

EXTRACTS OF THE WFP MANAGEMENT PLAN (2025–2027)

Section I: Introduction

1.1 Organizational context

1. The WFP strategic plan for 2022–2025 frames the organizational context for this management plan, which covers the period from 2025 to 2027. The strategic plan states that WFP's highest priority is saving lives in emergencies, and is focused on strengthening WFP's efficiency and effectiveness so that urgent food and nutrition needs can be met with optimal speed and using optimal assistance modalities, skills, partnerships and people. It also affirms the importance of WFP's "partnered-up" programmes that contribute to better outcomes, improve livelihoods and resilience and strengthen national emergency preparedness and response, social protection and food systems.
2. However, as was acknowledged in the management plan for 2024–2026, WFP is operating in an environment that has continued to evolve significantly since the strategic plan was drafted – and not only owing to the war in Ukraine and the after-effects of the coronavirus disease 2019 (COVID-19) pandemic. In 2023 and the first half of 2024, the gap between global levels of humanitarian need and the funds available to address them has widened further. Since 2020, the level of humanitarian need has more than doubled,¹ while humanitarian funding first increased to record levels but then contracted back to 2020 levels.² Over the period of this management plan, WFP will respond to the gap by taking a more systematic approach to the efficient and targeted use of its resources, including through enhanced methods of prioritizing assistance and streamlining country strategic planning so as to address needs in the areas where the organization can have the greatest impact.
3. WFP will ensure corporate support for country operations that prioritize their resources for high-quality programmes targeting the people who are assessed to be most vulnerable. At the planning stage, this will mean better aligning budgets, strategies and programme portfolios with the available capacities and funding. It will involve strengthening field support for country offices in generating evidence and analysis, and helping them to reframe their strategies in line with an evolving operational environment reflected in

¹ The estimation of 309 million acutely food-insecure people globally reported in the June [2024 global operational response plan](#) represents an increase of 160 million people compared with pre-pandemic levels.

² WFP received USD 8.42 billion in funding in 2020, USD 14.17 billion in 2022 and USD 8.45 billion in 2023; as of 15 July 2024, it is projected to receive USD 8.90 billion in annual funding in 2024.

streamlined and strengthened country strategic plans (CSPs) and implementation plans. At the operational stage, WFP will enhance its capacity to prioritize assistance by expanding the use of evidence-based targeting to select the most vulnerable people for assistance. This will involve steps that include creating and maintaining capacity that can be deployed to support country offices' efforts to enhance their targeting practices; mainstreaming and strengthening vulnerability-based targeting systems throughout emergency responses; and strengthening the links among functional areas, including identity management, community feedback mechanisms (CFMs) and monitoring. This systematic approach at both the planning and the operational stages ensures that country operations can maintain high-quality, consistent programmes and will reduce the need to implement disruptive cuts in ration sizes or beneficiary numbers at short notice.

