



Chief Financial Officer Division (CFO)

WFP Management Plan (2025-2027)

1st Informal Consultation

30 July 2024



World Food Programme

SAVING
LIVES
CHANGING
LIVES



World Food Programme



Objective of the 1st Informal Consultation

- Update on **Programmatic Figures** (Operational Requirements & Implementation Plan)
- Update of budget **assumptions** and **priorities**
- Preliminary figures for the **PSA**
- Use of **reserves** and **fund** balances

Structure of the presentation

- Introduction: External and internal factors
- Funding context
- Programmatic Context: Operational Requirements & Provisional Implementation Plan
- Q&A
- Programme Support & Business Operations
 - PSA
 - PSAEA and General Fund
- Self-Insurance Schemes
- Next steps and Q&A

Management Plan 2025 Proposed Decisions



For EB approval

- Level of the **Programme Support and Administrative** Budget
- **Use of Reserves and General Fund**
 - ✓ PSA Equalization Account
 - ✓ Unearmarked portion of the General Fund
- **Indirect Support Cost rate**
- **IRA Resourcing Target**



For noting

- External and internal context
- Funding forecasts
- Programmatic context: (Projected Operational Requirements and Provisional Implementation Plan)
- Expansion of Self-Insurance Schemes

INTRODUCTION



Key external drivers

Acute food insecurity

remains very high, affecting 309 million people

Up to 757 million people around the world face **chronic hunger**

Despite some progress towards ending **malnutrition** 148 million children under five suffer from stunting and 45 million from wasting

Conflict

is the primary driver of hunger for half of the world's acutely food insecure people

Climate crises

are a key driver of food insecurity

Displacement

continues to grow – more than 117 million people are forcibly displaced

54 percent of low-income countries are in or at high risk of **debt distress**

High food inflation

continues to curtail purchasing power in many places

Large humanitarian funding gap

makes it challenging to serve needs



Key Internal Factors

SP and CRF

Third year of the **Strategic Plan 2022-2025** and **Corporate Results Framework** – all CSPs transitioned

Partnerships and Innovation

Increased emphasis on **scaling up Partnerships** and **Innovation**

Digital transformation

Translate advances in **digital transformation**

Funding

Stretched resources will require WFP to prioritize, with operational requirements exceeding funding availability

Trust

Trust must be affirmed in WFP's ability to **reach beneficiaries in greatest need.**

Scaling

Greater agility needed in **scaling needs-based assistance** up and down

Prices

Increases to **operational costs** due to global inflation



FUNDING CONTEXT



Factors impacting 2025 funding outlook

Contextual Overview

Challenging funding environment affecting the entire humanitarian sector and **complex operational contexts** lead to further **prioritization of critical needs**

Three-Pronged Strategy : Protect, Grow, Diversify

Enhanced **engagements** and **communication** for continued funding, **value for money** and meet the highest standards of **assurance**

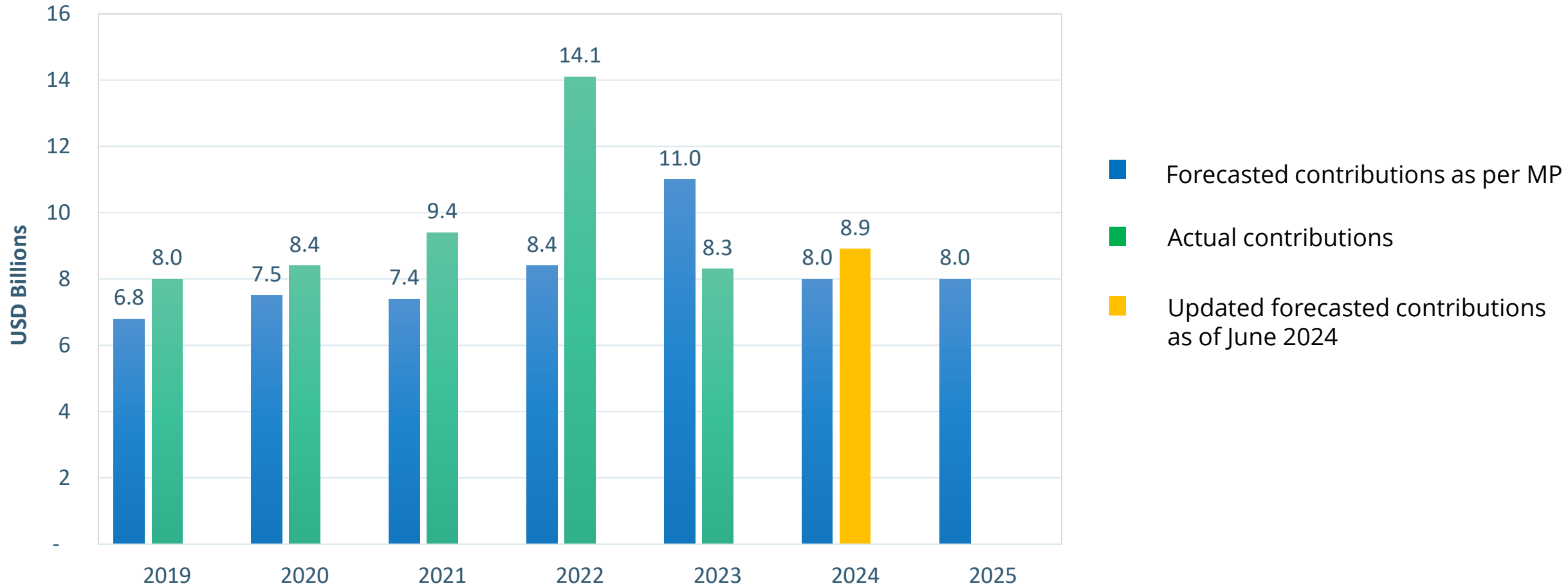
Intensified efforts and expanded outreach are yielding **promising funding outcomes from private sector** donors and supporters

Continued commitment in **innovative finance solutions**, including financing partnerships with **national governments and IFIs**, as well as in **new thematic mechanisms**.

Funding flexibility and predictability

Proactive engagement with partners **on predictable, flexible, and multi-year funding** while reporting on use, added value and investing in **anticipatory action**

