisis. The current voucher programme in the Sudan will continue through 2015, with a forecasted increase of 10 percent in value and number of beneficiaries reached; a new cash and voucher programme will be launched in Yemen.
132. The largest foreseen increase in the value of operations in ODC in 2013–2015 is in Yemen, because of the alarming food security situation. Given the elevated rates of malnutrition, operations in Yemen will command the largest proportion of nutritional products in 2013.
133. The Sudan operation is the largest WFP intervention in the region, providing food assistance to people affected by conflict and multiple shocks in Darfur and the Central, East and Three Areas on the border with South Sudan. As part of its long-term objective of building resilience, the country office will continue to graduate beneficiaries in Darfur from GFD to FFW/FFT activities. The loss of oil revenues following the separation of South Sudan led to rapid economic decline in the Sudan and a considerable increase in operational costs for WFP.
134. Security challenges are especially relevant, particularly in the Syrian Arab Republic, Yemen and the Sudan, where difficult access to some regions significantly hinders WFP's operational capacity. WFP is the only United Nations agency in the Sudan with access to South Kordofan, where WFP expects to provide up to 170,000 conflict-affected people with food assistance.

135. In 2013–2015, ODC will prioritize partnerships with inter-governmental and humanitarian organizations, technical and academic institutions, and the private sector, and will invest in developing the capacity of governments and national partners. Through the cluster system, WFP coordinates with other agencies and cooperating partners on the ground to enhance assistance and avoid duplication. ODC works with other United Nations agencies to draft country-specific United Nations Development Assistance Frameworks (UNDAFs), along with the Regional United Nations Development Group (UNDG) Response Strategy and Framework for Action in the context of the dynamics of transformational change.

### The West Africa Regional Bureau (ODD)

TABLE III.8: ODD REGIONAL OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$677 million
Number of beneficiaries	10.5 million
Total volume of food	0.5 million mt
Number of operations	35 (20 DEVs, 3 EMOPs, 10 PRROs, 2 SOs)
Countries with planned operations	19: Benin, Burkina Faso, Cameroon, Cape Verde, Central African Republic, Chad, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Sao Tome and Principe, Senegal, Sierra Leone, Togo

Figure III.9: ODD operational requirements (US\$ million)



136. The West Africa region has high food insecurity and malnutrition rates in a context of chronic poverty, often compounded by political instability, food price volatility and recurrent droughts and floods. The region is still coping with the effects of several conflicts: the Côte d'Ivoire conflict triggered complex humanitarian needs for refugees, IDPs and vulnerable host communities, while the conflict in northern Mali will likely result in continuing widespread instability and displacement in the area. In this context, a



significant challenge is balancing acute needs with long-term development goals. To do so, ODC mainstreams resilience-building and capacity development into all activities.

137. In a region prone to crises, most operational requirements are committed to saving lives in humanitarian emergencies under Strategic Objective 1. Unforeseen EMOPs tend to make up a large portion of ODD's project portfolio: only 2 EMOPs were planned for 2012, but 15 are underway. ODD's main commitment for 2013 is to mitigate the impact of recent shocks on the most vulnerable. Along with saving lives, it prioritizes preserving assets by promoting community-level resilience and setting up safety nets to protect nutritional status and educational structures.
138. The regional bureau addresses Strategic Objective 2 by strengthening EPR through disaster risk reduction activities and the creation of a network of early warning systems, in partnership with other United Nations agencies, regional organizations and national government entities. Learning from past responses to floods and droughts, ODD is also working with partners to establish coordinated resilience-building activities, the importance of which is reflected in the high proportion – 21 percent – of FFW/cash for work (CFW) and FFA/cash for assets (CFA) in 2013–2015 DOC.
139. Tackling chronic hunger and undernutrition is a priority for WFP in West Africa: Strategic Objective 4 activities account for the second-largest proportion of operational requirements – 21 percent – and are mainly school feeding programmes, which integrate nutrition education to break the cycle of poverty and malnutrition. In 2013, more countries will invest in nutrition, focusing on the 1,000 days from conception to age 2. Programmes to prevent and treat moderate acute malnutrition in children and PLW will be complemented with pilot programmes to prevent chronic malnutrition. Lessons learned from the pilots will inform WFP's work with governments to integrate malnutrition prevention in national policy and build technical capacity. Programme interventions will be reinforced through partnerships with REACH, the Scaling Up Nutrition (SUN) initiative and others.
140. As a long-term solution for hunger, ODD will work with partners to develop ways to fortify food locally. ODD also plans to procure more food regionally, especially from Benin, Burkina Faso, Nigeria and Togo. ODD creates assets that boost smallholder agricultural productivity and supports country-led Comprehensive Africa Agriculture Development Programme (CAADP) processes, and it provides poor farmers who have the required skills with a market through the Purchase for Progress (P4P) initiative.
141. Under Strategic Objective 5, ODD is committed to strengthening the capacity of governments and regional counterparts in the design and management of programmes for reducing hunger. Capacity development activities focus on the transition to national ownership of school feeding projects, and initiatives in disaster risk reduction, emergency preparedness and vulnerability analysis. These cross-cutting activities support the achievement of all Strategic Objectives.
142. The regional bureau is planning a significant scale-up of cash and voucher transfers, with major expansions of cash and voucher programming in countries where it has proved efficient and effective. Plans are for a cash transfer pilot in every country in the region by 2014 and for cash and voucher transfers to be mainstreamed in all activities where feasible.
143. The regional bureau will expand its interaction with the United Nations Office for West Africa, the Economic Community of West African States, the Monetary Union of West African States and the Permanent Inter-State Committee for Drought Control in the Sahel, to promote WFP's mission and improve assistance to beneficiaries. It will enhance partnerships with FAO, the Office of the United Nations High Commissioner for Refugees

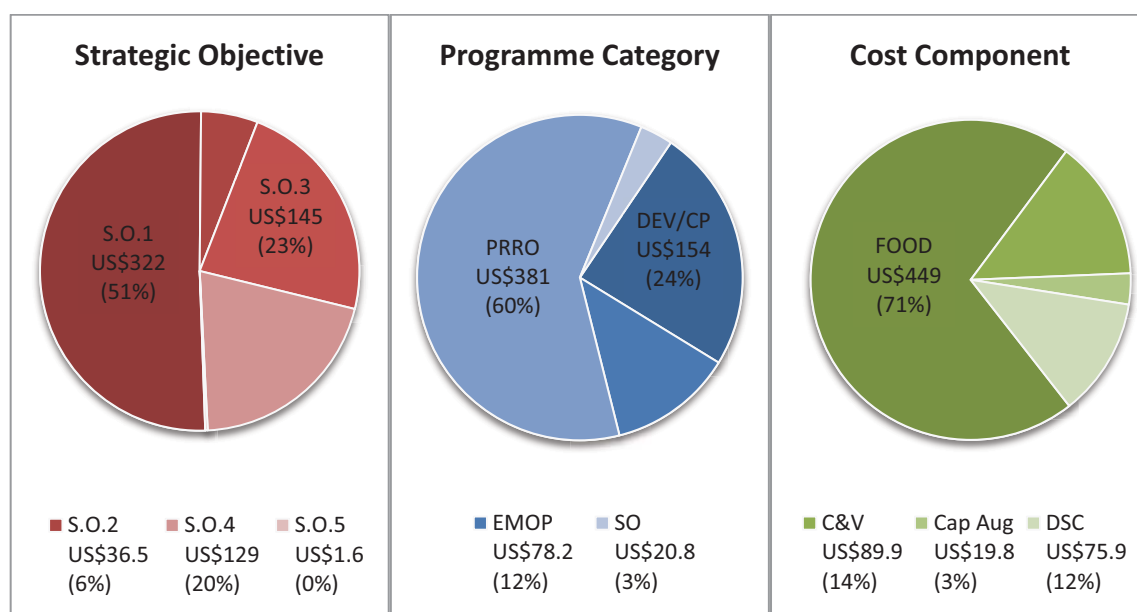


(UNHCR) and UNICEF in the areas of resilience-building, local production, disaster risk reduction, nutrition, school feeding and crisis response; and will consolidate relations with World Vision, Plan International and other international non-governmental organizations (NGOs).

### The Southern Africa Regional Bureau (ODJ)

TABLE III.9: ODJ REGIONAL OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$634 million
Number of beneficiaries	13.0 million
Total volume of food	0.5 million mt
Number of operations	23 (10 DEVs, 3 EMOPs, 8 PRROs, 2 SOs)
Countries with planned operations	10: the Congo, DRC, Lesotho, Madagascar, Malawi, Mozambique, Swaziland, the United Republic of Tanzania, Zambia and Zimbabwe

Figure III.10: ODJ operational requirements (US\$ million)



144. With five of ten countries in the ODJ region exhibiting stunting rates above 40 percent and several countries with among the highest HIV prevalence rates in the world, southern Africa faces a silent emergency characterized by a high prevalence of child undernutrition, an HIV epidemic, and high vulnerability to food and nutrition insecurity, compounded by climatic and market shocks. ODJ will focus on EPR, disaster risk reduction, nutrition, HIV and AIDS, school meals, market access and food procurement.
145. In the past five years, climatic shocks have affected at least 14 million people in the region. To save lives and protect livelihoods in emergencies, under Strategic Objective 1 WFP plans to manage and reduce the impact of disasters through VAM, scenario planning and logistical expertise, working with the Southern African Development Committee (SADC), revitalized regional and national vulnerability assessment committees and the new Africa Risk Capacity project. ODJ will also work towards Strategic Objective 2 by initiating or improving disaster risk profiling in countries with recurrent emergencies,

working with FAO on a joint disaster risk reduction roadmap being piloted in Mozambique, Zambia and Zimbabwe. WFP is on standby for preparedness and emergency response in non-operational countries in the region in collaboration with OCHA. Through FFW/FFA projects, ODJ will help communities and governments build the resilience needed to mitigate the impact of shocks and to respond effectively.

146. Under Strategic Objective 3, lives and livelihoods will be restored and rebuilt in post-conflict, post-disaster or transition situations through activities such as school feeding, supplementary feeding and nutrition programmes for women, children and people living with HIV. CFA/FFA activities such as dike and road building will help develop community resilience and create assets.
147. In pursuit of Strategic Objective 4, WFP will strive to reduce chronic hunger and undernutrition, a major obstacle to the health and well-being of millions of individuals. Guided by the 2012 nutrition policy, and in line with the SUN framework and the Children's Investment Fund Foundation (CIFF), child undernutrition will be addressed by targeting the 1,000 days from conception to age 2 and PLW. Alignment with the REACH initiative, a regional Memorandum of Understanding (MOU) with UNICEF, and an MOU with SADC will help with coordination and implementation of nutrition activities. WFP will continue working with NGOs and public-private partnerships such as the Global Alliance for Improved Nutrition (GAIN) on commercial fortification of foods, and on the use of MNPs for home fortification. WFP will also provide technical and financial support for local industry aimed at enhancing opportunities for local production of ready-to-use foods and lipid-based nutrient supplements as in Malawi and Mozambique.
148. School meals programmes will target primary school-age children, especially orphans and other vulnerable children (OVC). P4P-like activities will be linked to school meals and Home-Grown School Feeding Programmes where possible, to increase incomes of smallholder farmers. Work will continue with UNICEF, FAO and the World Health Organization (WHO) to provide the Essential Package to schoolchildren, and with the Centre of Excellence in Brazil to increase national ownership and improve local management of school meals programmes. WFP will shift to providing advice and capacity development where governments are moving to national ownership, following recent successes in Botswana and Namibia.
149. Given the extraordinarily high prevalence of HIV and tuberculosis (TB), and high levels of undernutrition, WFP will accelerate building of best practices for HIV, AIDS and nutrition in the region, enhancing HIV-sensitive government safety nets as part of social protection systems. Food and nutrition will be integrated into health and social services through, for example, the use of food by prescription.
150. While food price volatility, political conflict and the global financial crisis remain concerns, increasing economic stability in the region presents an opportunity to pursue longer-term food and nutrition security solutions under Strategic Objective 5. ODJ will assist government structures and regional institutions at all levels in developing policies and augmenting operational capacity to reduce hunger. Capacity development and augmentation activities cut across all projects, demonstrating that national capacity and ownership are integral to all activities.
151. A sharp increase in cash and voucher transfers is planned for 2013, with increased use in DRC, Mozambique and Zimbabwe and likely introduction in Lesotho, Madagascar and Malawi.

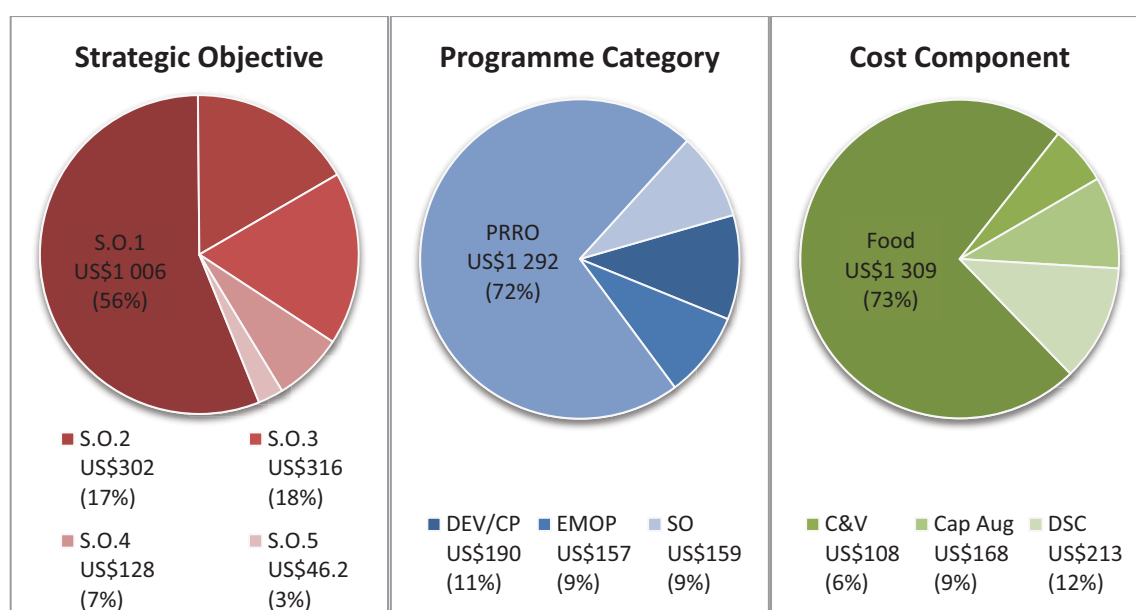
152. Procurement in ODJ will rely on local and regional purchase as much as possible. P4P and P4P-like initiatives will target women farmers in particular. The Forward Purchase Facility will enable WFP to optimize when and how it purchases food in the region, buying from Malawi, the United Republic of Tanzania and Zambia as appropriate. Partnerships in endeavours such as P4P and Home-Grown School Feeding include FAO, the International Fund for Agricultural Development (IFAD) and the Alliance for a Green Revolution in Africa as well as the private sector.

153. Work with intergovernmental organizations including the Common Market for Eastern and Southern Africa and the Alliance for Commodity Trade in Eastern and Southern Africa will help create an enabling policy environment and expand market facilities and services to promote regional trade and enhance food and nutrition security. Similarly, WFP will continue to help develop CAADP compacts and agriculture and food security investment plans in partnership with United Nations partners, governments, non-state actors, SADC and the African Union, including the New Partnership for Africa's Development. Other important partners working on food security and overlapping objectives include the Regional Inter-Agency Coordination Support Office and the Regional UNDG.

### The East and Central Africa Regional Bureau (ODN)

TABLE III.10: ODN REGIONAL OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$1,797 million
Number of beneficiaries	17.1 million
Total volume of food	1.5 million mt
Number of operations	28 (6 DEVs, 1 EMOP, 10 PRROs, 11 SOs)
Countries with planned operations	8: Burundi, Djibouti, Ethiopia, Kenya, Rwanda, Somalia, South Sudan, Uganda

Figure III.11: ODN operational requirements (US\$ million)



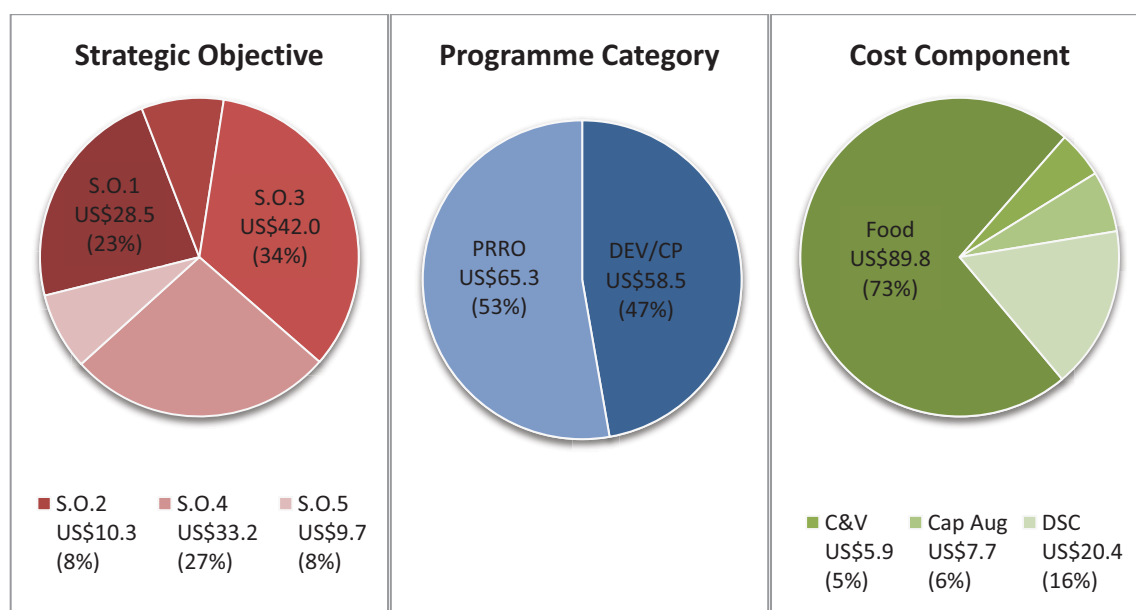
154. A mix of economic, environmental, social and political challenges makes poverty and hunger a persistent problem across East and Central Africa. Vulnerability to recurrent drought, conflict and other shocks, along with massive displacements, are major issues shaping WFP operations in the region. Addressing food insecurity and hunger in the region requires building resilience to food security crises, strengthening food markets, reducing undernutrition and enhancing emergency response.
155. Some of WFP's most complex operations are in ODN – four of the ten countries with the largest volume of work in 2013 are located in the region and the largest proportion of total projected operational requirements for 2013 is foreseen in ODN. Operational priorities will continue to be emergency response in support of country-led efforts under Strategic Objective 1, to ensure that life-saving food assistance reaches those in need.
156. At 17 percent of total operational costs, ODN has the largest proportion of requirements under Strategic Objective 2 of all WFP regions. ODN will emphasize supporting and building community resilience to shocks through safety nets, asset-creation, and flexible and innovative cash and voucher programmes. Particular attention will also be paid to cluster leadership and coordination, and support to countries in early warning systems, preparedness planning, and disaster risk reduction and management. ODN is prioritizing regional supply chain management to minimize pipeline breaks and ensure that WFP can respond quickly and effectively when needs arise.
157. The prevalence of post-conflict, post-disaster and transition situations makes addressing the special needs of long-term refugee and displaced populations particularly important. ODN will give priority to assistance in establishing or rebuilding the food supply or delivery capacities of countries and communities affected by shocks, and helping to avoid the resumption of conflict. These efforts, under Strategic Objective 3, will be linked to broader initiatives and partnerships under Strategic Objective 5.
158. Reducing child and adult undernutrition is another regional priority. In support of Strategic Objective 4, WFP will work with governments and other partners to respond to acute malnutrition and high rates of chronic undernutrition. In particular, it will draw on commitments made in the African Union Nutrition Strategy and build on interest in REACH, the SUN initiative and the 1,000 Days partnership, to prioritize the reduction of child and adult undernutrition through targeted food and nutrition assistance programming. In line with the corporate nutrition protocol, the importance of nutritional products will be emphasized; the supply of these products has been greatly improved by the Forward Purchase Facility.
159. Efforts in support of Strategic Objective 5 will be particularly important in helping governments address food insecurity and hunger challenges more effectively. ODN will work with FAO, the World Bank, regional organizations and others to strengthen food markets through support for local and regional food purchases, development of market infrastructure, and collaboration with government institutions to link farmers to markets. ODN will prioritize capacity development in emergency response, resilience-building, nutrition responses and other areas where WFP has skills or expertise that can be transferred to governments and/or local partners in the region.
160. All WFP operations in the region will be underpinned by thorough context analysis, with particular attention paid to the gender dimensions affecting household and community food security, and the protection needs of the most vulnerable.
161. In the 2013–2015 period, several countries in the region will scale up the use of cash or vouchers; they will be used where expected benefits include cost efficiency, stronger local markets and diversification of beneficiaries' food basket.