4. The best way to respond to the scale of demand for humanitarian assistance is to reduce, as well as to meet, humanitarian needs. However, WFP's programming that focuses on reducing humanitarian needs under the "changing lives" agenda, including activities focused on resilience building and addressing the root causes of hunger, can lack the resources and capacity for delivering on WFP's mandate. To demonstrate that it has a bigger role to play in reducing needs, WFP will generate more evidence of the sustainable, scalable impact it can achieve through easily replicated long-term programmes. This will require the careful selection of programmes for implementation: WFP will redouble its efforts to focus work on the areas where it can have the greatest impact through high-quality delivery, aided by a stronger emphasis on using programme integration and partnerships to multiply the impact of its own work. As much as possible, WFP will base its response plans on its areas of comparative advantage and the expertise of its partners, aligning its plans with existing national or local strategies.
5. In 2025, WFP will continue to face a complex and deteriorating operating environment. Conflict, mass displacement, constrained humanitarian space – including a disregard for multilateral actors – and extreme weather events are complicating WFP's access to the people who need help. In some cases, interference in and diversion of humanitarian programmes risk holding back or undermining WFP's operations and increasing costs. To address this challenge, WFP will build on the progress made in 2024 by continuing to mainstream assurance measures throughout its operations, requiring greater investment and efforts at the country level to strengthen targeting, identity management, monitoring, commodity tracking, partner oversight and risk management. This work is guided by an Executive Director's circular that codifies the assurance standards that every WFP operation must meet. A group of 31 country offices that have been designated as "high-risk" in terms of assurance must meet those standards or implement alternative controls by the end of 2024, with all country offices required to comply by the end of 2025. WFP will continue to invest in building capabilities to meet the standards, developing better guidance and offering country offices more tools.
6. WFP will invest further in fostering innovation throughout the organization, scaling up programmatic innovations that show high potential to generate efficiency savings and increase the impact of programmes. Pilots and initiatives to be scaled up, including those incubated at WFP's Innovation Accelerator in Munich, Germany, will be selected through a more rigorous process based on both their readiness and their relevance to WFP's mandate. WFP will also leverage opportunities to roll out the digital transformation of its systems, such as beneficiary lists and commodity tracking, so as to further embed their efficiency and interoperability.

7. A restructuring process undertaken in 2024 has ensured that WFP is a more efficient, strategic and focused organization. WFP's new headquarters structure is bringing a sharper focus to corporate efforts to maximize efficiency and effectiveness and target scarce resources to the frontline, where they will deliver the greatest impact for the people in greatest need. The same approach will be taken in the next phase of the restructuring, with a regional reconfiguration currently ongoing.
8. Work will begin on the development of the strategic plan for 2026–2030 in September 2024, and will continue throughout 2025. The drafting process will rely on extensive internal consultations across WFP, including with Executive Board members. External consultations will include close engagement with partner non-governmental organizations (NGOs), the private sector, international financial institutions (IFIs), the United Nations system, the people whom WFP assists and the communities in which they live.

1.2 Global context

Food security situation

9. The world continues to grapple with food insecurity at highly concerning levels, driven by conflicts, the climate crisis and economic shocks, and exacerbated by critical shortfalls in humanitarian funding.
10. Up to 757 million people around the world were ranked as chronically food insecure in 2023. Levels of hunger were on the rise in Africa, where one in five people are chronically hungry, but have remained relatively stable in Asia and have decreased in the Latin America and the Caribbean region. While Africa is the region with the highest prevalence of chronic hunger, Asia is home to more than half of all the chronically hungry people in the world. With projections indicating that 582 million people will still be chronically undernourished in 2030, the world is far off-track to achieving zero hunger by the end of the decade.³
11. Despite some progress towards the goal of ending all forms of malnutrition, more countries are off-track than on-track for most of the 2030 global nutrition targets. With 148 million children under the age of 5 being stunted in 2022 – the latest year for which data are available – the current trend indicates that 19.5 percent of children will be stunted in 2030, well above the global target of 13.5 percent. Wasting affected 45 million children under the age of 5 in 2022, with projections pointing to prevalence of over 6 percent in 2030, more than double the global target.⁴
12. In 2024, an estimated 309 million people are acutely food insecure in the 71 countries where WFP has an operational presence and where data are available. While slightly lower than in 2023, levels of global food insecurity remain well above pre-pandemic levels, with an increase of 160 million people compared with early 2020. An estimated 37.2 million people are at “emergency” or worse levels of acute food insecurity and in need of immediate emergency assistance to save their lives and livelihoods.⁵
13. Between June and October 2024, acute food insecurity is likely to deteriorate in 18 “hunger hotspots”. The five hotspots of highest concern are Haiti, Mali, the State of Palestine, South Sudan and the Sudan.⁶

³ Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), United Nations Children’s Fund (UNICEF), WFP and World Health Organization (WHO). 2024. *The State of Food Security and Nutrition in the World 2024. Financing to end hunger, food insecurity and malnutrition in all its forms*.