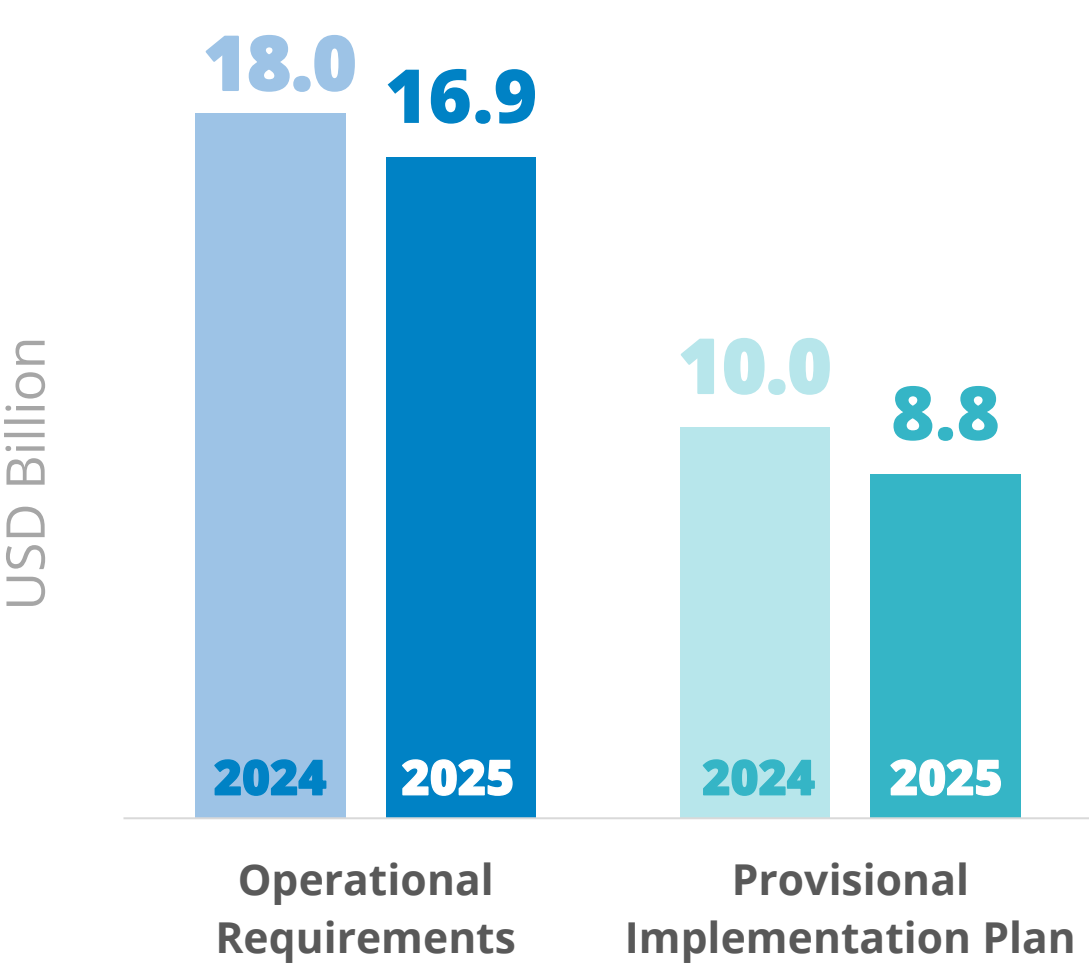
Funding expected to return to pre-pandemic level



PROGRAMMATIC CONTEXT: Operational Requirements & Provisional Implementation Plan



Operational Requirements & Provisional Implementation Plan, 2024 vs 2025

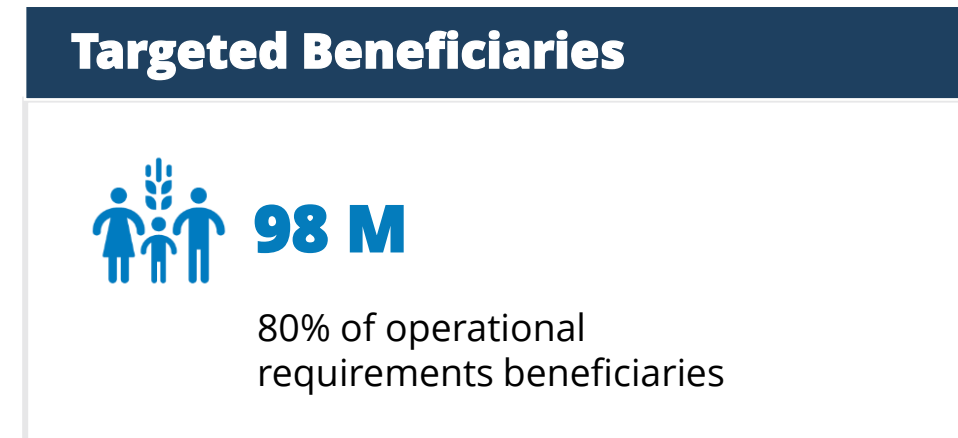
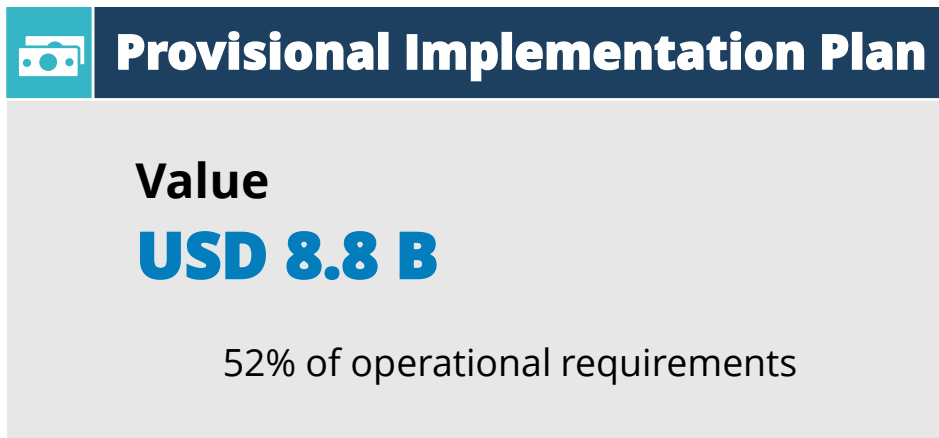
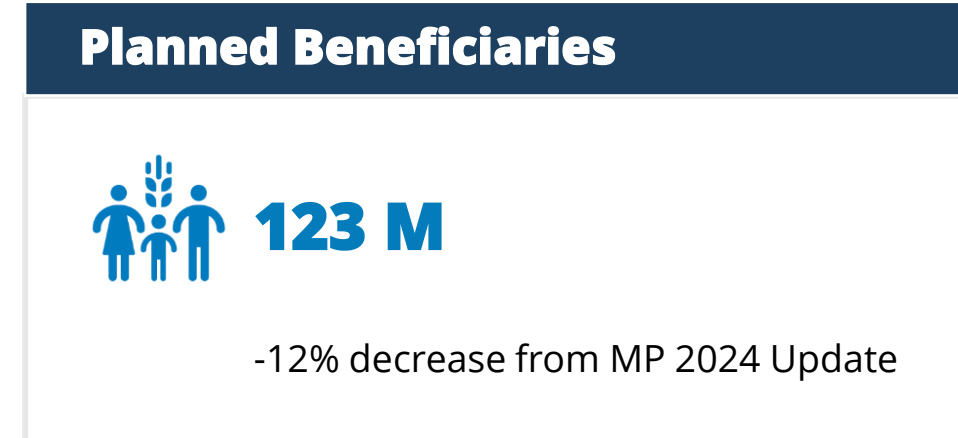
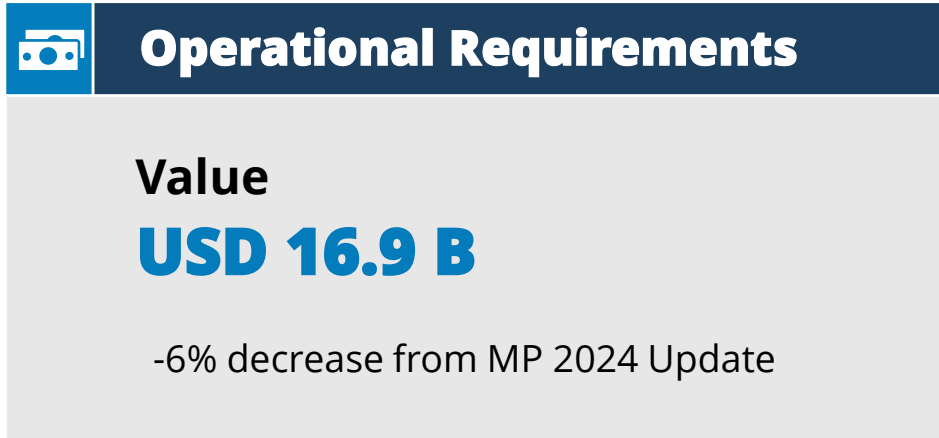


The **Provisional Implementation Plan** for 2025 is **52 percent** of projected operational requirements.