162. Enhanced and innovative partnerships with FAO, UNICEF, UNHCR, OCHA, the United Nations Development Programme (UNDP) and the World Bank, along with NGOs, the private sector and research institutions, are central to success in the region. WFP also engages with intergovernmental organizations such as the African Union, the East African Community, the Intergovernmental Authority on Development and the Common Market for Eastern and Southern Africa to promote food security. Working with FAO, Oxfam, UNDP, OCHA and others, WFP is leading the operationalization of the Horn of Africa Plan of Action at the country and regional levels to end drought emergencies.

### The Latin America and Caribbean Regional Bureau (ODPC)

TABLE III.11: ODPC REGIONAL OPERATIONAL REQUIREMENTS	
Total operational requirements	US\$124 million
Number of beneficiaries	2.8 million
Total volume of food	0.09 million mt
Number of operations	15 (10 DEVs, 5 PRROs)
Countries with planned operations	9: Bolivia (Plurinational State of), Colombia, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua

Figure III.12: ODPC operational requirements (US\$ million)



163. In the Latin America and Caribbean region, WFP has small and medium-sized country offices located in middle-income countries. All face chronic undernutrition and widespread micronutrient deficiencies, owing mainly to lack of access to food, inadequate use and consumption of food, and pervasive inequity, which particularly affects rural areas with indigenous populations. The region is vulnerable to recurrent natural disasters. Emerging issues include the impact of climate change, particularly in the Andean Region, and increasing levels of hunger and vulnerability in urban areas.



164. The 2013 budget represents a reduction compared with 2012 planning, owing mainly to scaling down of post-earthquake emergency assistance in Haiti. A unique feature of ODPC is its large number of trust funds; ODPC is forecast to receive US\$68 million in country-specific trust funds for 2013.
165. Engagement with governments, policy advice and capacity development are central to ODPC's plan of work. While governments in the region invest increasingly in social programmes, WFP assists them in achieving dividends in food and nutrition security through approaches that integrate nutrition, social protection, smallholder production, disaster cycle management and climate change adaptation to create a holistic approach to address vulnerability, especially in indigenous communities.
166. Of all regions ODPC has the highest proportion of operational costs under both Strategic Objective 4 (37 percent) and Strategic Objective 5 (8 percent). Priorities in these areas include enhancing government capacity to implement hunger solutions through advocacy, facilitation of partnerships and South-South cooperation, technical assistance and information management. Activities focus on developing government-led approaches that integrate investment in nutrition, social protection and local production with a view to ensuring a comprehensive response to undernutrition. These activities are linked with disaster cycle management and building of resilience in areas where frequent natural disasters impede progress towards food and nutrition security, and help to achieve Strategic Objectives 1, 2 and 3.
167. In line with Strategic Objective 5, ODPC is implementing a regional capacity development project to improve the quality and sustainability of national school feeding programmes; it is finalizing another project to enhance the nutrition dimensions of social protection programmes in support of Strategic Objectives 4 and 5. This project will support improved targeting of children aged 6–23 months and PLW, and effective use of MNPs and ready-to-use supplementary food to prevent stunting. The project will promote links to local production where feasible.
168. Supporting local capacities to stimulate smallholder agricultural production and promote market development is a regional priority. In line with corporate priorities under Strategic Objective 5, WFP is implementing the five-year P4P pilot initiative in Central America, linking WFP demand for staple foods with the expertise of partners that support smallholder farmers in producing food surpluses and selling them at a fair price.
169. The regional bureau is formulating a strategy for scaling up disaster risk reduction and climate change responses to address Strategic Objectives 1, 2 and 3. Through the Latin America and Caribbean Emergency Response Network (LACERN), ODPC has set up warehouses for pre-positioning food and non-food items for emergencies, a regional response roster, and early-warning and emergency information systems. Pre-positioning of contingency stocks for prompt response to an emergency has proven successful and will continue to be part of WFP strategy.
170. As a priority for 2013, ODPC is developing a Coalition for Resilience in the dry corridor of Central America. Involving four countries and multiple partners, the coalition is expected to make an important contribution towards Strategic Objective 2.

171. The regional bureau will work towards these goals in partnership with governments, United Nations agencies, regional inter-governmental institutions, NGOs, academic institutions and the private sector. It promotes division of labour and cost-sharing strategies among agencies and partners and encourages country-level coordination in line with the SUN framework and the 1,000 Days partnership to develop capacities for tackling undernutrition. Governments in the region are increasingly committed to including the eradication of early childhood undernutrition in development plans and most countries have established favourable legal frameworks.
172. At the regional level, WFP works in alliance with the Central American Integration System, the Andean Community, the Mesoamerican Public Health Initiative and the Central American Bank for Economic Integration. WFP will also strengthen alliances with the governments of Chile, Mexico and Brazil for South–South cooperation on nutrition, school feeding and social protection themes.





## SECTION IV: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET

### Introduction

173. This section sets out the PSA budget for the 2013 financial year and the associated assumptions, methodology and budget drivers. The PSA budget covers programme support costs at regional bureaux, country offices and Headquarters and management and administration in Headquarters.

174. The PSA budget is funded from ISC recoveries under WFP's full-cost recovery policy. The 2013 budget is based on a conservative estimate of resources from the funding of operations and from current reserves. In view of the financial outlook, the PSA budget for 2013 has been set at US\$249.1 million, the same level as 2012. The budget takes into account the actions and priorities identified in the Framework for Action and Fit for Purpose documents.

175. Table IV.1 shows the main changes in the PSA budget.

<b>TABLE IV.1 SUMMARY OF MAIN AREAS OF INCREASES AND DECREASES IN THE PSA BUDGET COMPARED WITH 2012 (US\$ million)</b>	
Baseline: 2012 approved appropriations	249.1
Increases resulting from international and national staff costs	0.5
Additional support for country offices and regional bureaux	11.6
Increased support for gender	0.4
Monitoring, reporting and evaluation	0.8
<b>Total increases</b>	<b>13.3</b>
Decreases from reorganization in Headquarters	13.3
<b>Total decreases</b>	<b>13.3</b>
Proposed 2013 appropriation	249.1

### Main Areas of Increase for 2013

⇒ *Increases in staff costs: US\$500,000*

176. The Secretariat used an analysis of actual costs for 2011 for all international positions and Rome-based general service staff as the basis for establishing standard rates for 2013. The calculations take into account actual payroll costs, allowances and entitlements adjusted for inflation. The Euro exchange rate for Rome-based staff costs was adjusted downwards from €1=US\$1.41 to €1=US\$1.28, in line with the hedging policy. This reduction in Euro-based costs offsets the overall increase in staff costs. The net increase in 2013 for international staff and Rome-based general service staff is estimated at US\$500,000.

⇒ *Additional support for country offices and regional bureaux: US\$11.6 million*

177. In line with the Fit for Purpose document, additional funding is allocated to country offices and regional bureaux to enhance capacity and support decision-making as close as possible to the point of implementation. The regional bureaux will become the primary platform for supporting, managing and overseeing country offices, in which support services have been increased where appropriate and affordable. In 2013, 79 country offices will receive on average US\$500,000 of PSA support. The allocation of

US\$86.3 million to regional bureaux and country offices accounts for 35 percent of available PSA, an increase of 16 percent over 2012.

⇒ *Additional support for gender and creation of a stand-alone gender unit:*

*US\$400,000*

178. Gender mainstreaming requires sustained investment to implement the institutional support identified in the gender policy – enhancement of capacities among staff and partners to carry out gender analysis, and integration of gender in all aspects of WFP's work. The increased investment from PSA for the establishment of a gender unit reporting to the Chief Operating Officer (COO) will increase WFP's capacity to address gender issues in its work and among its employees. Funds from PSA will be complemented by the Gender Innovations Fund and other extra-budgetary resources.

⇒ *Additional support for monitoring, reporting and evaluation: US\$800,000*

179. The 2013 budget for performance monitoring and results reporting is increased by 50 percent to support enhancement of WFP's capacity to measure results and to embed a culture of results-based thinking coupled with accountability.

180. The budget for the Office of Evaluation includes an 8 percent increase to improve evaluation coverage and provide additional evidence and inputs for the new Strategic Plan and roll-out of the monitoring and self-evaluation strategy.

### **Main Areas of Decrease for 2013**

⇒ *Reorganization of Headquarters units: US\$13.3 million*

181. The 2013 allocation ceiling for Headquarters divisions is reduced by an average 7.0 percent. Headquarters divisions will focus on the development of policies, approaches, standards, oversight and initiatives to ensure accountability and provide corporate services.

⇒ *Indirect support cost rate*

182. In line with WFP/EB.A/2006/6-C/1, analysis of the ISC rate for 2012 resulted in the proposal in Table IV.2.

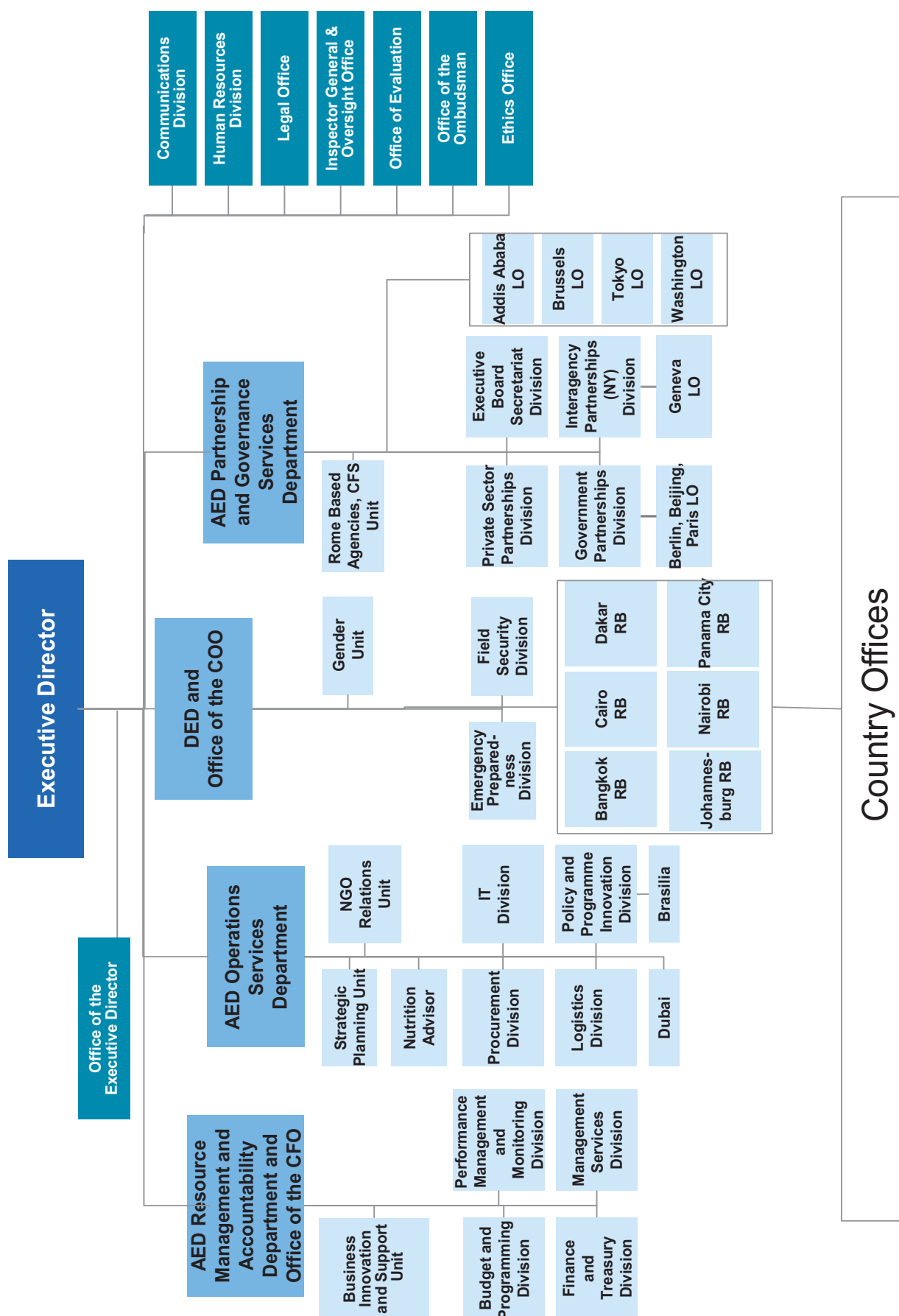
<b>TABLE IV.2: ISC CALCULATION (%)</b>	
2012 baseline	7.77
Reduction for lower indirect expenditures for 2013	-0.05
Increase for lower funding forecast	+0.04
Increase for lower PSA Equalization Account balance	+0.98
<b>Potential ISC rate for 2013</b>	<b>8.74</b>

183. In view of the need to maximize efficiency in the current financial context and of the status of WFP's reserves, the Secretariat recommends that the current 7.0 percent rate be maintained for 2013.

⇒ *Structure of the Secretariat*

184. The Management Plan (2013–2015) takes into account the recommendations of the Fit for Purpose document. The reorganization, outlined in Figure IV.1, will enable WFP to improve cohesion and communication among senior management, Headquarters and the field. The new structure includes a single Deputy Executive Director (DED) and COO and three Assistant Executive Directors (AEDs) covering operations services, resource management and accountability, and partnership and governance services.

Figure IV.1: WFP Secretariat



## PSA Budget Proposal 2013

185. In accordance with Financial Regulation 9.3, the PSA budget is shown in three appropriation lines. The following paragraphs give departmental summaries for each line. Expenditures in 2011 and estimated costs in 2012 are based on the current management structure. Projected costs for 2013 reflect the new organizational structure.

186. The 2013 PSA budget uses the following appropriation lines:

- programme support: regional bureaux and country offices;
- programme support: Headquarters; and
- management and administration.

<b>TABLE IV.3: PSA, BY APPROPRIATION LINE (US\$ million)</b>									
	2011 expenditures			2012 estimated			2013 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	170	652	71.4	176	657	74.7	194	737	86.3
Programme support – Headquarters**	160	324	60.5	169	321	68.7	165	267	54.0
Management and administration**	268	491	104.0	268	490	105.7	254	516	108.8
<b>TOTAL</b>	<b>598</b>	<b>1 467</b>	<b>235.9</b>	<b>612</b>	<b>1 467</b>	<b>249.1</b>	<b>613</b>	<b>1 520</b>	<b>249.1</b>

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

\*\* The column “2013 projected” reflects the new organizational structure. In 2011 and 2012 the Policy, Planning and Strategy Division was included under the Management appropriation line. As a result of its merger with the Programme Division, the new Policy and Programme Innovation Division will come under programme support for Headquarters. The Management Services Division was moved to Administration for 2013 to reflect its alignment with the Resource Management and Accountability Department. The NGO Relations Unit, which reported under Management in the Multilateral and NGO Relations Division, is now included in programme support for Headquarters.

## Programme Support – Regional Bureaux and Country Offices

187. Table IV.4 shows the distribution of PSA posts and costs in regional bureaux and country offices for 2013 compared with 2011 expenditures and 2012 estimated costs.

<b>TABLE IV. 4: PROGRAMME SUPPORT – REGIONAL BUREAUX AND COUNTRY OFFICES (US\$ million)</b>									
	2011 expenditures			2012 estimated			2013 projected		
	Post count		Total cost*	Post count		Total cost*	Post count		Total cost*
	Prof.	Total		Prof.	Total		Prof.	Total	
ODB	31	139	12.1	30	138	13.9	33	148	15.5
ODC	22	106	8.8	29	113	11.6	30	130	13.3
ODD	44	128	16.1	39	122	16.5	44	133	17.4
ODJ**	46	165	20.0	20	80	9.1	29	94	13.1
ODN**	n/a	n/a	0.0	28	88	11.9	28	106	12.8
ODPC	26	113	10.7	28	116	11.6	30	126	12.6
ODS	1	1	0.4	0	0	0.0	0	0	0.0
Field Contingency Fund	0	0	3.2	0	0	0.0	0	0	1.6
<b>TOTAL</b>	<b>170</b>	<b>652</b>	<b>71.4</b>	<b>176</b>	<b>657</b>	<b>74.7</b>	<b>194</b>	<b>737</b>	<b>86.3</b>

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

\*\* The “2013 projected” column reflects the reconfiguration of two regional bureaux, which entails shifting three country offices from ODN to ODJ.