⁴ *Ibid.*

⁵ WFP. 2024. *WFP Global Operational Response Plan 2024 – Update #11*.

⁶ FAO and WFP. 2024. *Hunger Hotspots. FAO-WFP early warnings on acute food insecurity: June to October 2024 outlook*.

Economic outlook

14. While the drivers of food crises are typically interlinked and mutually reinforcing, economic shocks are the primary driver for one in four acutely food-insecure people.⁷ Global economic growth remains steady but slow, with a forecasted rate of 3.2 percent for 2024 and 2025, matching the pace set in 2023. The projected global growth rate for five years from now is the lowest it has been in decades. The main reasons for this include the lasting impacts of the COVID-19 pandemic and the war in Ukraine, weak productivity growth and increasing geoeconomic fragmentation, compounded by high debt costs and low fiscal stimulation.⁸
15. Pressures related to debt servicing present a growing challenge, putting investments in people and sustainable growth at risk. The annual debt repayments of low-income countries are increasing rapidly and will reach more than USD 60 billion in 2024 and 2025, which is three times the average for 2010–2020.⁹ Fifty-four percent of low-income countries and 16 percent of emerging markets are already in debt distress or at high risk thereof.¹⁰
16. Amid increased supplies and weakening El Niño conditions, international food commodity prices are projected to decline by 6 percent in 2024 and 4 percent in 2025, although they will remain well above pre-pandemic levels. Risks to prices are primarily on the upside, with potential regional escalation of the war in Gaza affecting energy supplies.¹¹ Headline inflation is expected to decline globally. In low-income developing countries, it is projected to drop to a still-high 12 percent in 2025, down from 18 percent in 2023.¹²
17. Poverty rates are on a declining trajectory globally and hovering around pre-pandemic levels. However, low-income countries and those affected by fragility, conflict and violence have poverty rates that are higher than in 2019 and even saw a moderate increase in poverty between 2022 and 2023.¹³

Conflict and insecurity

18. Almost half of the world's acutely food-insecure people live in countries where conflict or insecurity is the primary driver of hunger.¹⁴ In 16 of the 18 hunger hotspots where parts of the population are likely to experience a significant worsening of already high levels of acute food insecurity in 2024, organized violence and armed conflict are among the main factors driving the deterioration.¹⁵
19. Conflict affects food security in multiple ways: it affects livelihoods, damages or destroys food systems, displaces people and reduces humanitarian access to the people and communities in need. Conflict leaves countries more vulnerable in socio-economic terms, with less capacity to cope with subsequent shocks, including natural hazards.¹⁶

⁷ Food Security Information Network (FSIN) and Global Network Against Food Crises. 2024. *Global Report on Food Crises 2024*.

⁸ International Monetary Fund (IMF). 2024. *World Economic Outlook – Steady but Slow: Resilience amid Divergence*.

⁹ IMF. 2024. *How to Ease Rising External Debt-Service Pressures in Low-Income Countries*.

¹⁰ IMF. 2024. *World Economic Outlook – Steady but Slow: Resilience amid Divergence*.

¹¹ World Bank. 2024. *Commodity Markets Outlook, April 2024*.

¹² IMF. 2024. *World Economic Outlook – Steady but Slow: Resilience amid Divergence*.

¹³ World Bank. 2024. *March 2024 global poverty update from the World Bank: first estimates of global poverty until 2022 from survey data*; World Bank. 2023. *Poverty is back to pre-COVID levels globally, but not for low-income countries*.

¹⁴ FSIN and Global Network Against Food Crises. 2024. *Global Report on Food Crises 2024*.

¹⁵ FAO and WFP. 2024. *Hunger Hotspots. FAO-WFP early warnings on acute food insecurity: June to October 2024 outlook*.

¹⁶ Inter-Agency Standing Committee (IASC) and European Commission. 2024. *INFORM Report 2024: 10 years of INFORM*.