2025 Provisional Implementation Plan Composition

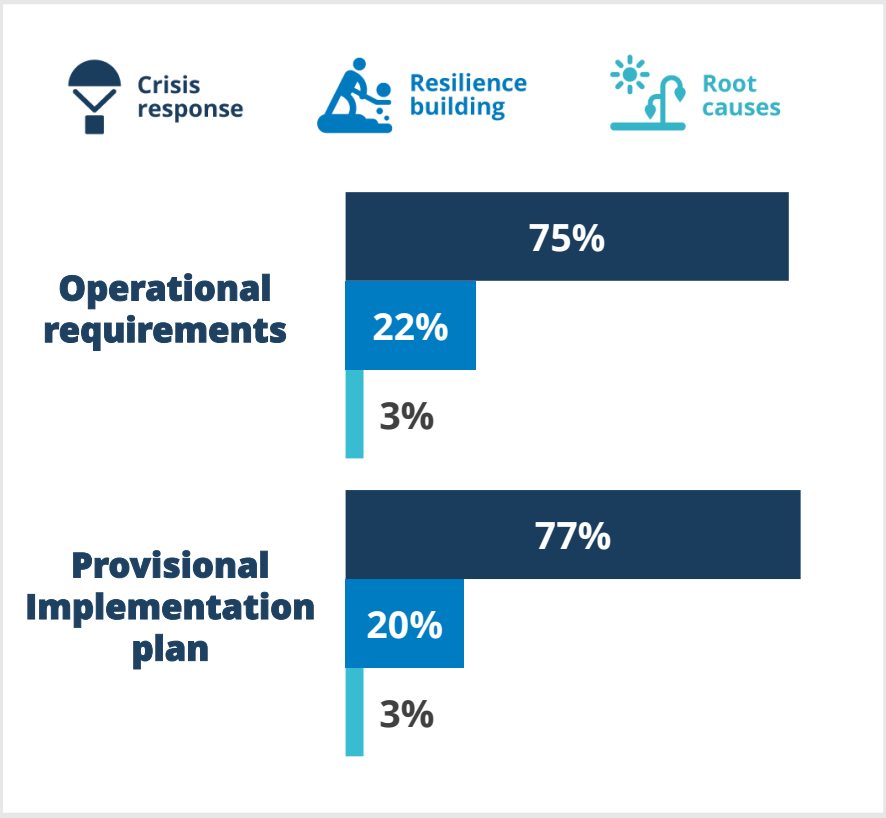
	<i>USD Billions</i>
Contribution Forecast	8.0
Net use of fund balances	0.5
Service Provision	0.3
Provisional Implementation Plan	8.8

2025 Operational Requirements and Provisional Implementation Plan: Key Figures



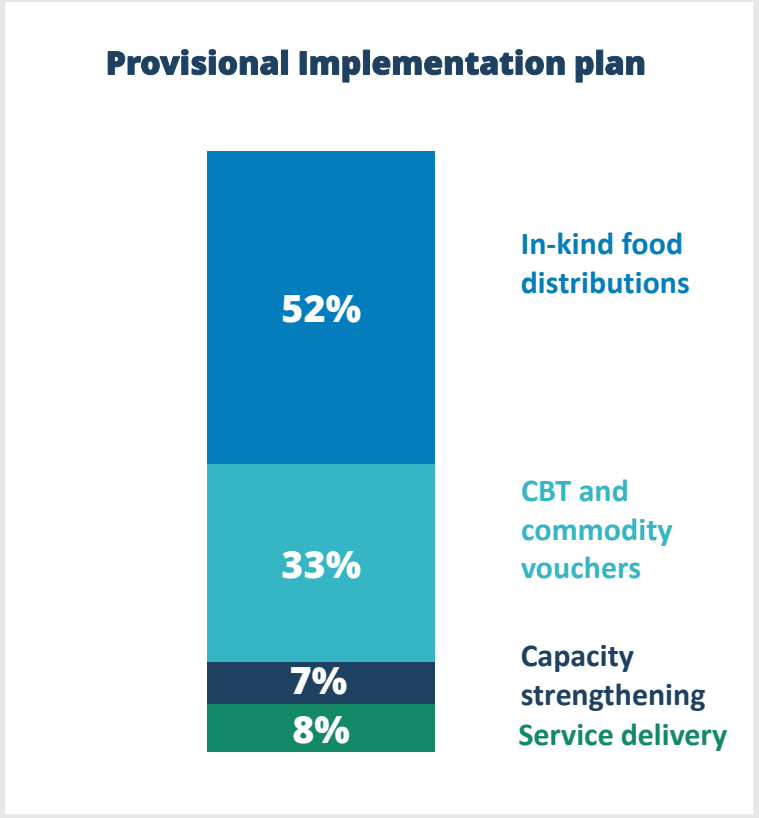
2025 Provisional Implementation Plan

By Focus Area



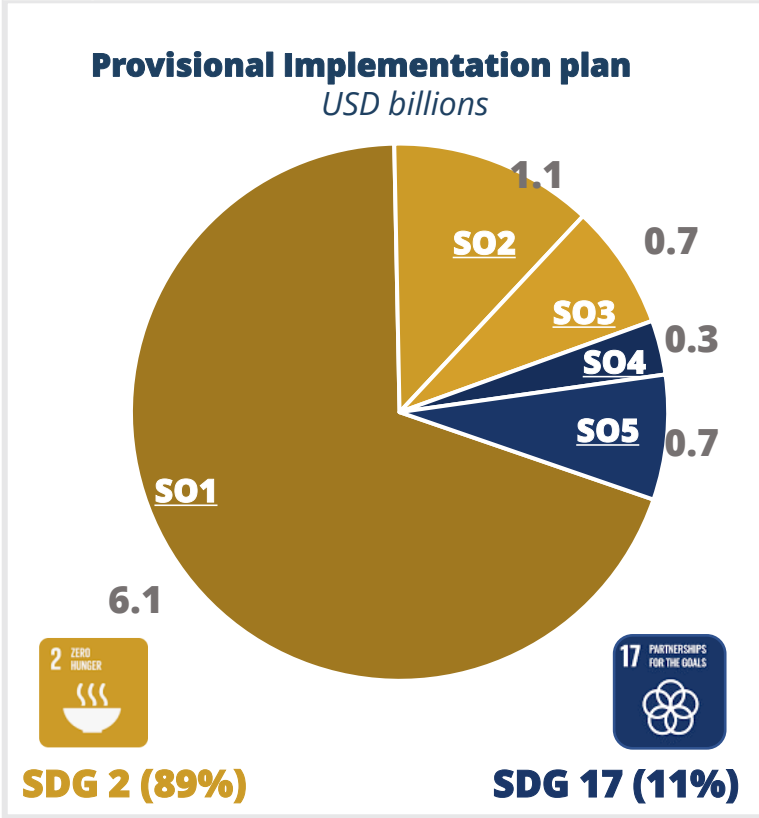
In line with previous years, the provisional implementation plan anticipates a greater share to **crisis response**.

By Transfer Modality



Transfer modalities are expected to follow a similar distribution as past years.

By Strategic Outcome



The provisional implementation plan is anchored around **SDG 2 (89%)**, in line with WFP's Strategic Plan.