## Regional Bureaux

188. The regional bureaux are the first line of support for country offices. They have a fundamental role in supporting the decentralization of responsibility and decision-making and in enhancing management effectiveness, partnerships, operational oversight and ensuring coherence at the regional and country levels. Their core functions are to:

- implement the Strategic Plan and provide guidance and policy support for operations;
- support management and supervision of country office programmes of work;
- monitor programme performance and be accountable for the achievement of objectives in country offices; and
- enable country offices to maintain required technical and operational capacities and facilitate sharing of technical resources in the region.

## Country Offices

189. The responsibilities of country offices include:

- design and implementation of projects and programmes;
- accountability for the management of in-country resources;
- planning and implementation of new initiatives and tools;
- development of partnerships with national authorities, NGOs, civil-society groups, donor representatives, the private sector and financial and research institutions with a view to increasing programme effectiveness; and
- management of human resources and coordination of staff safety and security.

190. The PSA budget is allocated according to country office size, as shown in Table IV.5.

<b>TABLE IV.5: STANDARD STRUCTURE OF COUNTRY OFFICES</b>		
<b>Size of office</b>	<b>PSA allocation</b>	<b>No. of offices</b>
Very large and large	One country director	29
Medium	One country director; US\$150,000 for local operating costs, including national PSA-funded staff	21
Small	One country director, one P-3 and US\$200,000 for local operating costs, including national PSA-funded staff	16
Very small	One country director and/or one P-3 as needed; US\$250,000 for local operating costs, including national PSA funded staff	13
<b>TOTAL</b>		<b>79</b>

## Programme Support – Headquarters

### ⇒ Overview

191. Table IV.6 shows the staff and non-staff budget proposal for 2013 for programme support at Headquarters compared with 2011 expenditures and 2012 estimated costs.

<b>TABLE IV.6: PROGRAMME SUPPORT – HEADQUARTERS (US\$ million)</b>									
	2011 expenditures			2012 estimated			2013 projected		
	Post count		Total cost*	Post count		Total cost*	Post count		Total cost*
	Prof.	Total		Prof.	Total		Prof.	Total	
<b>Office of DED/COO</b>									
Office of DED/COO	6	9	2.2	6	9	2.2	3	8	1.5
Gender Unit	-	-	-	-	-	-	3	4	0.9
Field Security Division	4	5	0.9	4	5	1.0	4	5	1.0
Emergency Preparedness Division	5	7	1.3	7	10	2.0	8	10	2.0
<b>Operations Services Department</b>									
Office of AED	-	-	-	-	-	-	2	4	0.9
Strategic Planning Unit	-	-	-	-	-	-	3	3	1.0
Nutrition (senior adviser)	-	-	-	6	6	1.5	1	2	0.5
NGO Relations Unit**	-	-	-	-	-	-	1	1	0.3
Policy and Programme Innovation Division**	-	-	-	-	-	-	36	47	9.3
Programme Division**	37	48	8.8	33	43	8.3	-	-	-
Logistics Division	38	78	11.4	44	84	13.2	41	79	12.2
Procurement Division	14	25	4.3	12	23	4.4	16	28	4.8
Information Technology Division	46	87	17.5	47	76	21.0	47	76	19.6
Management Services Division**	10	65	14.0	10	65	15.1	-	-	-
<b>TOTAL</b>	<b>160</b>	<b>324</b>	<b>60.5</b>	<b>169</b>	<b>321</b>	<b>68.7</b>	<b>165</b>	<b>267</b>	<b>54.0</b>

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

\*\* The column “2013 projected” reflects the new organizational structure.



⇒ *Office of the Deputy Executive Director and Chief Operating Officer*

192. The Deputy Executive Director and Chief Operating Officer (DED/COO) is responsible for strategic-level management of WFP activities, including operations. The DED/COO provides a single line of accountability from Headquarters to the field through oversight of Regional Directors. The Director of Emergencies, the Field Security Division and the Gender Unit will also report to the DED/COO.

193. The Emergency Preparedness Division will lead WFP initiatives for general preparedness, readiness for specific scenarios, operational information management, geospatial capacity, strategic response coordination, and organizational resilience. The Division will also ensure effective implementation of the Transformative Agenda in coordination with humanitarian organizations. The Field Security Division will manage security risks and continue to institutionalize a WFP security culture. The primary responsibility of the Gender Unit is to ensure that gender is mainstreamed throughout WFP.

⇒ *Operations Services Department*

194. The functions most closely linked to supporting WFP's operations will fall under the AED for the Operations Services Department and will include the new Policy and Programme Innovation Division and the Logistics Division, Procurement Division and IT Division.

195. The Operations Services Department will: i) develop standards and policies; ii) provide operational and technical support; iii) ensure the development of appropriate tools for assessing needs and food security trends and for programme design and implementation; and iv) manage the procurement and transport of food, goods and services. The IT Division will develop and maintain communications systems for operational and management support.

196. The Policy and Programme Innovation Division will support regional bureaux and country offices with expertise in design and facilitation of strategic planning processes and project documents. The Strategic Planning Unit will work with Policy and Programme Innovation Division and other units to produce the Strategic Plan.

197. The NGO Relations Unit will move to the Operations Services Department, focusing on capacity development for partners, management of field-level agreements and engagement with NGOs.

198. A senior nutrition adviser will support procurement and programmes and will manage WFP's interactions with the Scaling Up Nutrition movement, REACH and the United Nations Standing Committee on Nutrition.

⇒ *Management and administration*

199. Table IV.7 shows management and administration costs and the staff count for 2013 compared with 2011 expenditures and 2012 estimated costs.

**TABLE IV.7: MANAGEMENT AND ADMINISTRATION (US\$ million)**

	2011 expenditures			2012 estimated			2013 projected		
	Post count		Total cost*	Post count		Total cost*	Post count		Total cost*
	Prof.	Total		Prof.	Total		Prof.	Total	
Office of the Executive Director	11	21	4.8	8	17	4.2	8	17	4.0
Policy, Planning and Strategy Division**	16	21	4.6	15	20	4.7	-	-	-
Gender Unit**	2	2	0.5	2	2	0.5	-	-	-
Communications Division	26	40	10.5	26	40	10.3	22	34	8.2
Human Resources Division	42	93	13.2	45	97	13.9	45	97	14.0
Legal Office	10	14	2.4	13	18	3.5	13	18	3.5
Inspector General and Oversight Office	25	33	6.5	28	37	7.9	28	37	7.6
Office of Evaluation	8	11	4.2	8	11	4.9	9	12	5.3
Office of the Ombudsman	1	2	0.5	1	2	0.5	1	2	0.6
Ethics Office	1	2	0.5	1	2	0.6	1	2	0.5
Office of Hunger Solutions	1	3	1.0	1	3	0.8	-	-	-
<b>Partnership and Governance Services Department</b>									
Office of AED	2	4	0.8	2	4	0.9	2	4	0.9
Rome-Based Agencies Unit	-	-	-	-	-	-	3	4	0.9
Private-Sector Partnerships Division	3	4	1.0	3	4	1.1	3	4	1.0
Government Partnerships Division	21	41	6.7	21	40	7.2	18	36	6.0
Inter-Agency Partnerships Division	8	12	3.6	7	11	3.3	8	12	3.5
Liaison offices	16	28	5.8	15	27	5.8	13	25	5.6
Executive Board Secretariat Division	8	24	5.1	8	24	5.0	8	24	5.0
Multilateral and NGO Relations Division**	8	11	2.0	7	10	1.9	-	-	-
Subtotal management	209	366	73.9	211	368	77.0	182	327	66.5
<b>Resource Management and Accountability Department</b>									
Office of the AED and CFO	1	2	0.7	2	3	0.9	2	4	0.9
Business Innovation and Support Unit	7	10	1.7	6	9	1.5	5	7	1.3
Budget and Programming Division	20	45	6.1	18	44	6.5	18	43	6.4
Finance and Treasury Division	24	57	8.1	23	54	8.0	22	49	7.4
Performance Management and Monitoring Division	7	11	3.1	8	12	2.1	13	16	3.1
Management Services Division**	-	-	-	-	-	-	10	67	13.7
<b>Subtotal administration</b>	<b>59</b>	<b>125</b>	<b>19.7</b>	<b>57</b>	<b>122</b>	<b>19.0</b>	<b>70</b>	<b>186</b>	<b>32.8</b>
Central Appropriations			10.5			9.7	3	3	9.6
<b>TOTAL</b>	<b>268</b>	<b>491</b>	<b>104.0</b>	<b>268</b>	<b>490</b>	<b>105.7</b>	<b>254</b>	<b>516.0</b>	<b>108.8</b>

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

\*\* The column "2013 projected" reflects the new organization structure.

200. The Office of the Executive Director (OED), managed by the Chief of Staff and Deputy Chief of Staff, ensures: i) that the Executive Director receives clear advice and briefings; ii) that her/his decisions are clearly communicated; and iii) that s/he can represent WFP effectively and be accountable to WFP's beneficiaries and Member States. The office supports the Executive Management Group (EMG) and the Senior Management Team (SMT) and coordinates the work of offices reporting directly to the Executive Director.
201. The Communications Division ensures that information about WFP is clear, transparent and available to private and public donors, the public and staff. It focuses on: i) media relations; ii) external, internal and web-based communications; iii) outreach to teachers, students, civic groups, aid professionals, policymakers and stakeholders; and iv) *pro bono* advertising.
202. The Human Resources Division ensures that WFP has appropriate staff and that they are prepared for and supported in their assignments. In 2013 the division will support the organizational change process by aligning reassignment, promotion and performance management with the results of the current review of human resources. The division will optimize organizational management with a view to ensuring consistency and compliance with human resources requirements and will contribute to maintaining an ethical and respectful workplace, where necessary administering disciplinary processes.
203. The Inspector General and Oversight Office provides assurance for 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 to enable managers to provide assurance for the Executive Director. It conducts internal audits, investigations and inspections to provide assurance that resources are utilized effectively and efficiently.
204. Internal audits, which are based on risk assessments, help to ensure that processes for achieving the Strategic Objectives are robust and that they embody best practices and reflect emerging oversight trends. In 2013 audits are expected to cover 45 percent of WFP's audit-assessed risk. Investigations ensure that individual actions that could hinder the achievement of WFP's objectives are promptly identified and halted.
205. The Office of Evaluation supports WFP's work by providing evidence of actual performance. Evaluations inform stakeholders about the relevance, sustainability, effectiveness, efficiency and impact of policies and operations. Evidence from evaluations enhances accountability and learning, informs debate and leads to actions that replicate successes and rectify mistakes. In 2013, OE aims to: i) increase evaluation coverage with a view to full compliance with the Evaluation Policy; ii) increase the use of evaluation evidence in decision-making; and iii) continue to optimize the quality of evaluations to enhance accountability and learning. The evaluation work programme is set out in Annex III.

⇒ *Partnership and Governance Services Department*

206. The AED for the Partnership and Governance Services Department will oversee partnerships with private-sector organizations, United Nations agencies and governments. The Government Partnership Division includes the liaison offices in Beijing, Berlin and Paris; the liaison offices in Addis Ababa, Brussels, Tokyo and Washington will report directly to the AED.

207. In view of increasing competition for cash resources, the department's work in mobilizing resources for operational needs is critical. WFP will seek to increase the donor portfolios of the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC), for example by exploring synergies in public-private partnerships, enhancing donor visibility and communications, and protecting or increasing WFP's share of such funding.
208. A senior adviser reporting to the AED will have responsibility for relations with the Rome-based agencies and the Committee on World Food Security.
209. The Inter-Agency Partnerships Division function will be based in New York to manage relations with United Nations entities. The Geneva liaison office will report to New York.

⇒ *Resource Management and Accountability Department and the Office of the Chief Financial Officer*

210. The AED for the Resource Management and Accountability Department and the Office of the CFO will remain as at present, with the addition of the Management Services Division. This reinforces the role of the CFO in maintaining a separation of duties between budgetary approval, financial oversight and expenditure management. It also ensures that a single senior manager represents WFP to external stakeholders for accountability purposes.
211. A redesigned Performance Management and Monitoring Division will increase WFP's ability to monitor and report on outcomes and impacts. It will develop a system that can be implemented at the field level providing guidance and standards for decentralized performance management, M&E.
212. The Management Services Division will continue to ensure cost-effective delivery of Headquarters services, initiatives to automate and improve administrative processes and to provide inter-agency leadership in security, facilities management, common services and travel.
213. The department will further enhance the cost efficiency of financial management by:
- i) improving transaction-based processes, building on the optimal use of technology;
  - ii) implementing internal control measures to achieve efficiencies in view of the deteriorating economic climate and the need to demonstrate value for money;
  - iii) enhancing internal budgeting with a view to cost containment; and
  - iv) improving the prioritization of resources.
214. The department will also coordinate change management in relation to the organizational enhancement process.

### **Statutory Requirements and other Central Appropriations**

215. This section includes the cost of statutory requirements and other centrally controlled appropriations, which are budgeted under management and administration. Table IV.8 shows how requirements for 2013 compare with 2012 estimates.
216. Most costs in this category are based on WFP's assessed shares of the budgets of other United Nations bodies; the costs of WFP's central insurance premiums for malicious acts, public liability and travel are also included. Reassignment costs related to PSA positions are managed through a central fund for control and transparency purposes. WFP has contained recruitment and reassignment costs and where possible has extended duty periods.

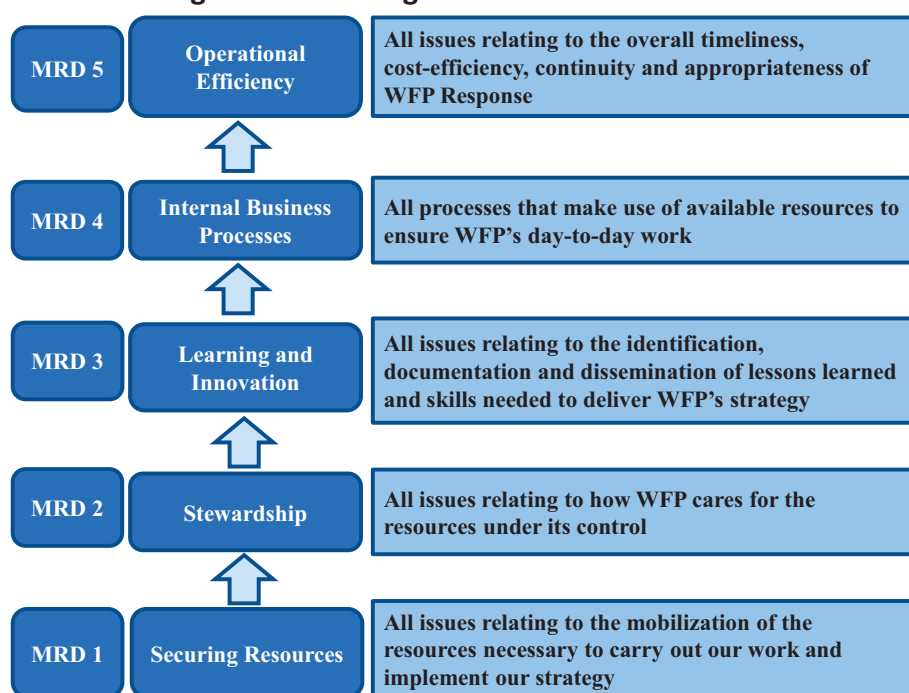
217. The category “Other” includes an allocation for the Strategic Plan (2014–2017) and an allocation for the asset-liability management study of the employees’ benefit fund.

<b>TABLE IV.8: STATUTORY REQUIREMENTS AND OTHER CENTRAL APPROPRIATIONS (US\$)</b>		
	<b>Estimated 2012</b>	<b>Proposed 2013</b>
Reassignment costs	2 400 000	1 900 000
Insurance fees	1 275 000	1 375 000
Joint Inspection Unit	900 000	1 000 000
International Civil Service Commission	600 000	510 000
External Audit	450 000	450 000
Chief Executives Board	307 500	310 000
Emergency medical evacuation	266 300	300 000
Audit Committee	176 700	231 000
Services from other agencies	1 540 500	1 447 000
Contingency Fund	850 000	772 000
Global Management Meeting	300 000	265 000
Others	611 000	1 008 000
<b>TOTAL</b>	<b>9 677 000</b>	<b>9 568 000</b>

### Management Result Dimensions and PSA Budget

218. The PSA budget is based on the five MRDs, which are outlined in Figure IV.2. To ensure that PSA-funded activities are in accordance with WFP’s management results, they have been aligned with the appropriate MRDs. Linking budgeting and performance management enables WFP to track achievement under each MRD through the relevant performance indicators and to compile the APR for the Board.

**Figure IV.2: Management Result Dimensions**



219. With the 2013 PSA budget, WFP will secure resources on the basis of needs. These resources, over which WFP exercises stewardship and which it leverages through a culture of learning and innovation to support internal processes and operational efficiency, will enable it to achieve its Strategic Results.

220. The allocations proposed for 2013 reflect the prioritization of the MRDs and the priority areas of the organizational change process.

⇒ *MRD 1*

221. Securing resources means ensuring that funds and staff are available to carry out WFP's work; 9 percent of the 2013 PSA budget – US\$22.0 million – is allocated for this. The allocation to regional bureaux and country offices is 34 percent of MRD 1 resources.

⇒ *MRD 2*

222. Stewardship means ensuring that funds are utilized according to plan, managing staff safety and well-being, ensuring the security of premises and operations, reducing environmental impacts and managing the WFP “brand”: 26 percent of the 2013 PSA budget – US\$65.3 million – is allocated to MRD 2.

⇒ *MRD 3*

223. Learning and innovation accounts for 7 percent – US\$18.5 million – of the 2013 PSA budget, which is allocated for developing staff capacities and collecting and sharing lessons through evaluations, monitoring and results reporting. The appropriation for regional bureaux and country offices is 27 percent of the MRD 3 allocation.

⇒ *MRD 4*

224. The budget for managing internal business processes accounts for 27 percent of the 2013 PSA budget – US\$66.1 million. Of this, 25 percent is for IT hardware and systems support to improve communications and connectivity; 32 percent is allocated to improving resource allocation and the management of financial processes.