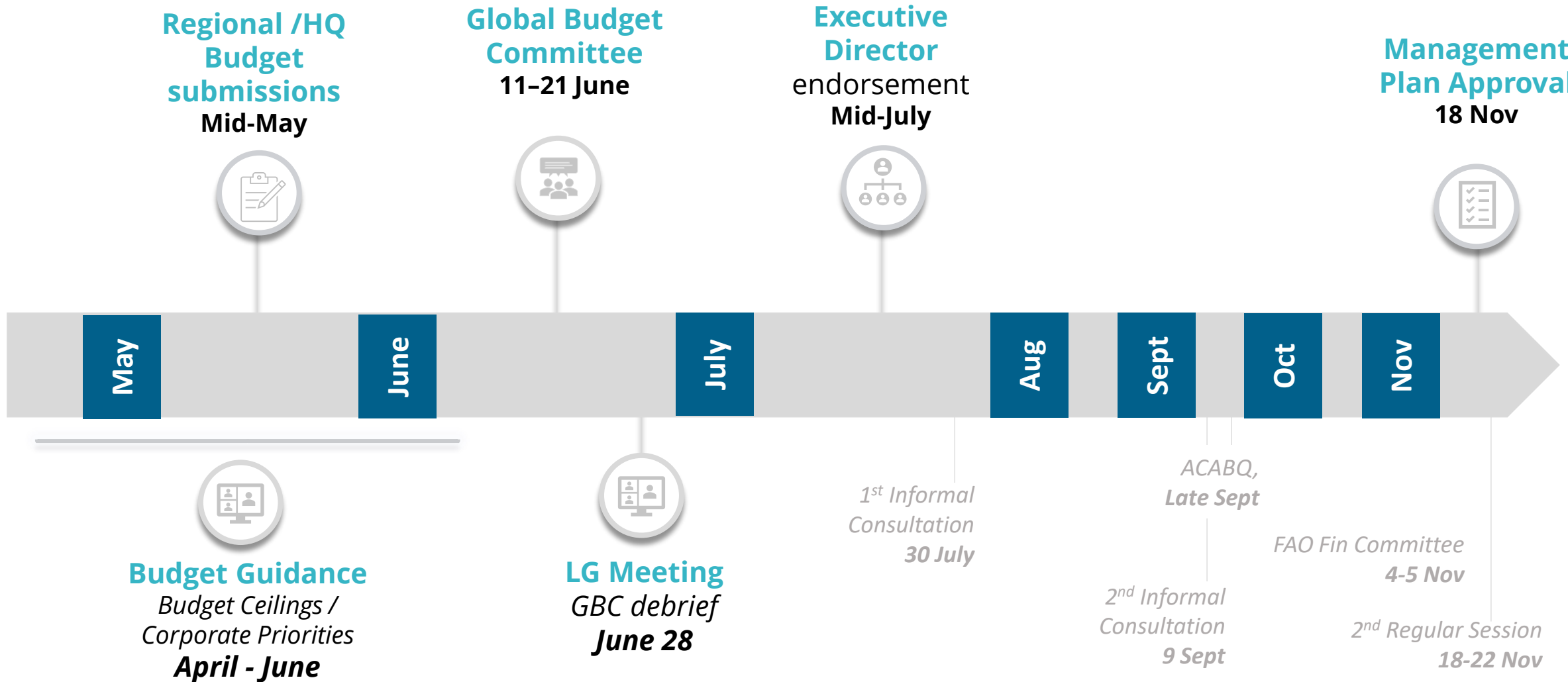
Q&A



PROGRAMME SUPPORT AND BUSINESS OPERATIONS



2025 MP Corporate Budget Process



Corporate Priorities and Management Results

Corporate Priorities 2025

Maintaining our strength in emergency response while placing sharper programmatic focus on resilience and climate adaptation.

Duty of care: excellence in people management, respectful and inclusive workplace.

Diversifying and growing our resource base, including through partnerships with the private sector, multilateral organizations and host and donor governments, as well as innovative funding

Realizing the benefits of reform initiatives to achieve efficiency and effectiveness gains and target resources to the frontline.

CRF 2022-25 Management Results

1 Effectiveness in Emergencies

2 People Management

3 Engage in Effective Partnerships

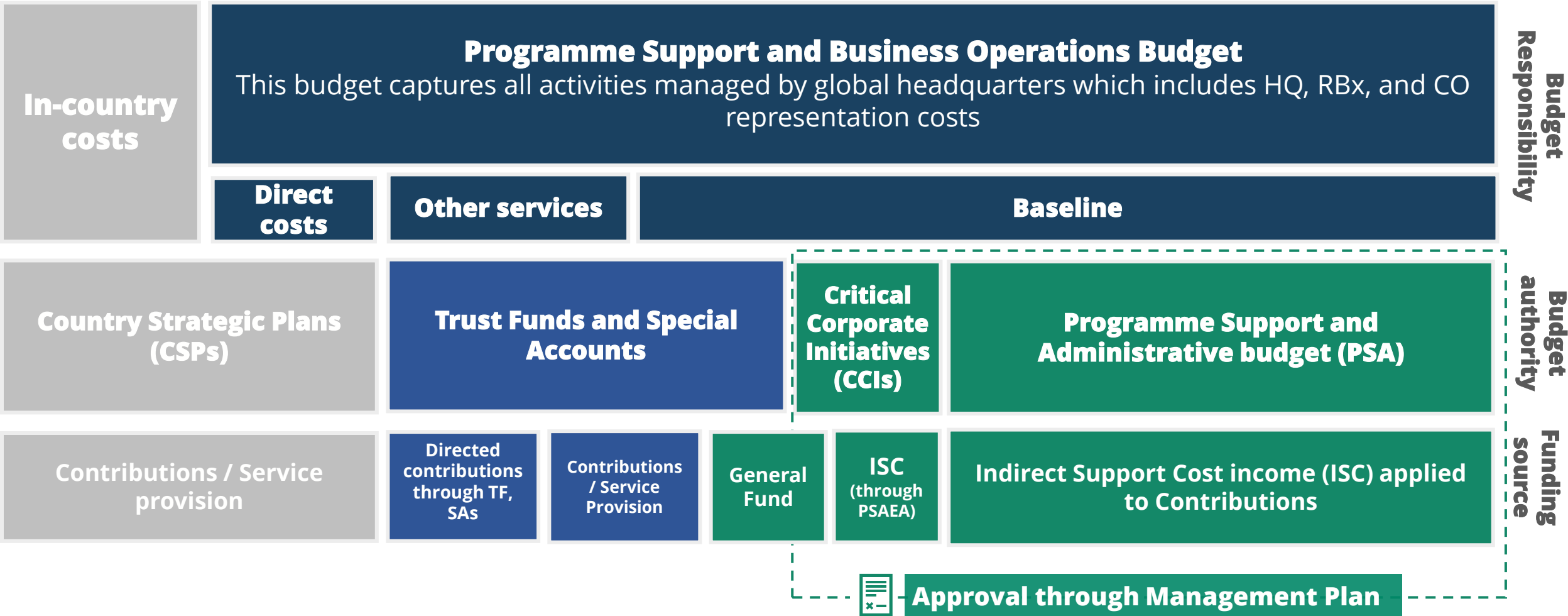
4 Effective Funding for Zero Hunger

5 Evidence and Learning

6 Leverage Technology

7 Leverage Innovation

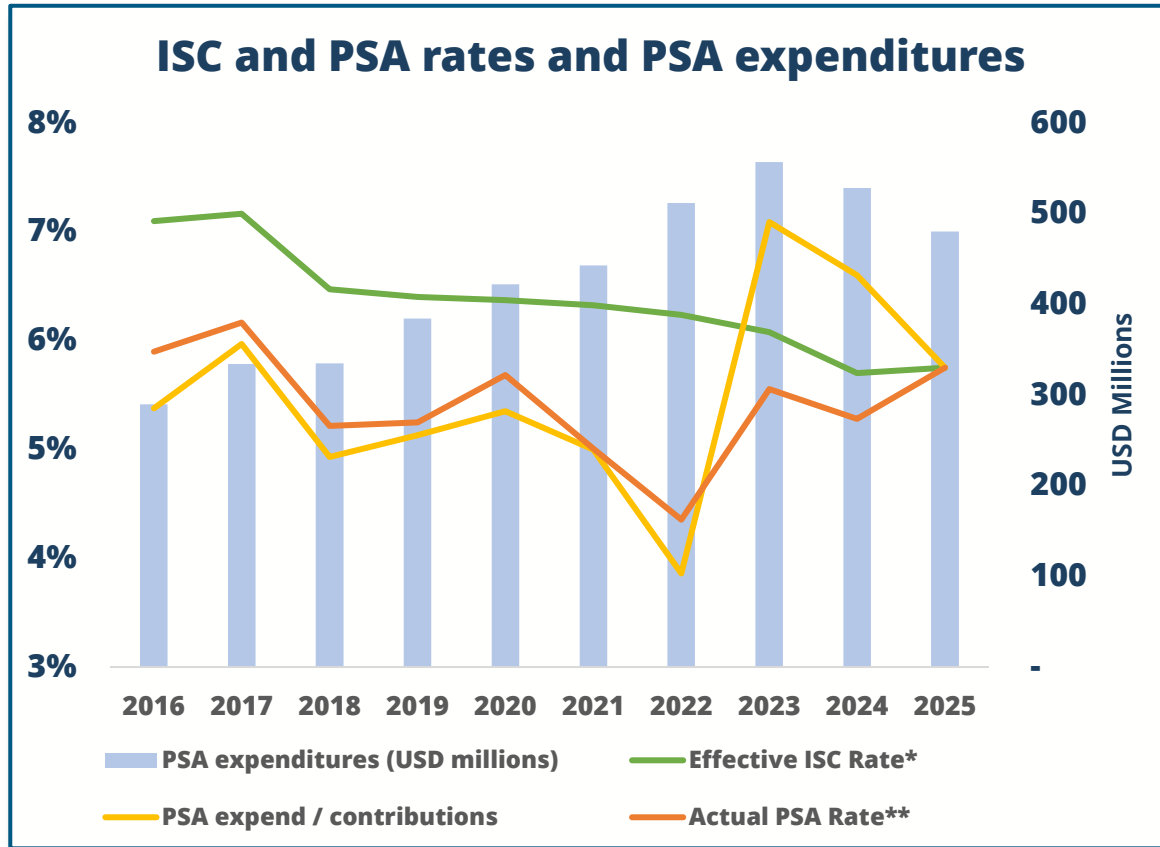
WFP's budget



2025 PSA BUDGET



Background – ISC income & PSA expenditure 2016 to 2025



- ✓ Actual PSA rate and effective ISC income rate converging in 2025 after many years of ISC surplus followed by 2 years of ISC deficit
- ✓ 2025 contribution forecast is close to 2019
- ✓ 2025 projected operational expenditures is approaching 2021 level

*ISC Income / Contributions

**PSA Expenditures / Operational expenditures

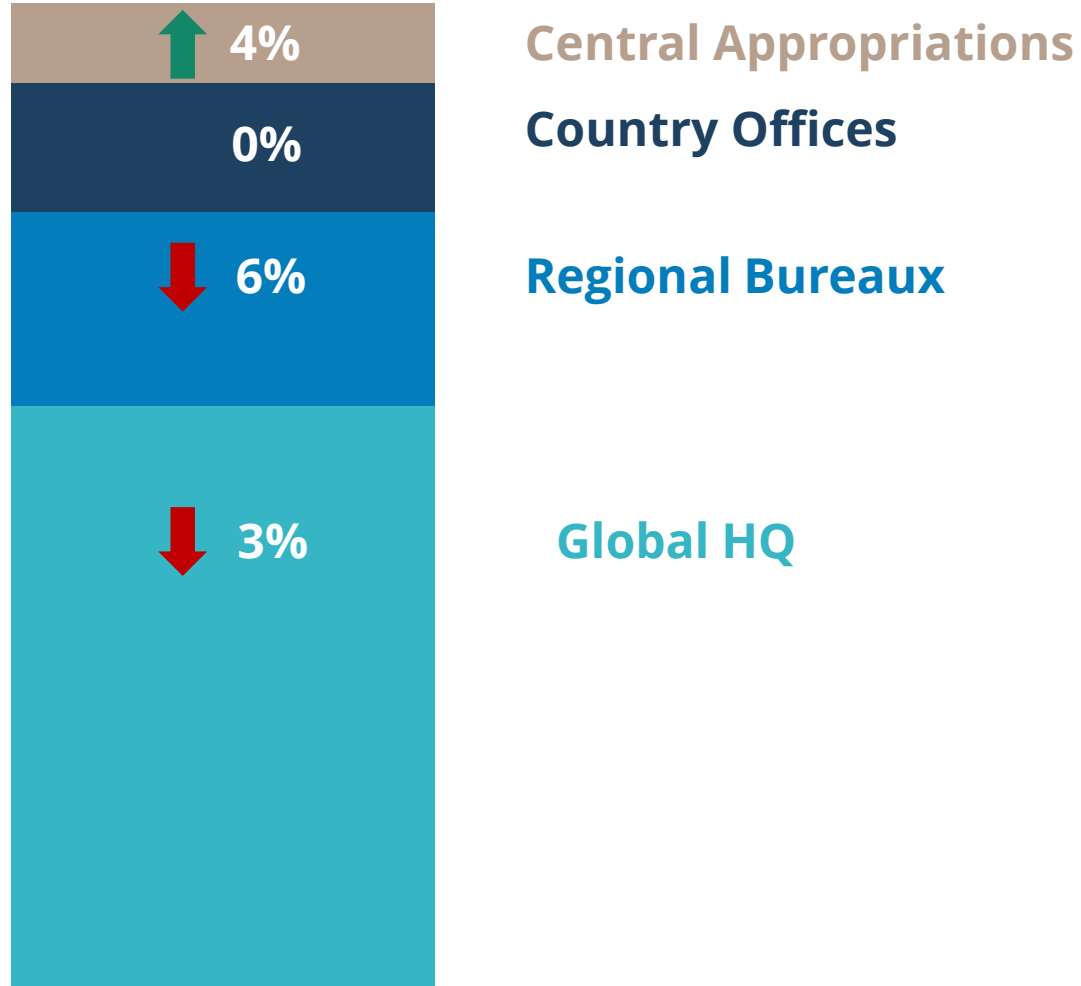
PSA planning assumptions for 2025

- Maintain **ISC standard rate of 6.5 percent**, with exceptions of 4% as previously approved
 - Contribution forecast of **USD 8B income** will generate **ISC Income of USD 463 M**
 - **Effective ISC income** on Provisional Implementation Plan of USD 8.8B is **USD 490 M**
- 2025 proposed PSA budget **maintains living within our means** approach when considering new contributions and PSAEA fund balance
- Potential decisions on **Regional Bureaux restructuring** are not factored into the budget