⇒ *MRD 5*

225. The largest share of the 2013 PSA budget – 31 percent, US\$77.2 million – is allocated for delivering operational efficiency, ensuring optimum impact on beneficiaries through timely, cost-efficient responses. Operational support accounts for 85 percent of the MRD 5 allocation, Headquarters and the regional bureaux for 62 percent, and country offices for 38 percent.

## **Supplementary PSA Investments**

226. Supplementary PSA investments are separate from the regular PSA budget and are proposed for funding under the PSA Equalization Account. The separation of non-recurring costs promotes improved governance and management by making regular PSA costs more transparent. The investments, which are consistent with previous utilization of the PSA Equalization Account, minimize risk because the planned activities will not require resources for continued operation.



227. Following the Framework for Action and Fit for Purpose documents, a number of changes will be implemented in 2013, for which a supplementary PSA investment of US\$20 million is budgeted. The allocation will ensure that WFP has the capacity and expertise to implement the changes systematically. A portion of the allocation may be utilized to establish a transition fund to provide flexibility in managing staff changes.
228. The new change-management framework will include workstreams identified as a result of the Framework for Action as well as in discussions of organizational design and realignment and other processes. The actions for change will include benchmarks and deliverables to ensure that they are undertaken efficiently, in coordination with other corporate actions, and on time.
229. Through deliberate actions in Headquarters and the field, the supplementary allocation for the change management process will facilitate the implementation of WFP's Strategic Plan in an increasingly complex external environment.

⇒ *PSA Equalization Account*

230. WFP's 2013 funding is estimated at US\$3.7 billion, which is expected to yield ISC income of US\$236 million.
231. The 2013 opening balance of the PSA Equalization Account is estimated at US\$82.1 million; the closing balance is projected at US\$49.0 million, which is less than the target of four months regular PSA expenditure or US\$83.0 million agreed with the Board.

<b>TABLE IV.9: PROJECTED PSA EQUALIZATION ACCOUNT (US\$ million)</b>	
1 January 2013: projected opening balance	82.1
2013 ISC revenue	236.0
2013 PSA expenditure	(249.1)
2013 supplementary PSA investments	(20.0)
31 December 2013: projected closing balance	49.0

232. In view of the slight increase in funding forecasts for 2014 and 2015, WFP expects projected ISC income to remain stable. As the organizational realignment is implemented, WFP will continue its fundraising and manage the appropriations prudently under the annual budget cycle to ensure that risks are appropriately managed.

### **Use of Interest Income**

233. As permitted under Financial Regulation 11.3, all interest income from WFP's investment portfolios and bank and money market accounts is credited to the General Fund. In 2013, interest income is estimated at US\$12 million.
234. WFP attaches great importance to the safety and security of its personnel and operations: it is therefore proposed that interest income be utilized to continue funding of the Security Special Account. An additional allocation from the interest income is requested for completion of the treasury management system.

### ⇒ *Security Special Account*

235. WFP established a special account in 2012 for expenditures related to mandatory United Nations Department of Safety and Security (UNDSS) costs and the WFP Security Emergency Fund using an advance from the Working Capital Financing facility. The amount estimated for 2013 – US\$18.8 million – takes into account WFP's estimated US\$11.5 million share of UNDSS costs, 19 percent more than 2012 expenditures, and US\$7.3 million for the Security Emergency Fund to purchase security equipment not covered by DSC.
236. Where possible, security-related costs will be charged to DSC through cost-sharing arrangements outlined in paragraph 243. WFP proposes to draw on interest income from the General Fund for up to US\$10 million to cover security costs that cannot be funded through operations, especially in small country offices.

### ⇒ *Treasury Management System*

237. At its First Regular Session of 2011, the Board approved an initial US\$1 million for the implementation of the treasury management system of which US\$700,000 was expended in the calendar year. Subsequently in the Management Plan (2012–2014), approved in November 2011, an additional allocation of US\$900,000 was approved for 2012 to finalize the treasury management system, bringing the total investment to US\$1.6 million. By the end of 2012 most of the work on connectivity will be completed. The second phase of the project – SAP-to-bank integration for payment processes – will be completed in early 2013 for nine countries; roll-out of the system to all countries where WFP has significant operating volumes is planned with a view to leveraging the new functionalities.
238. The improved treasury business processes enable significant cost savings, particularly for exchanging donor funds into local currencies to support project implementation. Cost savings will be in excess of US\$2.5 million per annum from 2013 onwards, significantly higher than originally expected.
239. The resource requirement from interest income to complete the treasury management system for roll-out in 2013 is US\$400,000, which brings the total cost to US\$2.0 million.

## **Hedging**

240. At its 2008 Annual Session the Board approved a policy for hedging the Euro component of PSA expenses to enhance funding stability for PSA.
241. Following the practice established in recent years, the Secretariat forward-purchased the required monthly Euro amounts in accordance with the timelines for preparation of the 2013 PSA budget. The hedging policy for 2013 was implemented in May 2012 with the average exchange rate fixed at €1=US\$1.28. The new standard position costs incorporate this average exchange rate, guaranteeing the US-dollar value of Euro-denominated PSA expenditure and thereby assisting planning for the 2013 Management Plan.



## Cost-Sharing Arrangements

### ⇒ *Information and communications technology (ICT)*

242. Demand has been increasing for reliable communications with all WFP locations to ensure that staff have access to online tools. A per-capita funding model will be implemented to scale corporate IT costs to the size of each operation and account for them against the most appropriate cost category. The estimated cost of US\$27 million will be pro-rated on the basis of staff counts and charged against a cost category in the associated site.

### ⇒ *Security*

243. WFP's share of mandatory UNDSS costs for 2013 is estimated to be US\$11.5 million. Until 2012, UNDSS costs were funded from the unearmarked portion of the General Fund and from direct charges to projects. To streamline the cost-sharing arrangements, these costs will now be shared between medium, large and very large country offices. The cost per office is expected to average US\$176,000 for the year. WFP will continue to review UNDSS budgeting and cost sharing to ensure value for money from its contribution.

### ⇒ *Evaluation*

244. The Office of Evaluation is required to carry out evaluations of single WFP operations. The difficulty of identifying funding for these evaluations has been noted by the External Auditor and the Board.

245. WFP will implement a new model for funding evaluations and recovering costs from individual projects.



## SECTION V: SPECIAL ACCOUNTS AND TRUST FUNDS

246. Special accounts and trust funds may be established by the Executive Director as stipulated by Financial Regulation 5.1. This section outlines WFP's plan for the prioritization and use of such funds in 2013.

247. Special accounts and trust funds for 2013 are estimated at US\$412.9 million, comprising: i) trust funds of US\$233.3 million, of which US\$161.6 million is for corporate trust fund requirements and US\$71.7 million for country-specific trust funds; and ii) special accounts of US\$179.6 million.

<b>TABLE V.1: 2013 FORECAST EXTRA-BUDGETARY REQUIREMENTS AND RESOURCES</b>		
	<b>(US\$ million)</b>	<b>% of total</b>
Corporate trust funds	161.6	39
Country-specific trust funds	71.7	17
<b>TOTAL TRUST FUNDS</b>	<b>233.3</b>	
Special accounts	179.6	44
<b>TOTAL</b>	<b>412.9</b>	

### Purpose of Special Accounts and Trust Funds in 2013

248. Special accounts and trust funds are an important component of WFP's funding that enable it to:

- provide non-profit business services such as the United Nations Humanitarian Response Depot (UNHRD), UNHAS, the Global Vehicle Leasing Programme (GVLP) and self-insurance through the cost-recovery and financing mechanisms;
- develop institutional capacity and pilot initiatives for delivering food assistance, complementing the PSA and operational budgets; and
- engage in partnerships with host governments and private and public organizations at the country office level to mobilize resources for programmes and assist governments with their food-related safety nets.

### Special Accounts

249. A special account may be established by the Executive Director to manage special contributions or funds earmarked for programmatic, corporate or cost-recovery purposes, or to support long-term activities. The five largest special accounts, which constitute 71 percent of the portfolio, are for aviation, UNHRDs, ICT, GVLP and logistics.<sup>8</sup>

<sup>8</sup> The Forward Purchase Facility special account is excluded because projected food purchases and associated costs are already embedded in the 2013 Programme of Work.

**Figure V.1: Forecast special accounts in 2013**

⇒ *Aviation special account*

250. Established in December 2003, this special account provides the financial management system for WFP's aviation operations and for enhancements of aviation standards and networks.

251. In 2013, the Aviation Service will continue to:

- facilitate air charter arrangements and support services, with particular attention to cost efficiency and reducing pollution;
- provide internal and external training for UNHAS;
- facilitate medical and security evacuations;
- place aircraft on stand-by at Entebbe, Uganda to ensure uninterrupted UNHAS services in remote areas; and
- respond to humanitarian emergencies.

⇒ *United Nations Humanitarian Response Depot*

252. This special account was established in June 2000 to manage donors' contributions and revenue from services at UNHRD hubs. Demand for the service is growing as more partners request logistics support. In 2013 the UNHRDs – in Ghana, Italy, Malaysia, Panama and the United Arab Emirates – will continue to provide transport, procurement, storage and stock management support for United Nations agencies, Member States, NGOs and other parties and will manage WFP's corporate response stocks. In 2013, UNHRD will begin construction of a new facility in Panama and will reinforce the existing UNHRD at Las Palmas.

### ⇒ *Information and Communications Technology*

253. The ICT special account provides the funding mechanism for recovering costs for internal ICT services, inter-agency EMOPs, and Fast IT and Telecommunications Emergency and Support Team (FITTEST) missions for emergency responses and capacity development. In 2013 the special account will continue to update ICT systems for WFP staff and partners and to support FITTEST projects such as the Transformation Centre, which will enable other organizations to benefit from WFP's ICT expertise. The special account will also be used for the implementation of a per capita cost recovery mechanism for corporate ICT services and products.

### ⇒ *Global Vehicle Leasing Programme*

254. The GVLP special account was established in November 2006 to centralize procurement of light vehicles and subsequently of armoured vehicles. The long-term objectives are to centralize procurement and standardize WFP's vehicles to reduce costs. The current review of GLVP financial policies and leasing rates aims to optimize the efficiency and effectiveness of the leasing model.

### ⇒ *Logistics for the humanitarian community*

255. This special account, which was established in April 2009 to provide humanitarian logistics services on a cost-recovery basis, is the financial management framework for services such as land and sea transport and storage and handling of food and non-food items.

## **Other Special Accounts**

256. Other special accounts include self-insurance, the food security cluster and staff insurance.

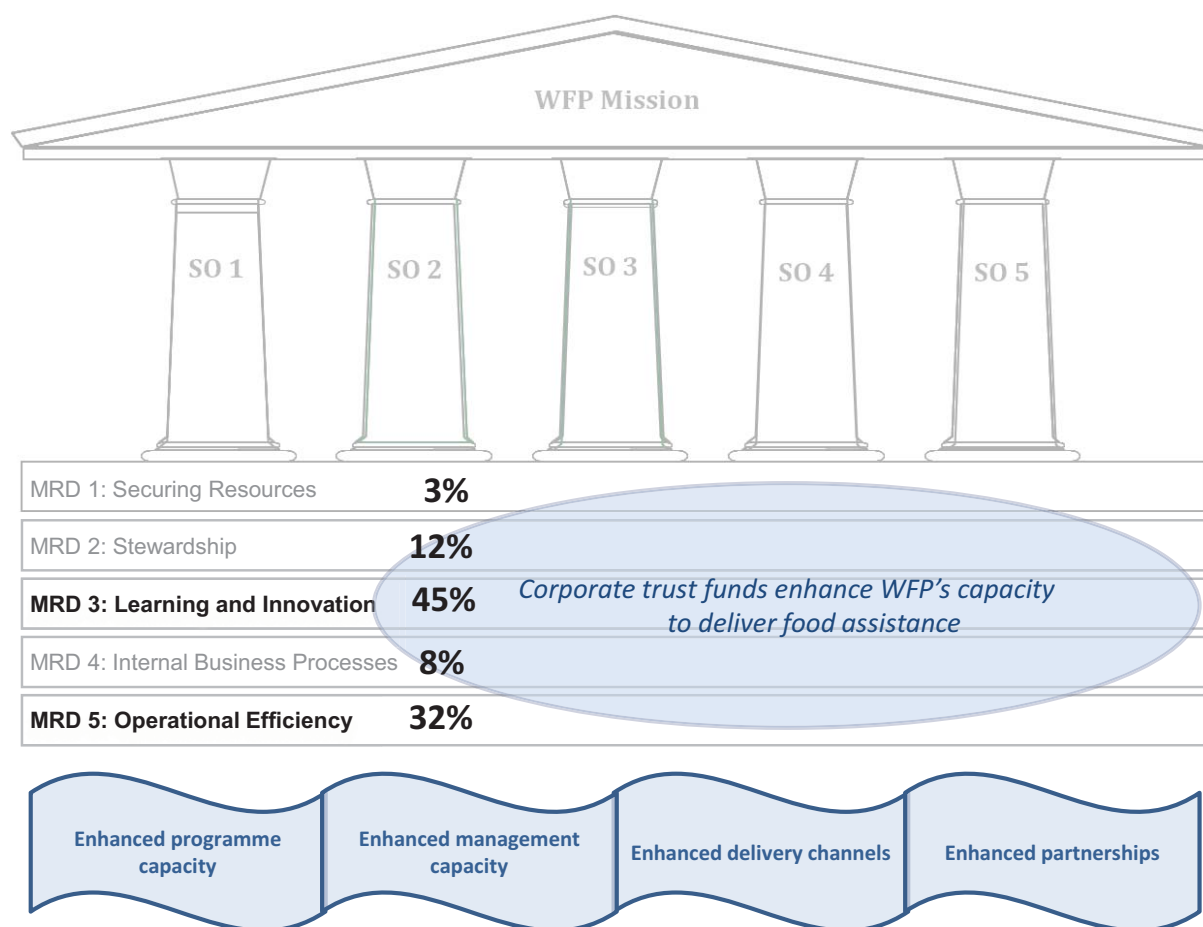
## **Trust Funds**

257. Trust funds are subdivisions of the WFP Fund established for special contributions whose purpose, scope and reporting requirements are outside WFP's regular programmes but consistent with its objectives. They are classified as corporate or country-specific. In line with the document *Fit for Purpose: WFP's new Organizational Design*, trust fund resources will be utilized where appropriate to build country office capacities.

### ⇒ *Corporate trust funds*

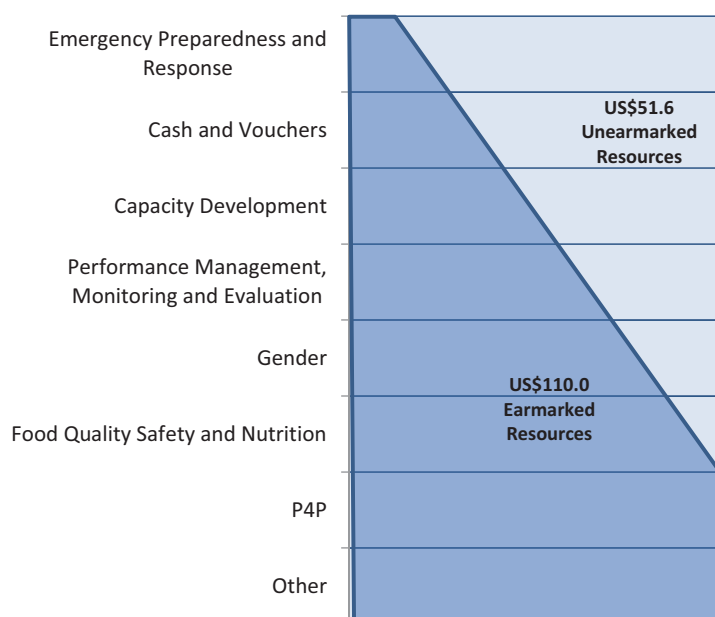
258. In the absence of regular funding, corporate trust funds enable WFP to invest in research, new initiatives and enhancement of institutional capacity with a view to maximizing operational efficiency and supporting the current shift to food assistance. In 2013 corporate trust funds will contribute to institutional capacity that is not covered by the PSA budget or by projects. Although the corporate trust funds are managed through Headquarters and the regional bureaux, 50 percent of resources will be allocated to country offices in 2013.

Figure V.2: Role and purpose of corporate trust funds



259. WFP has for the first time aligned corporate trust fund requirements with the Management Results Framework to ensure alignment with WFP's strategy to enhance its capacity to deliver food assistance: 77 percent of requirements will support: i) MRD 3: Learning and Innovation with US\$72.9 million to enhance WFP's global nutrition capacity, REACH and P4P; and ii) MRD 5: Operational Efficiency with US\$52.2 million to enhance EPR and scale up cash and voucher technology.

**Figure V.3: 2013 corporate trust fund requirements:  
prioritization of new corporate trust fund contributions  
(US\$ million)**



260. WFP anticipates US\$161.6 million in corporate trust fund requirements in 2013: US\$110 million in forecast contributions – 68 percent – has been earmarked; an additional US\$51.6 million – 32 percent – will be targeted towards priority areas to enhance WFP’s organizational capacity. A review of projected requirements and funding probability identified the following thematic areas as priorities for new investments: EPR; C&V; capacity development; performance management, M&E; gender; and food quality and safety and nutrition. P4P is expected to be well resourced.

261. These priorities may be revisited as actions detailed in the Framework for Action are implemented and additional corporate trust fund requirements identified.

⇒ *Emergency preparedness and response*

262. Trust funds within this thematic area are primarily aligned with MRD 5: Operational Efficiency. In 2013 trust funds will support emergency preparedness, early warning, analysis, crisis management, emergency preparedness and response, technology, the preparedness and response enhancement programme (PREP) and improvement of WFP’s ability to prepare for and respond to large-scale emergencies. Activities include enhancing corporate response stocks and regional logistics services.

⇒ *Cash and vouchers*

263. As WFP expands the C&V modality, additional support for country offices and regional bureaux is needed to ensure that the most efficient and appropriate interventions are designed and implemented. The objective is to enhance the evidence base for decision-making related to cash and vouchers and to support scaling up of the technology.

⇒ *Capacity development*

264. The WFP Centre of Excellence, a partnership with the Government of Brazil, promotes capacity development for national school feeding and other programmes addressing hunger. It does this through advocacy, knowledge-sharing, technical support and South-South cooperation to share the Brazilian experience. In 2013 the centre plans to support 18 countries and others that may request assistance.

265. This thematic area also includes trust fund requirements for staff development. In 2013 programme leadership training will be offered to staff in country offices and regional bureaux, and curricula will be developed for technical training in WFP school feeding via e-learning and other methods.

⇒ *Performance management, monitoring and evaluation*

266. Improving performance measurement by enhancing M&E and reporting is a WFP priority for 2013. The M&E strategy focuses on: i) capacity development for field staff and partners; ii) targeted project outcome measurement and reporting; iii) guidance and training in country-managed evaluations; and iv) development of the corporate monitoring and evaluation tool (COMET) and integration with WFP systems to improve performance and risk analysis.

⇒ *Gender*

267. Gender mainstreaming requires sustained investment in capacity development for WFP and partner staff. A new accountability framework will hold staff and senior managers responsible for mainstreaming; the Gender Innovations Fund will provide resources and training for context-led projects based on gender analysis.

⇒ *Food quality and safety and nutrition*

268. WFP's nutrition policy<sup>9</sup> commits it to supporting government-led nutrition responses. It will continue to be host agency for REACH, the partnership involving FAO, UNICEF and the WHO that provides capacity development for governments. In 2013, WFP will focus on enhancing global nutrition and scaling up food and nutrition activities in regional bureaux and country offices.

⇒ *Purchase for Progress*

269. The largest corporate trust fund in 2013, P4P will optimize and expand procurement from smallholder farmers, enabling them to achieve their market potential. WFP will investigate indicators reflecting innovative purchase modalities that will enhance livelihoods and will, with its partners, seek to optimize food procurement and supply using the expertise of bilateral donors, United Nations agencies and community associations. The P4P programme has a strong learning and innovation component whereby WFP will contribute to the scaling up of best practices in procurement.

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<sup>9</sup> WFP/EB.1/2012/5-A.



⇒ *Other trust funds*

270. The African Risk Capacity (ARC) trust fund will support capacity development in African governments for making risk-management decisions and will provide contingency funding to enable participating governments to respond to natural disasters. The inter-governmental nature of the ARC fund will allow countries to manage risk as a group and secure funds from donors and the international risk market in a financially efficient manner.

271. The Rural Resilience Initiative (R4) is a five-year partnership between WFP and Oxfam America to develop an innovative resilience-building approach that integrates FFW and CFW with community disaster-risk reduction; credit, savings and insurance are provided through Insurance for Work. The initiative targets communities vulnerable to climate variability in Ethiopia and Senegal, and plans to expand its outreach to other countries.

⇒ *Country-specific trust funds*

272. Country-specific trust funds enable country offices to work with governments and partners to mobilize resources for programmes and to assist governments with the management and implementation of food-related safety nets. Country-specific trust funds are forecast to reach US\$71.7 million in 2013; ODPC accounts for the largest portion of anticipated resources.

<b>TABLE V.2: 2013 COUNTRY-SPECIFIC TRUST FUNDS, BY REGION</b>		
	<b>2013 forecast (US\$ million)</b>	<b>%</b>
ODPC: Latin America and the Caribbean	66.0	92.1
ODB: Asia	2.6	3.6
ODN: East and Central Africa	1.7	2.4
ODJ: Southern Africa	0.7	0.9
ODD: West Africa	0.5	0.7
ODC: Middle East, North Africa, Eastern Europe and Central Asia	0.2	0.2
<b>TOTAL</b>	<b>71.7</b>	<b>100</b>

273. Strategic Objective 5 will be supported by 78 percent of country-specific trust fund activities, Strategic Objective 4 by 21 percent and Strategic Objective 3 by 1 percent.

274. Strategic Objective 5 activities mainly support governments in designing, managing and implementing social-protection programmes for school feeding and nutrition. The largest trust funds are in El Salvador and Honduras, where WFP supports national school feeding programmes. The Honduras trust fund programme, which is funded through the Healthy School Programme of the Ministry of Social Development, is WFP's third-largest school feeding programme.

275. Other Strategic Objective 5 trust funds will support programme implementation by national and provincial governments through food security and nutrition analysis, investment in lessons learned, documentation of good practices and promotion of South-South cooperation. WFP supports the nutrition programme in the Dominican Republic by providing MNPs to supplement the cash transfer programme and through capacity development at health centres.
276. In Colombia, WFP will support food security and nutrition analysis, improved targeting and M&E, and South-South cooperation building on Colombia's role as a regional service provider. WFP will also develop capacities for the decentralization of social programmes. In Azerbaijan, Bangladesh, Ecuador, Namibia, Nepal, Peru, Rwanda and Sri Lanka, capacity development trust funds will support efficient management of food security and nutrition programmes and enhancement of food security monitoring and analysis.
277. Of country-specific activities supporting Strategic Objective 4, 92 percent are related to the Cuba Trust Fund, which in partnership with Brazil will help the Government to guarantee the continuation of food based safety nets. In Haiti, the trust fund supports the Government in procuring food from smallholder farmers for the national school feeding programme. In Cambodia and Ethiopia trust funds support the development of locally produced nutritional products and follow-up studies.

### **Outlook for Special Accounts and Trust Funds, 2014–2015**

278. Special account and corporate trust fund requirements are expected to increase by 3 percent from 2013 to 2015 to enable WFP to pilot initiatives, respond to third-party requests for services and optimize capacities for delivering the Strategic Plan through targeted investments.
279. Country-specific trust funds are expected to increase by 9 percent from 2013 to 2015, reflecting the increasing requests by governments and partners for WFP's assistance in managing food related safety nets.

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**Remarks**  
Organigram represents the organisational structure as described in the Fit for Purpose document. Organisations for which there are no positions budgeted in 2013 are not included in this chart. Details of these units can be found in the Fit for Purpose document.

Table A.I.2: PSA and DSC Staffing Table by Appropriation Line, 2012 and 2013

International professional category and above											Others		
A. PROGRAMME SUPPORT – REGIONAL AND COUNTRY OFFICES											Field Nat. Staff	HQ & LO GS	Grand Total
ED	AED	D2	D1	P5	P4	P3	P2	P1	Total				
REGIONAL BUREAUX													
Regional Bureau – Asia													
PSA	-	1.0	1.0	5.0	7.0	1.3	-	-	15.3	23.0	0.7	39.0	
PSA	-	1.0	1.0	5.0	9.0	1.0	-	-	17.0	31.0	-	48.0	
Regional Bureau – Middle East, North Africa, Central Asia and Eastern Europe													
PSA	-	1.0	1.0	6.0	6.0	3.3	-	-	17.3	23.0	0.7	41.0	
PSA	-	1.0	1.0	5.0	6.0	4.0	-	-	17.0	40.0	-	57.0	
Regional Bureau – West Africa													
PSA	-	1.0	1.0	4.0	9.0	5.3	-	-	20.3	28.0	0.7	49.0	
PSA	-	1.0	1.0	4.0	11.0	5.0	-	-	22.0	34.0	1.0	57.0	
Regional Bureau – East and Central Africa													
PSA	-	1.0	3.0	2.0	6.0	2.3	-	-	14.3	25.0	1.7	41.0	
PSA	-	1.0	3.0	3.0	10.0	3.0	-	-	20.0	44.0	1.0	65.0	
Regional Bureau – Southern Africa													
PSA	-	1.0	1.0	4.0	3.0	0.3	-	-	9.3	26.0	0.7	36.0	
PSA	-	1.0	1.0	3.0	5.0	4.0	-	-	14.0	32.0	-	46.0	
Regional Bureau – Latin America and the Caribbean													
PSA	-	1.0	1.0	3.0	4.0	1.3	-	-	10.3	22.0	0.7	33.0	
PSA	-	1.0	1.0	4.0	5.0	1.0	-	-	12.0	31.0	-	43.0	
Subtotal Regional Bureaux													
PSA	-	6.0	8.0	24.0	35.0	14.0	-	-	87.0	147.0	5.0	239.0	
PSA	-	6.0	8.0	24.0	46.0	18.0	-	-	102.0	212.0	2.0	316.0	
COUNTRY OFFICES													
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	
PSA	-	13.0	26.0	31.0	-	22.0	-	-	92.0	329.0	-	421.0	
DSC	-	-	15.0	79.0	218.0	449.0	138.0	-	899.0	5 552.0	-	6 451.0	
TOTAL PROGRAMME SUPPORT – REGIONAL AND COUNTRY OFFICES													
PSA	-	21.0	32.0	52.0	35.0	36.0	-	-	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	45.0	129.0	240.0	508.0	150.0	-	1 093.0	6 999.0	5.0	8 097.0	
PSA	-	19.0	34.0	55.0	46.0	40.0	-	-	194.0	541.0	2.0	737.0	
DSC	-	-	15.0	79.0	218.0	449.0	138.0	-	899.0	5 552.0	-	6 451.0	
TOTAL 2013	-	19.0	49.0	134.0	264.0	489.0	138.0	-	1 093.0	6 093.0	2.0	7 188.0	

International professional category and above											Others	
											Field Nat. Staff	HQ & LO GS
											Total	Grand Total
B. PROGRAMME SUPPORT – HEADQUARTERS (OPERATIONS DEPARTMENT)												
Office of the DED and CDO Department												
2012	PSA	-	1.0	1.0	1.0	2.0	1.0	-	-	-	6.0	9.0
2013	PSA	-	1.0	-	-	1.0	1.0	-	-	-	3.0	8.0
Gender Unit												
2012	PSA	-	-	-	-	-	-	-	-	-	-	-
2013	PSA	-	-	1.0	-	-	2.0	-	-	-	3.0	4.0
Field Security Division												
2012	PSA	-	-	-	1.0	1.0	1.0	-	1.0	-	4.0	5.0
2013	PSA	-	-	-	1.0	1.0	1.0	-	1.0	-	4.0	5.0
Emergency Preparedness Division												
2012	PSA	-	-	-	-	2.0	1.0	3.0	1.0	-	7.0	10.0
2013	PSA	-	-	1.0	-	2.0	4.0	-	1.0	-	8.0	10.0
Operations Services Department – Office of the AED												
2012	PSA	-	-	-	-	-	-	-	-	-	-	-
2013	PSA	-	1.0	-	-	-	1.0	-	-	-	2.0	4.0
Strategic Planning Unit												
2012	PSA	-	-	-	-	-	-	-	-	-	-	-
2013	PSA	-	-	-	2.0	-	-	1.0	-	-	3.0	3.0
Nutrition (Senior Advisor)												
2012	PSA	-	1.0	-	1.0	2.0	2.0	-	-	-	6.0	6.0
2013	PSA	-	-	1.0	-	-	-	-	-	-	1.0	2.0
NGO Relations Unit												
2012	PSA	-	-	-	-	-	-	-	-	-	-	-
2013	PSA	-	-	-	-	-	1.0	-	-	-	1.0	1.0
Policy and Programme Innovation Division												
2012	PSA	-	-	-	-	-	-	-	-	-	-	-
2013	PSA	-	-	1.0	3.0	8.0	13.0	10.0	1.0	-	36.0	47.0

International professional category and above											Others		
	ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total
<b>Programme Division</b>													
2012	-	-	1.0	2.0	7.0	13.0	8.0	2.0	-	33.0	-	10.0	43.0
2013	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Logistics Division</b>													
2012	-	-	1.0	4.0	7.0	13.0	16.5	2.0	-	43.5	-	40.0	83.5
2013	-	-	1.0	4.0	7.0	13.0	13.0	2.0	1.0	41.0	-	38.0	79.0
<b>Procurement Division</b>													
2012	-	-	1.0	1.0	2.0	6.0	2.0	-	-	12.0	-	11.0	23.0
2013	-	-	1.0	1.0	3.0	6.0	3.0	2.0	-	16.0	-	12.0	28.0
<b>Information Technology Division</b>													
2012	-	-	1.0	1.0	5.0	12.0	17.0	11.0	-	47.0	12.0	17.0	76.0
2013	-	-	1.0	1.0	5.0	12.0	18.0	10.0	-	47.0	12.0	17.0	76.0
<b>Management Services Division</b>													
2012	-	-	-	1.0	3.0	2.0	3.0	1.0	-	10.0	12.0	43.0	65.0
2013	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PROGRAMME SUPPORT – HEADQUARTERS (OPERATIONS DEPARTMENT)</b>													
2012	-	2.0	5.0	12.0	31.0	51.0	49.5	18.0	-	168.5	24.0	128.0	320.5
2013	-	2.0	6.0	13.0	27.0	54.0	45.0	17.0	1.0	165.0	12.0	90.0	267.0

International professional category and above											Others	
ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total
C. MANAGEMENT AND ADMINISTRATION												
MANAGEMENT												
Office of the Executive Director												
PSA 2012	1.0	-	1.0	1.0	1.0	3.0	-	-	8.0	-	9.0	17.0
PSA 2013	1.0	-	1.0	1.0	1.0	3.0	-	-	8.0	-	9.0	17.0
Policy, Planning and Strategy Division*												
PSA 2012	-	-	1.0	4.0	3.0	2.0	1.0	-	15.0	-	5.0	20.0
PSA 2013	-	-	-	-	-	-	-	-	-	-	-	-
Gender Unit												
PSA 2012	-	-	1.0	-	-	0.5	-	-	1.5	-	-	1.5
PSA 2013	-	-	-	-	-	-	-	-	-	-	-	-
Communications Division												
PSA 2012	-	-	1.0	1.0	7.0	3.0	3.0	-	26.0	1.0	13.0	40.0
PSA 2013	-	-	1.0	1.0	7.0	3.0	2.0	-	22.0	1.0	11.0	34.0
Human Resources Division												
PSA 2012	-	-	1.0	2.0	6.0	20.0	10.0	-	45.0	-	51.5	96.5
PSA 2013	-	-	1.0	2.0	5.0	21.0	10.0	-	45.0	-	51.5	96.5
Legal Office												
PSA 2012	-	-	1.0	-	4.0	4.0	3.0	-	13.0	-	5.0	18.0
PSA 2013	-	-	1.0	1.0	5.0	2.0	4.0	-	13.0	-	5.0	18.0
Inspector General and Oversight Office												
PSA 2012	-	-	1.0	2.0	8.0	9.0	4.0	-	28.0	-	9.0	37.0
PSA 2013	-	-	1.0	2.0	8.0	9.0	3.0	1.0	28.0	-	9.0	37.0
Office of Evaluation												
PSA 2012	-	-	1.0	-	4.0	-	-	-	8.0	-	3.0	11.0
PSA 2013	-	-	1.0	3.5	4.0	-	-	-	8.5	-	3.0	11.5
Office of the Ombudsman												
PSA 2012	-	-	-	1.0	-	-	-	-	1.0	-	1.0	2.0
PSA 2013	-	-	-	1.0	-	-	-	-	1.0	-	1.0	2.0

International professional category and above											Others		
	ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total
<b>Ethics Office</b>													
2012	-	-	-	1.0	-	-	-	-	-	1.0	-	1.0	2.0
2013	-	-	-	1.0	-	-	-	-	-	1.0	-	1.0	2.0
<b>Office of Hunger Solutions *</b>													
2012	-	1.0	-	-	-	-	-	-	-	1.0	-	2.0	3.0
2013	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Partnership and Governance Services Department – Office of the AED</b>													
2012	-	1.0	-	-	-	1.0	-	-	-	2.0	-	2.0	4.0
2013	-	1.0	-	-	-	1.0	-	-	-	2.0	-	2.0	4.0
<b>Rome-based Agencies Unit (RBA)</b>													
2012	-	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	1.0	1.0	-	1.0	-	-	3.0	-	1.0	4.0
<b>Private-Sector Partnerships Division</b>													
2012	-	-	-	1.0	1.0	1.0	-	-	-	3.0	-	1.0	4.0
2013	-	-	-	1.0	1.0	1.0	-	-	-	3.0	-	1.0	4.0
<b>Government Partnerships Division (including Rome, Berlin, Beijing, Paris)</b>													
2012	-	-	1.0	1.0	5.0	4.0	9.0	1.0	-	21.0	5.0	14.0	40.0
2013	-	-	1.0	1.0	4.0	3.0	7.0	2.0	-	18.0	5.0	13.0	36.0
<b>Inter-Agency Partnerships Division (New York, Geneva)</b>													
2012	-	-	2.0	1.0	2.0	2.0	-	-	-	7.0	-	4.0	11.0
2013	-	-	1.0	2.0	2.0	3.0	-	-	-	8.0	-	4.0	12.0
<b>Liaison Offices (Addis Ababa, Brussels, Tokyo, Washington)</b>													
2012	-	-	3.0	1.0	3.0	3.0	5.0	-	-	15.0	2.0	10.0	27.0
2013	-	-	-	4.0	3.0	2.0	4.0	-	-	13.0	2.0	10.0	25.0
<b>Executive Board Secretariat</b>													
2012	-	-	-	1.0	2.0	5.0	-	-	-	8.0	-	16.0	24.0
2013	-	-	-	1.0	2.0	5.0	-	-	-	8.0	-	16.0	24.0
<b>Multilateral and NGO Relations Division</b>													
2012	-	-	1.0	1.0	1.0	-	3.0	1.0	-	7.0	-	3.0	10.0
2013	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal, Management</b>													
2012	1.0	2.0	14.0	19.0	44.0	49.0	58.5	23.0	-	210.5	8.0	149.5	368.0
2013	1.0	1.0	8.0	19.0	35.5	45.0	50.0	21.0	1.0	181.5	8.0	137.5	327.0