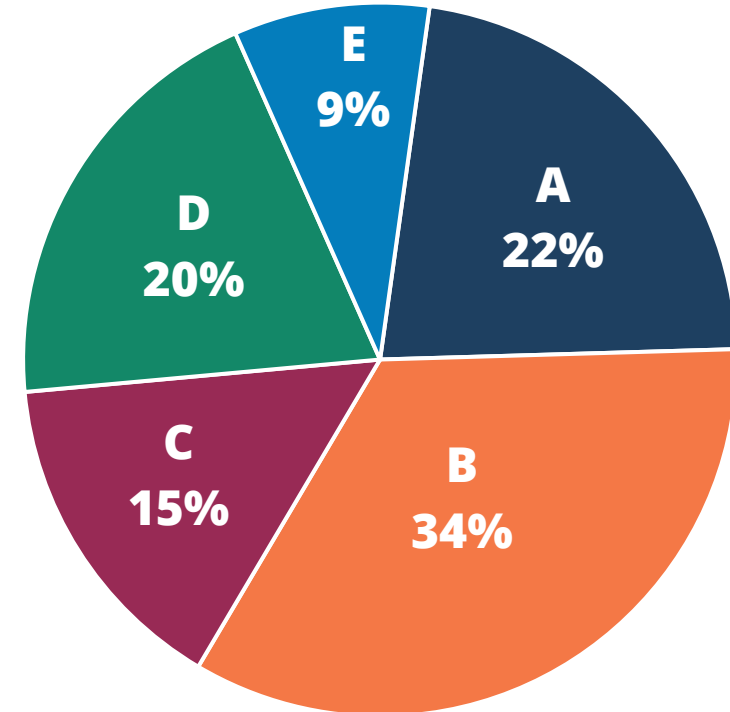
2025 Preliminary PSA budget proposal – USD 480 million



Change between 2025 PSA budget and 2024 Utilization Plan

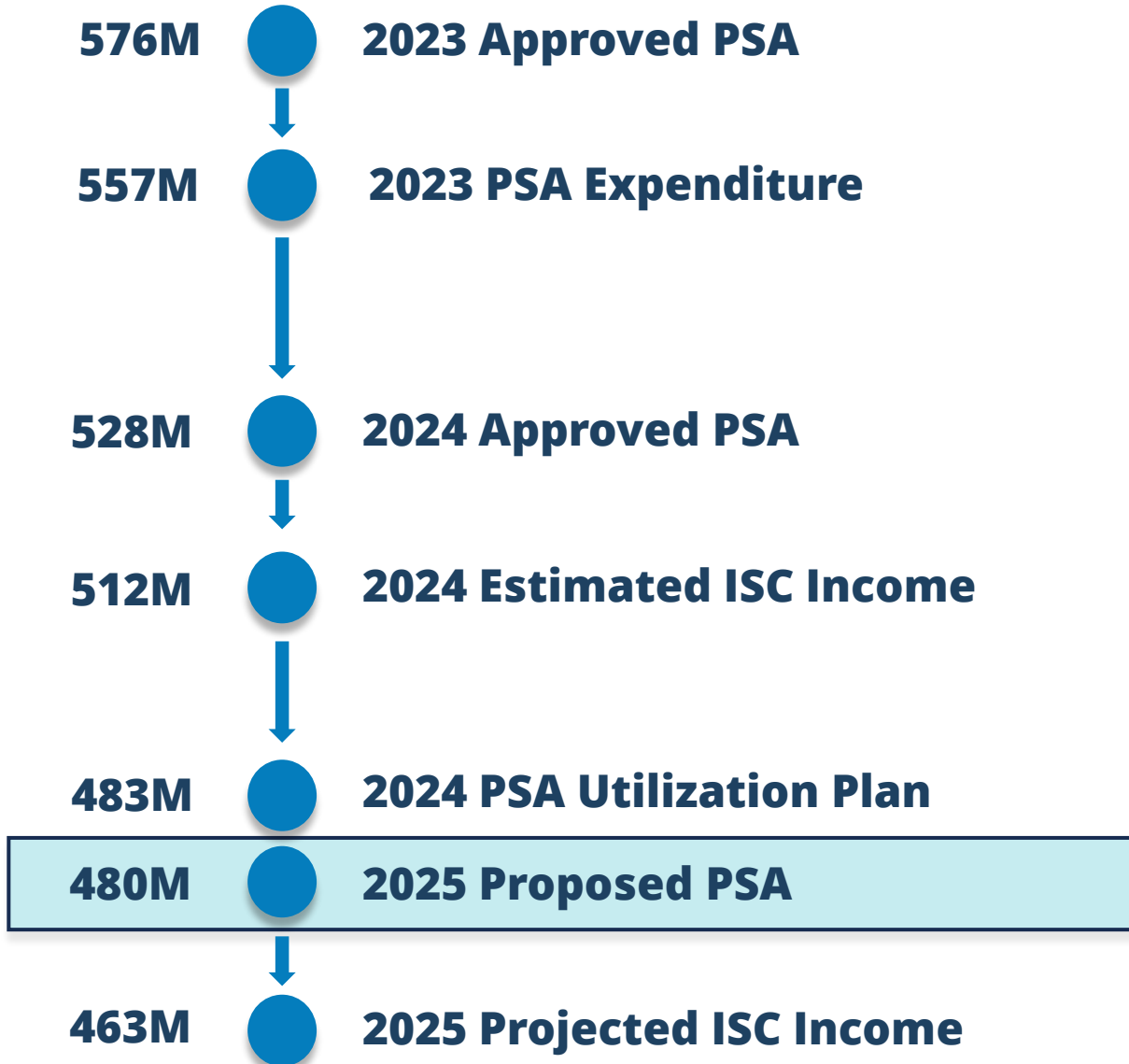


PSA by Pillar



- A - Strategy and Direction**
- B - Business services**
- C - Policy, guidance and quality assurance**
- D - Advocacy, partnerships, fundraising, UN coordination**
- E - Governance and independent oversight**

2023 – 2025 PSA Calibration – *Transitioning to a lower budget*



Areas for future PSA reductions

- ✓ Vertical duplications or inefficiencies (HQ/RB roles)
- ✓ Reductions in budgets of independent offices: Investigation backlog cleared in 2025; Investigations, Internal Audit and Evaluations to adjust to a lower level of operations
- ✓ Roll-out of the Human Capital Management System completed in 2025
- ✓ Streamlining processes for a lower volume of activity and lower headcount
- ✓ Alternative financing model for Global Payment Services