International professional category and above														Others	
	ED	AED	D2	D1	P5	P4	P3	P2	P1	Total	Field Nat. Staff	HQ & LO GS	Grand Total		
ADMINISTRATION															
Resource Management and Accountability Department – Office of the AED and CFO															
2012	-	1.0	-	-	-	-	1.0	-	-	2.0	-	1.0	3.0		
PSA	-	1.0	-	-	-	1.0	-	-	-	2.0	-	2.0	4.0		
2013															
Business Innovation and Support Unit															
2012	-	-	-	1.0	1.0	2.0	1.0	1.0	-	6.0	-	3.0	9.0		
PSA	-	-	-	1.0	1.0	1.0	1.0	1.0	-	5.0	-	2.0	7.0		
2013															
Budget and Programming Division															
2012	-	-	1.0	2.0	4.0	3.0	8.0	-	-	18.0	-	25.5	43.5		
PSA	-	-	1.0	2.0	4.0	3.0	7.5	-	-	17.5	-	25.5	43.0		
2013															
Finance and Treasury Division															
2012	-	-	1.0	2.0	4.0	4.0	9.0	3.0	-	23.0	-	31.0	54.0		
PSA	-	-	1.0	1.0	4.0	4.0	9.0	3.0	-	22.0	-	27.0	49.0		
2013															
Performance Management and Monitoring Division															
2012	-	-	-	1.0	2.0	3.0	1.0	1.0	-	8.0	-	4.0	12.0		
PSA	-	-	-	1.0	3.0	4.0	5.0	-	-	13.0	-	3.0	16.0		
2013															
Management Services Division															
2012	-	-	-	-	-	-	-	-	-	-	-	-	-		
PSA	-	-	-	1.0	3.0	2.0	3.0	1.0	-	10.0	12.0	45.0	67.0		
2013															
Subtotal Administration															
2012	-	1.0	2.0	6.0	11.0	12.0	20.0	5.0	-	57.0	-	64.5	121.5		
PSA	-	1.0	2.0	6.0	15.0	15.0	25.5	5.0	-	69.5	12.0	104.5	186.0		
2013															
Central Appropriations															
2012	-	-	-	-	-	-	-	-	-	-	-	-	-		
PSA	-	-	-	-	3.0	-	-	-	-	3.0	-	-	3.0		
2013															
TOTAL MANAGEMENT AND ADMINISTRATION															
2012	1.0	3.0	16.0	25.0	55.0	61.0	78.5	28.0	-	267.5	8.0	214.0	489.5		
PSA	1.0	2.0	10.0	25.0	53.5	60.0	75.5	26.0	1.0	254.0	20.0	242.0	516.0		
2013															
GRAND TOTAL															
2012	1.0	5.0	42.0	69.0	138.0	147.0	164.0	46.0	-	612.0	508.0	347.0	1 467.0		
PSA	-	-	-	13.0	77.0	205.0	472.0	150.0	-	917.0	6 523.0	-	7 440.0		
DSC	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL 2012	1.0	5.0	42.0	82.0	215.0	352.0	636.0	196.0	-	1 529.0	7 031.0	347.0	8 907.0		
PSA	1.0	4.0	35.0	72.0	135.5	160.0	160.5	43.0	2.0	613.0	573.0	334.0	1 520.0		
DSC	-	-	-	15.0	79.0	218.0	449.0	138.0	-	899.0	5 552.0	-	6 451.0		
TOTAL 2013	1.0	4.0	35.0	87.0	214.5	378.0	609.5	181.0	2.0	1 512.0	6 125.0	334.0	7 971.0		
only 2012															

\* only 2012

Table A.I.3: PSA Budget by Organizational Unit and by Appropriation Line, 2012 and 2013 (in thousand US\$)

A. PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES REGIONAL BUREAUX	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
Asia	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
2012	9 179	2 859	606	2	8	444	79	420	100	57	1 324	8	63	117	5	55	115	38	0	0	0	1	6 299	15 478
2013																								
Middle East, North Africa, Central Asia and Eastern Europe	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
2012	8 168	2 654	163	241	8	341	98	154	59	174	947	9	69	88	5	40	40	52	0	0	0	0	5 131	13 300
2013																								
West Africa	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
2012	11 496	2 737	9	5	10	628	50	35	144	264	1 273	28	112	224	8	170	144	37	0	0	0	4	5 881	17 376
2013																								
Eastern and Central Africa	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
2012	7 727	1 656	421	6	10	727	50	542	54	56	1 260	17	68	94	0	33	105	14	0	0	0	0	5 113	12 840
2013																								
Southern Africa	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
2012	7 664	2 703	3	41	8	230	20	733	54	90	1 068	32	99	214	0	15	91	53	0	0	0	1	5 454	13 118
2013																								
Latin America and the Caribbean	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
2012	7 911	2 774	0	0	4	310	0	125	155	113	797	17	93	196	0	43	31	25	2	0	0	3	4 689	12 600
2013																								
Field Contingency Fund	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	0	0	0	0	0	0	0	0	0	0	69	0	0	1 532	0	0	0	0	0	0	0	0	1 601	1 601
2013																								
TOTAL PROGRAMME SUPPORT - REGIONAL AND COUNTRY OFFICES	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	28 459	74 692
2012	52 144	15 382	1 192	294	48	2 679	297	2 009	565	754	6 737	111	505	2 466	18	355	528	218	2	0	0	9	34 168	86 312
2013																								

	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. PROGRAMME SUPPORT - HEADQUARTERS (OPERATIONS DEPARTMENT)																								

	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>C. MANAGEMENT AND ADMINISTRATION</b>																								
<b>MANAGEMENT</b>																								
Office of Executive Director																								
2012	2 963	0	100	40	100	500	60	0	0	70	130	0	0	60	120	40	0	0	0	0	0	42	1 262	4 235
2013	2 867	0	80	0	70	500	50	0	0	50	178	0	0	70	80	5	0	0	0	0	0	31	1 114	3 981
Policy, Planning and Strategy Division*																								
2012	3 993	0	376	0	0	195	0	0	0	18	45	0	0	97	0	8	0	0	0	0	0	13	752	4 745
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gender Unit																								
2012	376	0	48	0	0	25	0	0	0	2	6	0	0	13	0	1	0	0	0	0	0	2	97	473
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications Division																								
2012	6 833	26	647	146	7	479	11	55	0	259	1 049	0	0	574	8	75	0	0	0	0	0	92	3 427	10 260
2013	5 807	50	951	0	8	85	12	139	0	119	569	0	0	49	8	63	0	0	0	0	0	304	2 357	8 164
Human Resources Division																								
2012	12 845	0	415	30	18	300	100	0	0	25	49	0	0	0	0	160	0	0	0	0	0	0	1 097	13 943
2013	12 451	0	759	99	0	198	90	0	0	50	337	0	0	0	0	20	0	0	0	0	0	2	1 585	14 006
Legal Office																								
2012	2 847	0	79	0	0	35	0	0	0	20	18	0	0	500	0	5	0	0	0	1	0	0	658	3 506
2013	2 851	0	217	73	0	35	0	0	0	20	59	0	0	5	0	5	0	0	0	0	0	198	610	3 461
Inspector General and Oversight Office																								
2012	6 445	0	141	9	2	790	70	0	0	15	61	0	0	311	1	18	0	0	0	0	0	0	1 419	7 864
2013	6 299	0	256	5	2	681	70	0	0	28	125	0	0	0	1	21	0	0	0	0	0	150	1 399	7 638
Office of Evaluation																								
2012	2 170	0	2 233	0	0	150	45	0	0	0	10	0	0	245	0	10	0	15	10	0	0	0	2 717	4 887
2013	2 266	0	2 347	0	0	550	40	0	0	5	34	0	0	5	0	12	0	15	3	0	0	0	3 011	5 277
Office of the Ombudsman																								
2012	420	0	11	0	2	20	6	0	0	2	5	0	0	40	0	0	0	0	0	0	0	0	85	505
2013	418	0	15	0	2	92	20	0	0	2	10	0	0	0	0	0	0	0	0	0	0	10	150	568
Ethics Office																								
2012	422	0	40	0	0	30	0	0	0	32	45	0	0	20	0	0	0	0	0	0	0	0	167	588
2013	418	0	40	0	0	31	0	0	0	0	40	0	0	0	0	0	3	0	0	0	0	7	121	540
Office of Hunger Solutions*																								
2012	544	0	0	4	12	116	2	0	0	16	38	2	4	31	6	6	0	0	0	0	0	0	237	781
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	Staff Cost	Local Staff	Consistency	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
Partnership and Governance Services Department – Office of the AED																								
2012	746	0	0	0	15	75	6	0	0	6	6	0	0	18	2	6	0	0	0	0	0	0	134	880
2013	736	0	0	0	15	85	6	0	0	6	21	0	0	0	7	10	0	0	0	0	0	20	170	906
Rome-based Agencies Unit (RBA)																								
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
2013	785	0	44	0	0	13	0	0	0	3	12	0	0	0	0	0	0	0	0	0	0	0	72	857
Private-Sector Partnerships Division																								
2012	828	2	56	13	1	41	1	5	0	22	91	0	0	50	1	6	0	0	0	0	0	8	297	1 135
2013	871	0	0	0	0	0	0	0	0	0	9	0	0	80	0	0	0	0	0	0	0	0	89	960
Government Partnerships Division (Including Rome, Berlin, Beijing, Paris)																								
2012	5 561	212	199	59	11	340	38	327	32	41	151	5	3	114	12	27	28	0	0	0	0	14	1 613	7 173
2013	4 812	168	191	33	7	251	7	125	3	35	149	2	4	30	6	15	1	0	0	0	0	149	1 175	5 987
Inter-Agency Partnerships Division (New York, Geneva)																								
2012	2 253	0	219	7	0	96	0	304	104	131	122	0	0	0	3	4	9	0	0	0	0	0	1 000	3 253
2013	2 616	0	187	0	0	17	0	393	54	10	163	0	0	4	5	5	0	10	0	0	0	0	848	3 464
Liaison Offices (Addis Ababa, Brussels, Tokyo, Washington)																								
2012	4 507	225	157	47	8	276	30	282	27	32	125	4	2	90	10	22	22	0	0	0	0	11	1 369	5 876
2013	4 314	111	92	16	5	170	25	469	52	46	177	6	7	64	9	20	46	0	0	0	0	14	1 330	5 644
Executive Board Secretariat																								
2012	3 345	0	0	724	46	12	5	0	20	74	18	0	0	289	102	0	1	0	421	0	0	0	1 711	5 055
2013	3 251	0	0	679	46	1	10	0	0	52	69	0	0	59	36	0	1	0	194	0	0	613	1 780	5 011
Multilateral and NGO Relations Division																								
2012	1 834	0	16	1	0	7	0	23	8	10	9	0	0	0	0	0	1	0	0	0	0	0	75	1 909
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Management	58 932	464	4 737	1 079	222	3 486	373	986	150	775	1 978	11	9	2 452	266	390	60	15	431	1	0	182	8 117	77 049
2012	58 932	464	4 737	1 079	222	3 486	373	986	150	775	1 978	11	9	2 452	266	390	60	15	431	1	0	182	8 117	77 049
2013	50 764	329	5 179	905	155	2 710	399	1 156	109	425	1 951	7	11	367	152	176	51	25	137	0	0	1 498	15 701	66 466



\* only 2012

## ANNEX II

## REVIEW OF THE 2012–2014 MANAGEMENT PLAN

## Background

1. This section outlines significant changes that occurred during implementation of the Management Plan (2012–2014)<sup>1</sup> on the basis of data available from August 2012.
2. The approved budget, including operational requirements, the PSA budget, special accounts and trust funds was US\$5.5 billion. Income for the biennium was estimated at US\$3.75 billion.

⇒ *Major changes to the programme of work*

3. The estimated programme of work<sup>2</sup> for 2012 totals US\$6,567 million, an increase of 27 percent over the original projection of US\$5,162 million.

TABLE A.II.1: UNFORESEEN REQUIREMENTS BY PROGRAMME CATEGORY, 2012				
	Original Management Plan (US\$ million)	Unforeseen requirements* (US\$ million)	Mid-Year programme of work (US\$ million)	% change
DEV	801	-65	736	-8
EMOP	1 076	1 167	2 243	109
PRRO	3 004	210	3 214	7
SO	281	93	374	33
<b>TOTAL</b>	<b>5 162</b>	<b>1 405</b>	<b>6 567</b>	<b>27</b>

\* Unforeseen requirements and mid-year programme of work for 2012 based on project budgets approved or submitted for approval as of August 2012.

4. In 2012, an increase in operational requirements of US\$1,584 million in 56 countries and a decrease of US\$179 million in 28 countries resulted in a net increase of US\$1,405 million in requirements.
5. Table A.II.2 shows the countries and regions with the largest unforeseen requirements in 2012.

<sup>1</sup> WFP/EB.2/2011/5-A/1.

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



**TABLE A.II.2: COUNTRIES AND REGIONS WITH LARGEST UNFORESEEN REQUIREMENTS, 2012**

	Original Management Plan (US\$ million)	Unforeseen requirement* (US\$ million)	Mid-year programme of work* (US\$ million)	% increase
Sahel**	386	611	997	158
South Sudan	272	209	481	77
Ethiopia	480	177	657	37
Pakistan	326	129	455	40
Somalia	234	108	342	46
DPRK***	79.9	83.2	163	104

\* Unforeseen requirements and mid-year programme of work for 2012 based on project budgets approved or submitted for approval as of August 2012.

\*\* Burkina Faso, Cameroon, Chad, the Gambia, Mali, Mauritania, Niger and Senegal.

\*\*\* Democratic People's Republic of Korea.

6. The food and nutrition crisis caused by large-scale drought and the political crisis in Mali means that five countries in the Sahel are among the ten countries with the largest increases in unforeseen requirements in 2012. The largest increases resulted from the start of two EMOPs in Niger and Mali, a regional EMOP for food and nutrition assistance for IDPs and refugees in northern Mali and the scaling up of relief and recovery activities in Chad.
7. Increased requirements in South Sudan are primarily attributed to the scaling up of EMOPs to meet increased needs among refugees and IDPs, expanded supplementary feeding for women and children, support for reintegration of urban returnees and logistics, telecommunications and transport services for the humanitarian community.
8. Ethiopia's requirements in 2012 were increased to: i) meet the needs of an additional 1 million relief beneficiaries projected by food security assessments; ii) expand the targeted supplementary feeding and food-by-prescription programmes; and iii) introduce a cash and voucher pilot.
9. Budget increases were required in Pakistan to resume early-recovery assistance such as livelihood support, school feeding and targeted nutritional support. The increases are mainly for areas affected by the 2010 floods, where assistance had been interrupted to implement life-saving interventions after the 2011 flooding.
10. WFP maintained and extended coverage in hitherto inaccessible areas of Somalia in 2012. Increased use of vouchers for relief and livelihood interventions and enhancement of the humanitarian aviation services also resulted in increased requirements.
11. Requirements in DPRK increased as the EMOPs were extended to address the needs of the most vulnerable people during the lean season, and the coverage of the PRRO was extended to areas where malnutrition is highest.

## Projected Income

12. The Management Plan (2012–2014) was based on forecasted income of US\$3.75 billion in 2012, generating US\$239 million of ISC income. The latest forecasts indicate a level of funding for 2012 in line with these assumptions.
13. WFP continued to engage with new and emerging donors in 2012 through initiatives such as twinning – matching the associated costs of food from emerging donors with cash from contributions or the Emerging Donor Matching Fund.
14. WFP also continued to encourage donors to increase the predictability and flexibility of their funding with a view to increasing operational efficiency and effectiveness and to enable WFP to optimize procurement and shipment to reduce costs.

## PSA Budget

15. For 2012 a regular PSA budget of US\$249.1 million was approved – US\$74.7 million for programme support in regional bureaux and country offices, US\$68.7 million for programme support at Headquarters and US\$105.7 million for management and administration.
16. One-off PSA investments of US\$22.2 million were approved in 2012, mainly for: i) finalizing the Strengthening Managerial Control and Accountability (SMCA) initiative, thereby improving internal controls and enterprise risk management and harmonizing financial policies and manuals; ii) implementing the Financial Risk Management for Cash and Vouchers Project; and iii) finalizing the IT initiatives FoodLink, Connect, 1Truth and the Emergency Preparedness Integration Centre (EPIC).
17. Several expenditures were approved from the unearmarked portion of the General Fund. A security special account was established through an advance from WCF to make payments for UNDSS and field security costs; individual projects will be charged where possible for expenditures directly related to operations. Up to US\$10 million from the General Fund will be used to cover security expenditures that cannot be charged to projects. In addition, US\$0.9 million from the General Fund was approved for finalization of a Treasury Management System.

### ⇒ *Workforce re-profiling*

18. The workforce planning project has evolved since its initiation in November 2011. The initial phase involved demand analysis supported by PricewaterhouseCoopers (PwC), which identified the skills and capabilities required in WFP's future workforce. PwC obtained an accurate representative view of future skill requirements from a review of documents, 40 interviews and four field visits to the country offices in Kenya, Liberia and Somalia and to ODN to interview focus groups and staff at various grades.
19. During phase two, PwC surveyed professional staff to assess current strengths and skills against anticipated requirements. PwC is expected to develop a workforce plan by the autumn of 2012 that will show how WFP can close skills gaps or overlaps related to recruitment, retention, mobility and staff management and that will feed into the ongoing organizational strengthening process and the human resources strategic plan to be presented to the Board following approval of the new Strategic Plan in June 2013.
20. Of the US\$10 million approved for termination payments under staff regulations and International Civil Service Commission rules, US\$8.7 million has been utilized to date.

## Special Accounts and Trust Funds

21. Special accounts continued to support initiatives in 2012 such as UNHRD, logistics, aviation, GVLP, the Forward Purchase Facility and IT.
22. Corporate trust funds supported the enhancement of WFP's organizational capacity and effectiveness, mainly by funding activities such as P4P, C&V, food quality and safety, nutrition, EPR, food security analysis and disaster risk reduction.

**TABLE A.II.3: REVISED 2012 FORECAST OF SPECIAL ACCOUNTS AND TRUST FUNDS FOR THE MANAGEMENT PLAN (2012–2014)**

	2012 Management Plan	Revised forecast	Increase as % of 2012 Management Plan
Special accounts	164.2	168.1	2
Trust funds	205.1	217.5	6
<b>TOTAL</b>	<b>369.3</b>	<b>385.6</b>	<b>4</b>

23. During 2012, country-specific trust funds continued to increase in importance in line with United Nations reforms and increased government ownership of humanitarian activities. In the Latin America and Caribbean Region, which accounts for 90 percent of country-specific trust funding, the focus was capacity development and school feeding in El Salvador and Honduras. In Nepal, a new trust fund supports the institutionalization of food security monitoring and analysis. A bilateral operation was set up in the West Africa Region to provide food procurement services for the Economic Community of West African States in support of refugee-support operations by the governments of Côte d'Ivoire and Liberia.

**ANNEX III****OFFICE OF EVALUATION WORK PROGRAMME 2013****Introduction**

1. This annex sets out the work programme of the Office of Evaluation (OE) for 2013 and outlines plans for 2014 and 2015.
2. The Office of Evaluation supports WFP's efforts to achieve its Strategic Objectives by providing evidence of WFP's performance, for accountability and learning purposes. Evaluations inform all stakeholders about the relevance, sustainability, effectiveness and impact of policies, strategies and/or operations, and the efficiency of their implementation. Evaluations inform debate on strategic issues and contribute to actions that replicate success and correct mistakes.
3. As the range and complexity of WFP's work has expanded in response to the changing external context and the delivery of Strategic Plan goals, OE's strategy has adapted by directing attention to the most appropriate organizational levels and salient issues. OE focuses its resources on conducting complex evaluations of strategies, policies and multiple operations.
4. WFP's policy framework and main operating units – country offices – are now systematically covered by OE's policy evaluations and country portfolio evaluations (CPEs). CPEs are designed also to assess alignment with government priorities. These evaluations are complemented by a series of impact evaluations, which provide deeper assessment of the outcomes and impacts of WFP programme activities. In addition, given that WFP is an evolving organization, strategic evaluations analyse new directions and corporate priorities, cross-cutting issues, systems and business processes that frame WFP's organizational ability to achieve desired results. They are intended to inform strategic direction and organizational effectiveness, rather than to assess a particular policy or defined programming area.
5. Continuation of this broad strategy is proposed through 2015. There will be some diversification of information products to maximize the usefulness of each evaluation. At the same time, the new leadership of WFP has brought increased commitment to evaluation and evidence of results. This is reflected in an 8 percent increase in the PSA resources dedicated to OE's work programme, and proposals for additional funding from non-PSA sources to enable a new multi-year programme of evaluations of single operations (known as operation evaluations) in support of WFP's monitoring and self-evaluation strategy. This will start to fill an existing accountability and learning gap and take WFP closer to full compliance with the 2008 evaluation policy<sup>1</sup> and other relevant policies.
6. During 2013, several significant external and internal processes are expected to influence OE's future evaluation strategy and programme of work, including:
  - new priorities set by WFP's new Strategic Plan from 2014;
  - the launch and roll-out of WFP's monitoring and self-evaluation strategy;
  - developments in the United Nations Transformative Agenda and system-wide arrangements for evaluation; and

<sup>1</sup> "WFP Evaluation Policy" (WFP/EB.2/2008/4-A)

- wider debates in the international development arena – including on post-2015 international development goals, the Busan Partnership and mutual accountability priorities – and the continuing drive for transparency and accountability for results.
7. The Office of Evaluation's 2013 work programme aims to provide useful foundations for these processes. Many topics were initially identified for evaluation, both as a direct result of policy commitments and in consultation with the Board and WFP management. Following the Annual Consultation on Evaluation, a work programme was developed based on expressed priorities, relevance, timing and organizational absorption capacity. In addition to the diversification of products, administrative efficiencies are also being applied: 2013 shows a reduction in staff costs as a percentage of the total budget, from 44 percent in 2012 to 35 percent in 2013.<sup>2</sup>
  8. To help ensure that WFP's evaluation policy and function adapt to remain fit for purpose, and that OE's evaluation quality and management systems, resourcing and governance conform with evolving international best practice, the United Nations Evaluation Group (UNEG) and Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) will conduct a peer review of WFP's evaluation function. The review will start in late 2012 and report in time for the Annual Consultation on Evaluation in May 2013 and feed into WFP's new Strategic Plan.

## 2013 Work Programme

9. In 2013, OE aims to increase evaluation coverage to move closer to full compliance with WFP policies concerning evaluation; ensure increased use of evaluation evidence in WFP decision-making at all levels, through targeted dissemination of lessons; and continue to meet new challenges to the quality of evaluations, with a view to providing adequate organizational accountability and learning in WFP's changing context and strategic direction.
10. The core evaluation work programme and budget for 2013 will include ten complex evaluations of multiple operations and two syntheses (see Table A.III.1). This programme is based on the actual PSA budget allocation for 2013, which was lower than requested and led to postponement of three evaluations proposed for 2013 and the cutting of proposed expansions in activities for learning from evaluations.
11. Subject to the availability of proposed additional funding from non-PSA sources, OE will launch a new programme of 12 operation evaluations.
12. OE's work programme will be implemented by a slightly increased staff of 12 – one director, eight professional staff and three general service staff.<sup>2</sup> The non-staff costs of the core work programme are budgeted at US\$3.0 million with a further US\$1.6 million for the non-staff costs of conducting 12 operation evaluations, making a total of US\$4.6 million.

<sup>2</sup> Figures assume that the proposed funding for 12 operation evaluations will be available.

**TABLE A.III.1: EVALUATION WORK PROGRAMME 2013<sup>a</sup>**

Type of evaluation	Number (new starts) <sup>b</sup>	2013 topic
Policy	1	Gender
Strategic	5	PREP* Joint FAO/WFP global food security cluster* Urban food insecurity* WFP's use of pooled funds* P4P * These four fall under the emergency preparedness and response theme
Impact	2	Three on impact of food-for-assets activities on livelihood resilience (continued from 2012) Two on impact of food-for-assets activities on livelihood resilience
Country portfolio	2	Niger (continued from 2012) Kyrgyzstan (continued from 2012) Congo (continued from 2012) Timor-Leste Sudan
Regional portfolio	1	Central America
Syntheses	2	Impact of food-for-assets activities on livelihood resilience Annual Evaluation Report 2012
Other	TBD	Participation in inter-agency and real-time evaluations, e.g. South Sudan
<b>TOTAL</b>	<b>13</b>	
Operations <sup>c</sup>	12	
<b>TOTAL</b>	<b>25</b>	

<sup>a</sup> This table does not include wider OE work described later in this document covering evaluation dissemination, lesson-learning, a proposed peer review and other activities.

<sup>b</sup> More complex evaluations do not always start and finish within the same year. The 2013 work programme therefore refers to evaluations that will be started and primarily budgeted in 2013, except where otherwise stated.

<sup>c</sup> Subject to availability of non-PSA funding.  
TBD = to be decided.

13. The main findings and themes from the planned evaluations will be synthesized in the Annual Evaluation Report.

## Policy and Strategic Evaluations

14. Evaluation is now embedded into the policy-making process;<sup>3</sup> evaluations are timed to inform new policy and/or to occur within four to six years of a policy's approval. The 2012 Compendium of WFP Policies Relating to the Strategic Plan<sup>4</sup> shows the status of all policies relevant to WFP's Strategic Objectives and now provides information on policies recently evaluated or due for evaluation.

<sup>3</sup> See "WFP Policy Formulation" (WFP/EB.A/2011/5-B).

<sup>4</sup> WFP/EB.2/2012/4-B



15. Taking this into account, along with views expressed during the Annual Consultation on Evaluation, constraints in available resources and WFP's absorption capacity, OE will conduct one policy evaluation, of gender, as the highest priority. This evaluation is very relevant to WFP and beyond, and offers a rare opportunity to assess follow-up on the 2008 evaluation recommendations into the gender policy and the quality and extent of implementation, and to inform future direction, taking account also of developments in the international system. The evaluation will feed into the first reporting on a system-wide action plan – led by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) which sets common performance standards; it will take stock of WFP Gender Policy: Corporate Action Plan (2010–2011).<sup>5</sup>
16. Urban food insecurity is an increasingly important issue for WFP; the current policy from 2002 is widely regarded as lagging behind current practice. However, a policy evaluation would not be the best use of evaluation resources. Instead, an evaluation of WFP interventions in urban settings is proposed, as part of a new series of strategic evaluations on various dimensions of EPR.

⇒ *Strategic evaluation theme: Emergency preparedness and response*

17. Given the changing context of high food and fuel prices, complex national and regional conflicts, shocks and slow-onset disasters, the increasing number of humanitarian actors and the humanitarian Transformative Agenda, an overarching strategic evaluation theme of EPR will be undertaken. This evaluation theme addresses the largest part of WFP's operations<sup>6</sup> and will comprise the following four evaluations. A concept note and preliminary preparations for this series will be elaborated in 2012. The evaluations will be conducted in 2013 and early 2014, and a synthesis of the main themes and findings will be prepared in late 2014.
18. *EPR evaluation 1: Preparedness and response enhancement programme (PREP).* The cross-cutting PREP initiative to develop WFP's new response model for large-scale emergencies is scheduled for completion by the end of 2013. The evaluation will assess WFP's progress in adapting capacity, systems, guidelines, services and partnerships to respond effectively in increasingly unpredictable and challenging environments while also supporting WFP's shift from food aid to food assistance. The evaluation will inform development of a new emergency response policy in 2014; the evaluation report will be presented to the Board at the same session as the new policy.
19. *EPR evaluation 2: FAO/WFP jointly-led global food security cluster.* This evaluation will be conducted jointly with the FAO Evaluation Office and will assess the value-added and effectiveness of this jointly led cluster, established in 2011. Within the strategic theme, it addresses the aspect of international response architecture and offers a good opportunity for learning across two of the Rome-based agencies.
20. *EPR evaluation 3: Urban food insecurity.* This evaluation will examine the role and effectiveness of WFP's preparedness for and response to emergencies that display many of the new and complex dimensions of hunger, often concerning food prices and access rather than food availability, where WFP's new tools and modalities for social protection and safety nets are particularly relevant. The findings will inform formulation of a new policy.

<sup>5</sup> WFP/EB.2/2009/4-C.

<sup>6</sup> Related to Strategic Objective 1 – Save lives and protect livelihoods in emergencies; and Strategic Objective 2 – Prevent acute hunger and invest in disaster preparedness and mitigation measures.



21. *EPR evaluation 4: WFP's use of pooled funds for humanitarian preparedness and response.* This evaluation will analyse the contribution of financial flows from all pooled funds – including the Central Emergency Response Fund, the emergency response fund and the common humanitarian fund – to the effectiveness of WFP's preparedness and response, including its work with implementing and coordinating partners.

⇒ *Strategic evaluation theme: Purchase for Progress*

22. On a very different strategic theme, the final evaluation of the pilot P4P initiative will begin in 2013 and continue in 2014. This summative evaluation of a major pilot programme draws on the P4P's in-built, well-resourced M&E system, which provides a much stronger evidence base than commonly available. The evaluation is categorized as strategic because of P4P's wide operational reach, its innovative approach to building on existing WFP operations for enhanced developmental impact, and its implications for WFP's future strategy regarding cross-cutting issues such as procurement, capacity development, partnerships, and M&E systems.

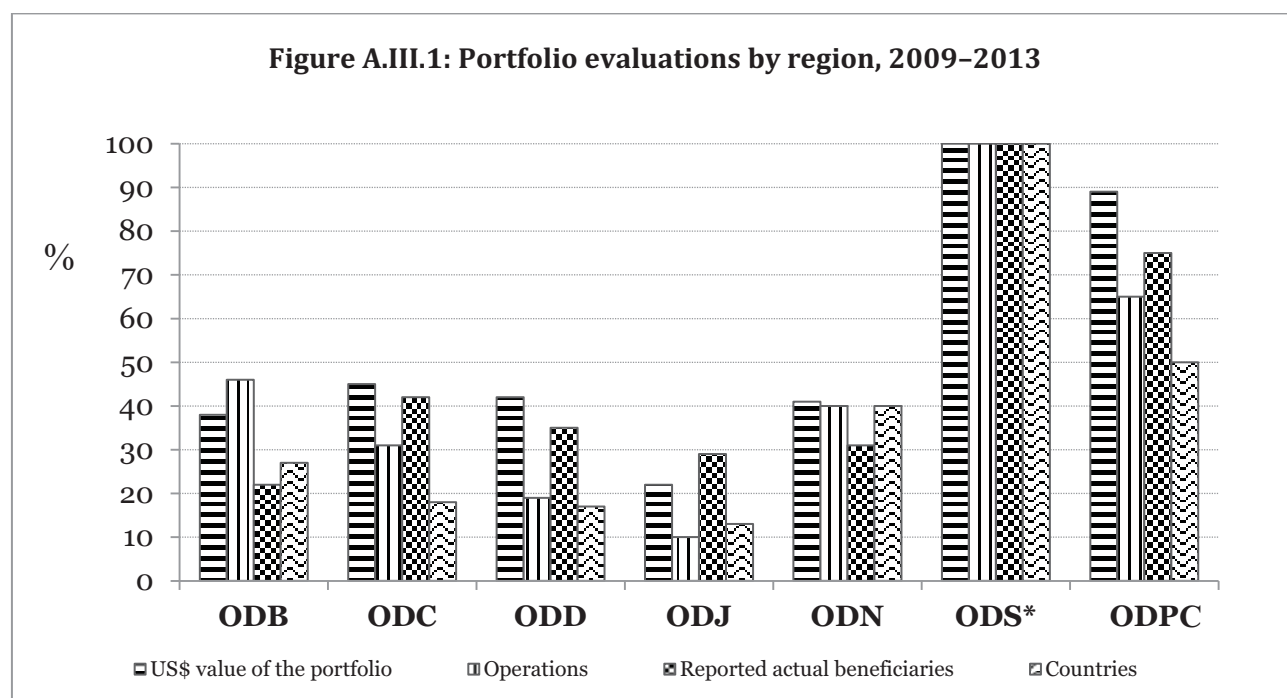
## Impact Evaluations

23. A second thrust of OE's evaluation strategy is to assess in greater depth and rigour the contribution of WFP's assistance to beneficiary outcomes over time, and to a lasting impact on people's lives. Impact evaluations are intended to inform subsequent operations and future policies and strategies for the programming area evaluated. Impact evaluations also contribute to improving WFP's accountability to beneficiaries. During evaluation design and management, care is taken to increase attention to this area, which is generally underdeveloped in evaluation, especially humanitarian evaluation.
24. Using mixed methods, core evaluation questions include: Did we do the right thing in the circumstances? What difference did it make, and to whom? Was it sufficiently aligned with national or international norms and standards? How did it interact with other contributions and influences to make negative or positive, intended or unintended impacts? What should WFP do differently to enhance outcomes and impact? Selection criteria include a sufficiently long period of significant programming for lasting change to have occurred, and reasonable data availability for contribution and/or attribution analyses.
25. The series of evaluations on the impact of FFA activities on livelihood resilience will be completed in 2013. Three of the evaluations in this series of five – begun in 2012 – will continue in 2013, and the remaining two will be started, using the same methods and evaluation framework. A synthesis report of the series will be prepared in 2014.
26. In 2010, it was reported that more than 50 percent of WFP's programmes addressed the risk of natural disasters and their impact on food security. This series follows up on the recommendation from the 2009 strategic evaluation of the effectiveness of livelihood recovery interventions, for further analysis of impact, especially of the role of food assistance in recovery processes and people's own efforts to build stronger livelihoods.

## Country and Regional Portfolio Evaluations

27. Covering all operations in a given country, typically over a five-year period, CPEs are designed as both an accountability instrument and a learning tool to inform future country strategies and operations. Applying well-established selection criteria concerning regional balance, portfolio size, range and previous evaluation coverage, countries are prioritized and CPEs timed to feed into WFP's strategic decisions on country strategies, UNDAF processes, and the design and approval of major operations within a country portfolio.

28. In light of other evaluation priorities and limited resources, only two CPEs will be conducted in 2013: in Timor-Leste and the Sudan. WFP will be withdrawing from Timor-Leste, and so the evaluation is expected to provide useful lessons on managing hand-over and exit. There has been a noticeable gap in evaluation coverage of the Sudan – especially in terms of beneficiary numbers – which the evaluation will address.
29. Overall, the evaluation coverage rate of WFP portfolios remains low, as shown in Figure A.III.1. Twelve CPEs per year would be required to achieve a cycle of evaluation once every five years – the cycle on which poverty reduction strategies, UNDAFs and WFP country strategies are prepared. As this rate is desirable but appears unrealistic from a budget perspective, OE will be reviewing the selection criteria for CPEs, to focus on risk and innovation dimensions.
30. To help alleviate the low coverage rate and address a gap in CPE coverage of smaller country offices and countries with a limited range of operations, in 2013 OE will introduce a regional portfolio evaluation for Central America. If successful, the model could be adapted for other aggregates of smaller country offices and/or portfolios. As this is a new initiative, a concept note and evaluation framework will be elaborated prior to starting the evaluation.



Sources:

% US\$ value of the portfolio: for conducted CPEs, evaluation reports; for ongoing and planned CPEs, Programmes of Work 2011 and 2012, at 13 February 2012, Operational Reporting and Analysis Branch (ODXR).

% of operations: for conducted CPEs, evaluation reports; for ongoing and planned CPEs, Programmes of Work 2011 and 2012, at 13 February 2012, ODXR.

% of reported actual beneficiaries: Data Collection Telecoms Application 2010, ODXR.

% of countries: OE database.

\* Since April 2011, ODS covers the Sudan and ODN South Sudan.

## Operation Evaluations

31. Operation evaluations focus on the effectiveness and efficiency of a single operation with respect to its goals and objectives and international and WFP norms and standards, examining the adequacy of design, implementation and results. Operations should be evaluated because they are the main unit for planning and funding approval. The evaluation policy envisaged OE managing some evaluations of operations and decentralized management of others, but coverage achieved through this approach has been unsatisfactory.<sup>7</sup>
32. WFP's monitoring and self-evaluation strategy, approved by the Executive Policy Council in 2012,<sup>8</sup> could help address this serious accountability gap. However, even assuming the strategy sets in motion solid arrangements for decentralized operation evaluations, it will take time to achieve the evaluation policy's quantity and quality targets. Based on consultation with the Operations Division, the Resource Management and Accountability Department and others, OE will implement an interim solution for three years, beginning in 2013, without diverting OE from its core mandate and its focus on more complex evaluations.
33. Subject to non-PSA funding being available at the start of 2013, OE will design and implement an outsourced evaluation management model for conducting a programme of 12 operation evaluations in 2013, increasing to 24 in 2014 and 30 from 2015 onwards. The model will eventually provide adequate coverage by quality evaluations to generalize findings at the organizational level. It is also expected to enable estimated cost savings of 23 percent in year 1, rising to 32 percent in year 3, compared with previous models for conducting operation evaluations. The model will be designed with a view to later decentralization to regional bureaux and country offices, with support from the Resource Management and Accountability Department at Headquarters.
34. In 2013 – year 1 – OE will establish the model, including by developing and applying risk- and utility-based selection criteria, reviewing and updating evaluation standards and templates, and establishing framework agreements. The volume of operation evaluations in 2013 will therefore be lower than in subsequent years.
35. Throughout 2013, OE will work with the Operations Services Department, the Resource Management and Accountability Department and others to clarify the monitoring and self-evaluation strategy's vision for operation evaluations, standard setting, the roles of various parties in conducting evaluations and quality assurance, and any other modifications to WFP's evaluation function recommended by the forthcoming UNEG-DAC peer review.

## Joint Evaluations and United Nations System-Wide Evaluation Initiatives

36. Wherever appropriate and feasible, evaluations are carried out jointly. The Transformative Agenda is expected to have a significant effect on inter-agency evaluations led by the OCHA, and real-time and other system-wide evaluations. OE will provide input to evaluations of this type on a reactive basis when they are priorities for WFP – for example, the possible system-wide evaluation of results-based management.<sup>9</sup>

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<sup>7</sup> See annual evaluation reports for 2009, 2010 and 2011.

<sup>8</sup> Decision of the 15th Meeting of the WFP Executive Policy Council (9 February 2012).