RESERVES AND GENERAL FUND

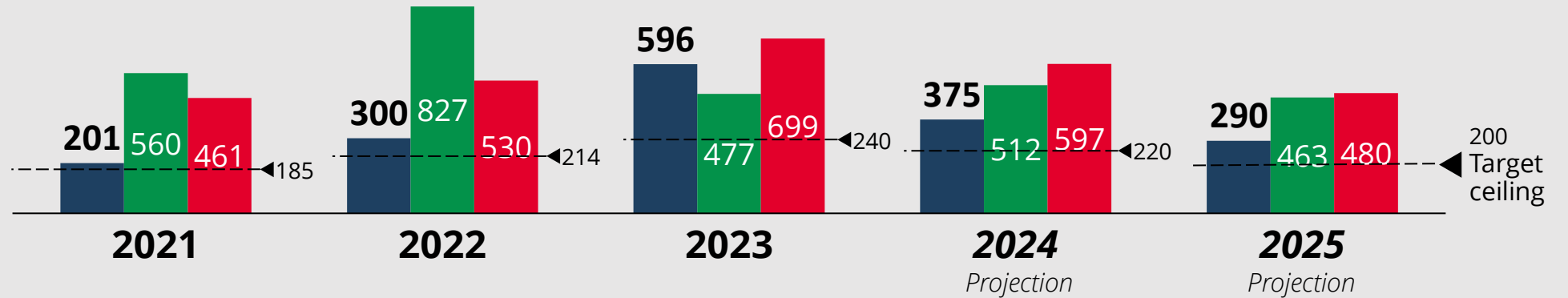


PSAEA and UGF - 2021 to 2025

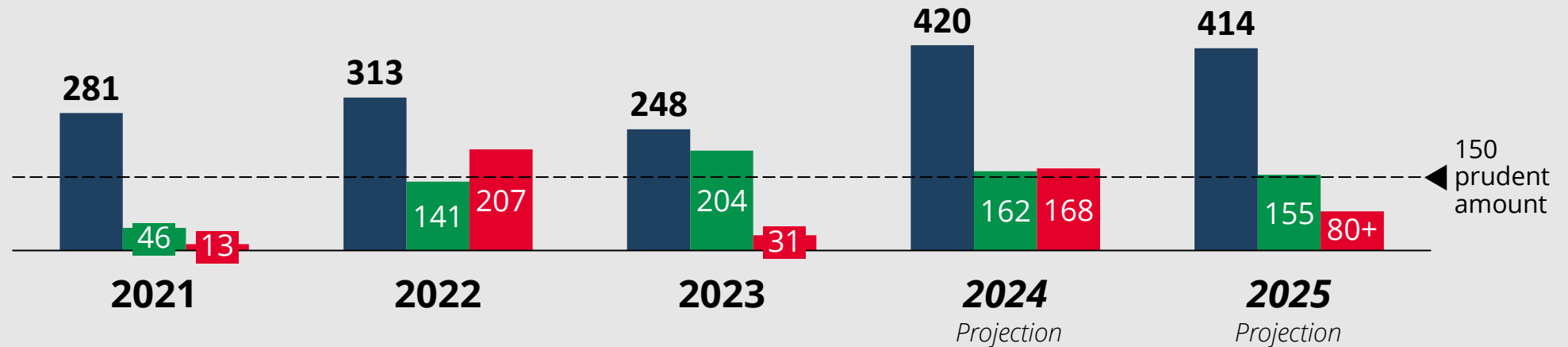
USD Millions

■ Opening Balance ■ Revenue ■ Uses

PSA Equalization Account



Unearmarked portion of the General Fund



PSAEA and General Fund Proposed Use

(USD millions)

	PSAEA	UGF	Total
Budgetary Balance at 31 Dec 2024	290	414	704
Prudent balance	-200	-150	-350
Projected availability at 31 Dec 2024	90	264	354
Interest income		155	155
Projected availability in 2025	90	419	509

PSAEA use not recommended for CCIs or reserve replenishments given high level of projected operational fund balances. **Balance of UGF to be used prudently and strategically.**

Proposed usage in 2025

Shortfall - ISC income below PSA	17		17
CCIs		30	30
IRA		50	50
Staff Indemnities		TBD	
Health Insurance reserve		TBD	
Individual giving funding model		TBD	
Total proposed usage for approval	17	80+	97+

IRA Transfer and Resourcing Target

IRA Transfer

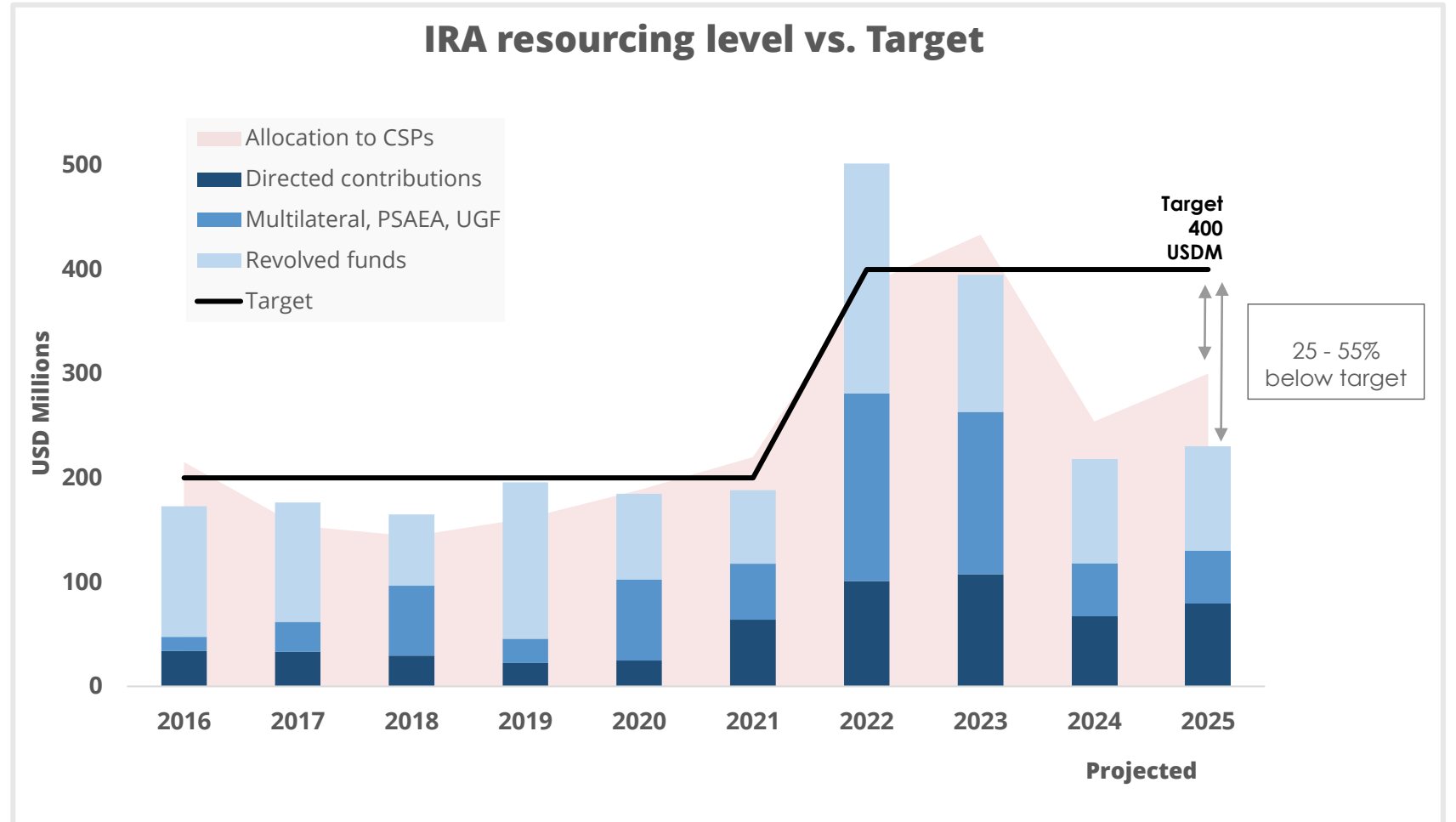
UGF proposed use of **USD 50 million** for the Immediate Response Account

IRA Resourcing Target

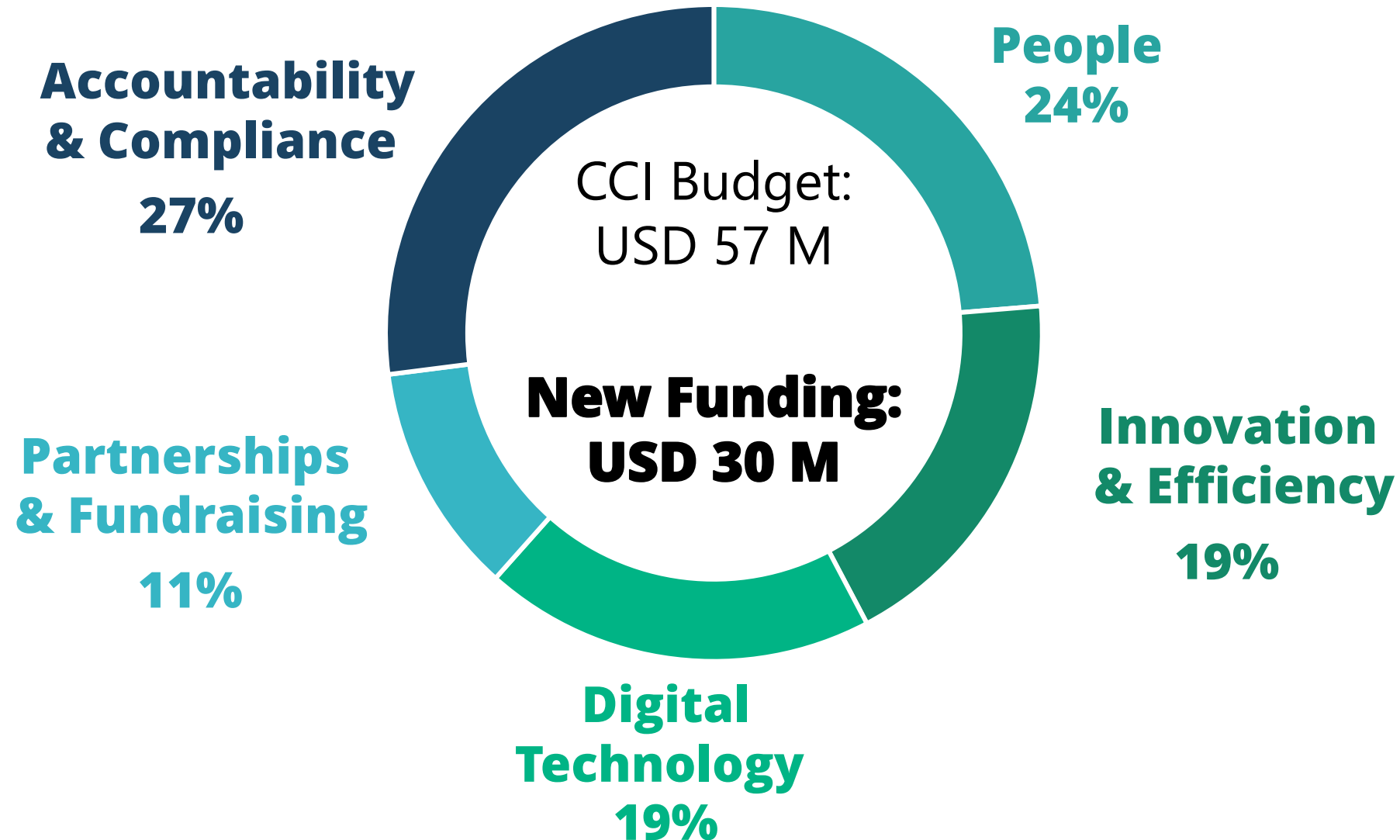
Annual resourcing target proposal to be kept at **USD 400 million**, same as 2023

Preparedness ceiling

Propose **removal of the annual ceiling** of USD 6 million for preparedness.



Proposed Critical Corporate Initiatives in 2025



2025 Critical corporate initiatives (1 of 3)

Accountability & Compliance

USD 15.4 M

Previously approved:

USD 7.4 M

New funding:

USD 8 M

Partnerships & Fundraising

USD 6.5 M

Previously approved:

USD 1.5M

New funding:

USD 5 M

1

Existing CCI: Monitoring, ID management and Traceability (2nd year)

Enhancing processes for **output and outcome monitoring activities** and **CFM assurance standards** for in-kind food operations.

NEW

2

IPSAS (International Public Sector Accounting Standards)

Implementation for mandatory compliance with the six new IPSAS standards

3

Existing CCI: Fit for Future in a changed funding landscape (2nd year)

Strengthen PI Department's delivery of **Innovative Finance, Climate Funding** activities and enhance capacity across RBx/COs with **effective tracking of PI lifecycle** and **end-to-end partner management**.

NEW

4

Unblocking barriers to **diversifying our funding base**

2025 Critical corporate initiatives (2 of 3)

People
USD 13.5 M

Previously approved:
USD 8.5 M

New funding:
USD 5 M

5

Existing CCI: Investing in WFP People to continue (3rd year)
Support **excellence in people management**, by **strengthening WFP's organizational capacity** and adopting new corporate processes.

NEW

6

Enhancement of the employee **duty of care** focusing on supporting WFP's '**stay and deliver**' approach and fostering an **agile and effective workforce**.

Digital Technology
USD 11 M

New Funding:
USD 11 M

NEW

7

Enterprise Resource Planning (ERP) systems upgrade to access new, essential technologies and functionalities; Design a roadmap for payroll system processing; Strengthen the data architecture; Identify use cases and adopt Artificial Intelligence

2025 Critical corporate initiatives (3 of 3)

Innovation & Efficiency

USD 10.6 M

Previously approved:

USD 9.6 M

New funding:

USD 1 M

8

Existing CCI: Corporate Process Optimization (2nd year)

To minimize transactional workload in procurement processes through integration, automation and **streamlining of enabling services at a global level** to **leverage global efficiencies**.

9

Existing CCI: UNSDG Efficiency Roadmap (3rd year)

To ensure WFP has capacity to prepare and respond to **inter-agency reform** efforts and includes new funding to **design operating and financial models for global shared services**.

Trust funds and Special Accounts - 2025 highlights

- ✓ **Increased reliance on Trust Funds** funding as a consequence of PSA reductions.
 - Largest Trust Funds in **Supply Chain, Climate Change, School Feeding and Nutrition**

- ✓ **Special Accounts for business services** are projected to increase (e.g., the Innovation Fund, Aviation, UN Humanitarian Response, Logistics services, GCMF)
 - **Cost Recovery** mechanisms are utilized to enable sustainable costing models

SELF INSURANCE SCHEMES



Operational Self Insurance Expansion

Captive benefits

- Provides coverage for WFP's **unique risks**
- Can cover **risks** that may **not be covered** by the commercial market, e.g. losses from war on land
- Generally **cheaper** than commercial market
- Ability for **faster payouts** – minimizing disruptions to operations

Expansion of operational risk self insurance coverage



**Financial risks
from Cash
Based
Transfers**



**Global
property
risks**



**Emerging and
hard to
insure risks**

Health Self Insurance Expansion

Current framework

3 commercially insured plans

- ✓ Risk premiums negotiated with insurer
+
✓ Insurer's profit margin
(USD 3 million)



1 self-insured plan

- ✓ WFP only pays true value of claims
✓ No insurer's profit margin

Annual cost ~USD 82 M



New framework (as of Jan 2026)

4 self-insured plans

- ✓ WFP only pays true value of claims
- ✓ No risk premiums negotiated with insurer
 - ✓ No insurer's profit margin
- ✓ Lower costs (*no insurer retention and no commercial premium negotiations*)
- ✓ Alignment with other UN agencies (*ref. JIU*)
- ✓ Improved effectiveness and utilization of resources (*savings can be reinvested*)

Increase working capital account and capital reserve to cover all 4 plans

**Annual cost ~USD 78 to 82 M (95% prob.)
~USD 82 to 84 M (5% prob.)**

NEXT STEPS



Next Key Dates for the Management Plan Process

May 10



Informal
briefing as
part of CFO
seminar

Jul 30



1st informal
consultation

Aug 29



MP extracts
posted on EB
website

Sept 9



2nd informal
consultation

End Sept



Advisory
Committee on
Admin.
& Budgetary
Questions
(ACABQ)

Oct 18



MP
document
posted on
EB website

Nov 4-5



FAO Finance
Committee

Nov 18-22



Second
regular
session – MP
approval

Q&A THANK YOU



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