<sup>9</sup> Department of Economic and Social Affairs, United Nations. 2012. Quadrennial comprehensive policy review of operational activities for development of the United Nations system. (unedited draft, 15 August)

37. In addition to the joint strategic evaluation of the global food security cluster, OE will continue to engage with ongoing development and review of the methodology for inter-agency real-time evaluations, to improve quality, timeliness and alignment with the Transformative Agenda, including for the real-time evaluation proposed for South Sudan. OE will also contribute to UNEG and other development and humanitarian evaluation networks, to represent and update its approach.

### **Evaluation Dissemination, Use and Quality**

38. The Office of Evaluation will continue to add value by creating synergies among evaluations and evaluation products, to reinforce the evidence base and facilitate concentration of the knowledge generated. OE will also increase integration of the intended use of each evaluation into the way in which each evaluation is designed, conducted and the report disseminated. OE will produce syntheses of evaluations wherever appropriate, and will encourage their use in other evaluations and decision-making processes. It will also continue preparing Closing the Learning Loop products for learning within WFP – Top 10 Lessons and Evaluation Country Syntheses – prioritized according to demand, but will not be able to increase the volume of production.
39. The forthcoming UNEG-DAC peer review of WFP's evaluation function will review the evaluation function and policy across WFP, taking into account progress since the last peer review in 2007 and recent developments in WFP's approaches to evidence, M&E, risk, accountability and learning. It will benchmark against state-of-the-art principles and practice for evaluation governance, management, methods, quality assurance, follow-up management, wider learning and knowledge management, ethics, accountability and partnership, to drive continual improvement in OE's contribution to WFP's overall effectiveness.
40. Internal review of OE's approach to quality and coverage in terms of value for money analysis, efficiency and gender will continue in 2013. It was started in 2012, partly in preparation for the peer review, which will provide further benchmarks and advice. Ultimately, however, measurement depends on building the requisite data and analysis into programme design and monitoring.

### **Outlook for 2014 and 2015**

41. Subject to budget allocations, the evaluation work programme for 2014 and 2015 will include the evaluations listed in Tables A.III.2 and A.III.3. Development of the programme for 2015 in particular will be based on WFP's new Strategic Plan, the recommendations of the UNEG-DAC peer review of WFP's evaluation function and developments in the United Nations system.

<b>TABLE A.III.2: OUTLOOK FOR THE EVALUATION WORK PROGRAMME 2014–2015</b>		
<b>Type of evaluation</b>	<b>2014 (new starts, unless otherwise stated)</b>	<b>2015 (new starts)</b>
Policy and strategic	Cash and vouchers Nutrition REACH (Ending Child Hunger and Undernutrition) Theme: emergency preparedness and response, 4 evaluations (continued) P4P (continued)	HIV/AIDS 4 others (estimated) TBD
Country portfolio	Uganda Democratic Republic of the Congo Cambodia Indonesia	Iraq Central African Republic United Republic of Tanzania 1 other TBD
Regional portfolio		1 TBD
Impact	5 of mother-and-child health and nutrition (MCHN)	series of 4 TBD
Evaluation syntheses	Food-for-assets activities series Emergency preparedness and response series	MCHN series Capacity development
Operations	24	30

TBD = to be decided

<b>TABLE A.III.3: PROJECTED RESOURCE REQUIREMENTS 2014–2015</b>				
	<b>2014</b>		<b>2015</b>	
<b>Type of evaluation</b>	<b>Number of evaluations</b>	<b>Non-staff budget (estimated) (US\$)</b>	<b>Number of evaluations</b>	<b>Non-staff budget (estimated) (US\$)</b>
Policy/strategic	2	640 000	5	1 600 000
Country portfolio	4	880 000	4	880 000
Regional portfolio	-	-	1	250 000
Impact	5	1 250 000	4	1 000 000
Evaluation syntheses	2	60 000	2	60 000
Operations	24	3 120 000	30	3 900 000
Other (inter-agency, etc.)	-	50 000	-	150 000
<b>TOTAL</b>	<b>37</b>	<b>6 000 000</b>	<b>48</b>	<b>7 840 000</b>
Management/office costs	-	150 000	-	150 000
Staff requirements	15	-	15	-

## ANNEX IV

### STRATEGIC RESULTS FRAMEWORK 2012

1. The Strategic Results Framework (SRF) was refined in 2011 to show the results of WFP operations more clearly, focusing on outcome indicators measured and reported at the beneficiary and community levels. In 2012, WFP continued to use lessons learned during the annual reporting cycle and ensured that appropriate metrics were in place for all elements of food assistance highlighted in the new WFP Financial Framework, including capacity augmentation. To that end, efforts were made to strengthen the output-level metrics in the area of WFP's work under Strategic Objective 5.
2. WFP will continue using the refined SRF as the basis for monitoring and reporting in the 2012 and 2013 reporting cycles – up to the approval of the new Strategic Plan (2014–2017) which will be presented along with a framework that will reflect the objectives of the organization accordingly.
3. Types of indicators are distinguished in the framework by type font as follows:
  - Regular text: Internationally recognized indicators, based on agreed standards and used by United Nations agencies
  - **Bold: Developed in cooperation with WFP's operational partners**
  - *Italic: WFP-specific methodological standards*



STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES			Impact: Contribution to MDGs 1 and 4	
Goals				
To save lives in emergencies and reduce acute malnutrition caused by shocks to below emergency levels				
To protect livelihoods and enhance self-reliance in emergencies and early recovery				
To reach refugees, 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	
	1.1.2 Prevalence of low mid-upper arm circumference (MUAC) among children under 5 <sup>4,5</sup>	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	
	1.1.3 Supplementary feeding performance rates <sup>6</sup>	Low MUAC prevalence stabilized for 80% of projects	Target: Population-specific – Stabilized prevalence of low MUAC Source: Survey data or assessment data	
	1.2.1 Household food consumption score <sup>9</sup>	Target met for 80% of projects	Target: Population-specific <sup>7</sup> Source: Programme monitoring	
<b>Outcome 1.2:</b> Improved food consumption over assistance period for target households <sup>8</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 Retention rate	Retention rate met for 80% of projects	Target: Retention rate reached 70% for girls and boys in emergency situations Source: Survey data	

<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

<sup>8</sup> Livelihood activities with food-security objectives contribute to this outcome (indicator to measure livelihood/asset protection is under development). Results will be disaggregated by target groups: IDPs, refugees, conflict- and/or disaster-affected households with schoolchildren or hosting orphans and OVC.

<sup>9</sup> Along with the household food consumption score, country offices are recommended to measure the coping strategy 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.



STRATEGIC OBJECTIVE 1: SAVE LIVES AND PROTECT LIVELIHOODS IN EMERGENCIES			Impact: Contribution to MDGs 1 and 4
Goals			
To save lives in emergencies and reduce acute malnutrition caused by shocks to below emergency levels			
To protect livelihoods and enhance self-reliance in emergencies and early recovery			
To reach refugees, 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 1.4:</b> Maintained access to services for anti-retroviral therapy (ART), 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
Output	Indicator		
<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>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	
<b>Goals</b> To support and strengthen capacities of governments to prepare for, assess and respond to acute hunger arising from disasters 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	<b>2.2.1 Household food consumption score<sup>15</sup></b>	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	<b>2.3.1 Household asset score<sup>16</sup></b>	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	
	<b>2.3.2 Community asset score<sup>17</sup></b>	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, country offices are recommended to measure the coping strategy 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	
<b>Goals</b> To support the return of refugees and IDPs through food and nutrition assistance To support the re-establishment of the livelihoods and food and nutrition security of communities and families affected by shocks 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<sup>21</sup> annual rate of change in numbers of girls and boys enrolled</i>	Annual rate of increase of 5% met or exceeded for 80% of projects	Target: Annual rate of increase in numbers of girls and boys enrolled reached 5% Source: Annual monitoring and/or survey data	
<b>Outcome 3.4 (a):</b> Reduced acute malnutrition in target groups of children and/or populations	3.4.1 <i>Prevalence of acute malnutrition among children under 5(weight-for-height as %)</i>	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 <i>MUAC among children under 5</i>	Low MUAC prevalence stabilized for 80% of projects	Target: Population-specific – Stabilized prevalence of low MUAC Source: Survey data and/or assessment data	

<sup>18</sup> Results will be disaggregated by target groups: IDPs, refugees, conflict-affected, disaster-affected, households with schoolchildren or hosting orphans and 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, country offices are recommended to measure the coping strategy 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.

STRATEGIC OBJECTIVE 3: RESTORE AND REBUILD LIVES AND LIVELIHOODS IN POST-CONFLICT, POST-DISASTER OR TRANSITION SITUATIONS			Impact: Contribution to MDGs 1 and 7	
<b>Goals</b> To support the return of refugees and IDPs through food and nutrition assistance To support the re-establishment of the livelihoods and food and nutrition security of communities and families affected by shocks 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	
	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	
Indicator				
<b>Output</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> To help countries to bring undernutrition below critical levels and break the intergenerational cycle of chronic hunger To increase levels of education and basic nutrition and health through food and nutrition assistance and food and nutrition security tools To meet the food and nutrition needs of those affected by HIV/AIDS, TB and other pandemics				<b>Project target and data source</b>	
<b>Outcome</b>	<b>Indicator</b>	<b>Corporate target and performance measure</b>			
<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	
<b>Outcome 4.3:</b> Improved nutritional status of target groups of women, girls and boys	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	
	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	

<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, country offices are recommended to measure the coping strategy 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.

<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

STRATEGIC OBJECTIVE 4: REDUCE CHRONIC HUNGER AND UNDERNUTRITION			Impact: Contribution to MDGs 1, 2, 3, 4, 5 and 6
<b>Goals</b> To help countries to bring undernutrition below critical levels and break the intergenerational cycle of chronic hunger To increase levels of education and basic nutrition and health through food and nutrition assistance and food and nutrition security tools To meet the food and nutrition needs of those affected by HIV/AIDS, TB and other pandemics			
Outcome	Indicator	Corporate target and performance measure	Project target and data source
	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-MNP provided  Source: Monitoring data and/or survey data
<b>Outcome 4.4:</b> Improved adherence to ART and/or success of TB treatment for target cases <sup>31</sup>	4.4.1 ART adherence rate <sup>32</sup>	ART adherence rate target reached for 80% of projects	Target: Population-specific – Adherence rate to ART Source: Monitoring data and/or survey data
	4.4.2 TB treatment success rate <sup>33</sup>	Treatment success rate <sup>34</sup> of 85% reached for 65% of projects	Target: 85% TB treatment success rate <sup>35</sup> Source: Monitoring data and/or survey data
Output	Indicator		
(refer to <b>Output 1.1</b> for distribution of food and non-food items, cash transfers and vouchers)			

<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 TB refers to a patient in whom TB 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 *ART nutritional recovery rate* in addition to *ART adherence rate*.

<sup>33</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>34</sup> TB treatment success rate is % of TB cases who are cured plus % of those with a course of treatment completed (WHO 2007).

<sup>35</sup> WHO's international target for patients going on TB treatment (WHO 2007); Global TB control: surveillance, planning, financing (WHO 2008).



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	
<b>Goals</b> 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 To develop clear hand-over strategies to enhance nationally owned hunger solutions 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 government/national partner staff receiving WFP technical assistance and training <sup>37</sup>				
	5.2.2 Number of national food security/nutrition programmes <sup>38</sup> receiving WFP technical assistance				
	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>39</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> Technical assistance and training refers to capacity development support: to facilitate the transition to national ownership of WFP-supported programmes and/or to strengthen national programmes owned and managed by government. It includes assistance to develop policy frameworks. Training intended to facilitate and strengthen WFP programmes should not be accounted for.

<sup>38</sup> National food security/nutrition programmes refer to programmes that are government owned and managed, supported by WFP technical assistance (e.g. public food distribution system, national school feeding programmes, etc.) and/or programmes which are in transition to national ownership (i.e. in hand-over to government).

<sup>39</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 (like food, C&V), 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 V

## UNFORESEEN REQUIREMENTS

1. Projected operational requirements for 2013 reflect current planning based on existing operations and their logical extensions. The figures do not incorporate unforeseen needs. An outline of the effect of unforeseen needs on WFP's programme of work<sup>1</sup> is presented to demonstrate their potential impact for the coming year.
2. Table A.V.1 shows unforeseen requirements from 2004 to 2012. As they were exceptionally high in 2008–2009 as a result of the global food price crisis, the annual average excludes this biennium.

TABLE A.V.1: UNFORESEEN REQUIREMENTS, 2004–2012 (US\$ million)				
	Original programme of work	Unforeseen requirements	Final programme of work	% Increase
2004–2005	4 784	1 076	5 860	22
2006–2007	6 198	252	6 450	4
2008–2009	5 792	5 987	11 779	103
2010	4 606	2 241	6 848	49
2011	4 347	1 764	6 111	41
2012	5 162	1 405*	6 567*	27
Average (excl. 2008–2009)	3 585	963	4 548	27

\*Unforeseen requirements and final programme of work for 2012 based on mid-year figures.

3. The magnitude of unforeseen requirements has varied from 4 percent to 103 percent since 2004. With the exception of the 2008–2009 biennium, the average programme of work was 27 percent higher than the original planning figures.
4. Planning for 2013 is therefore likely to be affected by unforeseen requirements. However, in view of the nature of WFP's operational context and the variability of the increases in the last six Management Plans, it is difficult to predict the magnitude of their impact.

## Socio-Political Factors

5. Socio-political instability and conflicts can have considerable influence on WFP operations, particularly through increased food insecurity, hunger and security or access issues. Instability in the DRC, Mali, Sudan and South Sudan, the Syrian Arab Republic and Yemen, for example, may result in increases to WFP requirements in 2013.
6. Despite economic growth prospects of 4.8 percent in 2013,<sup>2</sup> instability, economic recession and food price volatility will continue to be serious threats to food security in sub-Saharan Africa.

<sup>1</sup> "Programme of work" denotes operational requirements plus ISC.

<sup>2</sup> African Development Bank. 2012. *African Economic Outlook 2012: Promoting Youth Employment*. Available at: <http://www.africaneconomicoutlook.org/fileadmin/uploads/PAGES-%20Pocket%20Edition%20AEO2012-EN.pdf>

## Environmental Factors

7. WFP's requirements are strongly affected each year by drought, cyclones, flooding and earthquakes; an example is the 2012 drought in the Sahel. Such events can reduce the food security of vulnerable people directly and create a difficult operating environment that hinders WFP's access to beneficiaries.
8. Several corn and wheat exporting countries are facing drought, which is likely to reduce global cereal supplies in late 2012 and 2013.

## Economic Factors

9. The impact of the global financial crisis continues to affect those most vulnerable to food insecurity, particularly through food price volatility and high unemployment, which affect the poor disproportionately. Rising energy costs also influence WFP operations by increasing transport costs and by indirectly affecting the livelihoods of beneficiaries.
10. Economic factors such as global and domestic food price volatility and currency fluctuations remain a serious concern with regard to WFP's capacity to respond effectively to increased food insecurity and hunger. In developing and import-dependent countries that spend much of their revenue on food, a stronger US dollar exchange rate and high cereal prices may have devastating effects on household budgets, with immediate consequences for food security and long-term consequences for health and education.
11. The FAO Food Price Index rose by 6 percent in July 2012 after three months of decline. According to FAO, unfavourable weather lies behind this rebound.

⇒ *WFP cereal index*

12. WFP monitors the development of international commodity prices through a cereal index to assess the potential impact on its food budget.
13. Periodic comparison of the food prices used to plan operational budgets with current procurement rates reveals exposure to risk for foods whose prices have become more volatile as a result of market developments.

⇒ *Fuel index*

14. Transport costs account for a significant portion of WFP's DOC, reflecting the outlay involved in reaching millions of people in remote, harsh and insecure parts of the world. Transport costs include external transport and LTSH.
15. WFP monitors fuel price changes through a crude oil index based on Brent oil futures to evaluate the potential impact on its transport budget.

## ANNEX VI

### 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.

#### Annual Performance Report

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

#### Appropriation

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

**Fit for Purpose**

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

**Framework for Action**

A process to enhance WFP's organization, structures, procedures and culture. The aim is to optimize WFP's efficiency and effectiveness.

**Food for assets/food for work**

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

**Fortification**

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

**Full-cost recovery**

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

**Fund**

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

**General food distribution**

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

**General Fund**

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

**Household**

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

**Indicator**

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

**Indirect support costs**

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

**Malnutrition**

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

**Management Plan**

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

**Multilateral contribution**

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

The Strategic Plan is a four-year document that establishes WFP's direction, Strategic Objectives and priorities for the medium term.

**Trust fund**

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

**WFP budget**

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



## ACRONYMS USED IN THE DOCUMENT

AED	Assistant Executive Director
APR	Annual Performance Report
ARC	African Risk Capacity
ART	anti-retroviral therapy
C&V	cash and vouchers
CAADP	Comprehensive Africa Agriculture Development Programme
CFA	cash for assets
CFO	Chief Financial Officer
CFW	cash for work
COMET	corporate monitoring and evaluation tool
COO	Chief Operating Officer
CP	country programme
CPE	country portfolio evaluation
DED	Deputy Executive Director
DEV	development project
DOC	direct operational costs
DPRK	Democratic People's Republic of Korea
DRC	Democratic Republic of the Congo
DSC	direct support costs
EMOP	emergency operation
EPR	emergency preparedness and response
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FFT	food for training
FFW	food for work
FITTEST	Fast IT and Telecommunications Emergency and Support Team
GFD	general food distribution
GVLP	Global Vehicle Leasing Programme
ICT	information and communications technology
IDP	internally displaced person
ISC	indirect support costs
LTSH	landside transport, storage and handling
M&E	monitoring and evaluation

MCHN	mother-and-child health and nutrition
MNP	micronutrient powder
MOU	Memorandum of Understanding
MRD	Management Result Dimension
MUAC	mid-upper arm circumference
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)
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)
ODR	Organizational Design and Realignment
ODXR	Operational Reporting and Analysis Branch
OE	Office of Evaluation
OECD-DAC	Organisation for Economic Co-operation Development/Development Assistance Committee
OVC	other vulnerable children
P4P	Purchase for Progress
PLW	pregnant and lactating women
PMTCT	prevention of mother-to-child transmission
PREP	preparedness and response enhancement programme
PRRO	protracted relief and recovery operation
PSA	Programme Support and Administrative
PwC	PricewaterhouseCoopers
ROA	Rapid Organizational Assessment
S.O.	Strategic Objective
SADC	Southern African Development Committee
SO	special operation
SRF	Strategic Results Framework
SUN	Scaling Up Nutrition
TB	tuberculosis

TBD	to be decided
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNEG	United Nations Evaluation Group
UNEG-DAC	UNEG Development Assistance Committee
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
VAM	vulnerability analysis and mapping
WHO	World Health Organization