20. Globally, armed violence continues to be on the rise. In 2023, there was a 12 percent increase in conflict compared with 2022 and a 40 percent increase compared with 2020.¹⁷ The total number of internally displaced persons, mainly owing to conflict, has grown by more than 50 percent over the past five years.¹⁸

Climate crisis

21. Weather extremes are the principal driver of hunger for one in four acutely food-insecure people. As El Niño – the dominant driver of weather events since mid-2023 – weakens, forecasts indicate that La Niña is likely to develop from August to October 2024 and to last until January to March 2025.
22. In Southern Africa, El Niño sparked a drought that resulted in national emergencies in multiple countries, contributing to a regional food security crisis that is expected to peak from November 2024 to March 2025. Conversely, La Niña may bring beneficial rainfall and promising harvests by mid-2025. In the Horn of Africa, El Niño caused heavy rainfall, widespread flooding and the displacement of people. Northern East Africa is anticipated to face increased flood risks between June and September 2024. Should La Niña occur, the Horn of Africa could experience dry conditions over the next two growing seasons. Central America's Dry Corridor experienced El Niño-induced droughts in 2023, with insufficient rainfall affecting the beginning of the current season. La Niña might bring the necessary rains later in the year but could also heighten risks during the 2024 Caribbean hurricane season.

Displacement

23. Displaced people are among the most vulnerable to acute food insecurity and highly dependent on humanitarian food assistance.¹⁹ For 12 years, the number of displaced people has increased every year. The number of forcibly displaced by conflict and violence reached 117 million at the end of 2023 and, as forced displacement continued to increase in the first months of 2024, is likely to have exceeded 120 million by the end of April 2024.²⁰
24. A large share of displaced people remain within their own countries. At the end of 2023, a record number of 76 million people were internally displaced globally, 68 million of them by conflict and violence. The number of displacements – including multiple and temporary movements – due to disasters reached 26 million in 2023, the third highest figure of the last decade.²¹

International humanitarian assistance

25. Despite a rise in requirements for humanitarian inter-agency plans, from USD 52 billion in 2022 to USD 56 billion in 2023, funding fell from USD 30 billion to USD 24 billion, leading to a drop in the coverage of financial requirements from 59 percent to 43 percent – the first time in the history of inter-agency coordinated appeals that coverage did not reach 50 percent. Despite the drop, however, the amount of funding received by the end of 2023 was still 22 percent higher than in 2021. Total reported humanitarian funding as of mid-2024 is 24 percent lower than at the same time last year.²²

¹⁷ Armed Conflict Location and Event Data *ACLED Conflict Index*. (accessed 12 June 2024)

¹⁸ Internal Displacement Monitoring Centre (IDMC). 2024. *Global Report on Internal Displacement 2024*.

¹⁹ FSIN and Global Network Against Food Crises. 2024. *Global Report on Food Crises 2024*.

²⁰ Office of the United Nations High Commissioner for Refugees (UNHCR). 2024. *Global Trends. Forced Displacement in 2023*.

²¹ IDMC. 2024. *Global Report on Internal Displacement 2024*.

²² United Nations Office for the Coordination of Humanitarian Affairs (OCHA). 2024. *Global Humanitarian Overview 2024 Mid-year update*.

-
26. Official development assistance (ODA) – government aid that promotes and specifically targets the economic development and welfare of developing countries – from member countries of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) has been resilient in responding to consecutive crises, growing by 1.8 percent in 2023 to a new high of USD 224 billion. Ukraine received USD 41 billion in ODA, the largest amount in history allocated to a single country in a single year. Aid for least-developed countries and sub-Saharan Africa rebounded in 2023, after a decline in 2022.²³ The share of development finance with gender equality and women's empowerment as policy objectives declined for the first time in a decade.²⁴
27. Funding is increasingly directed towards the key drivers of hunger. Climate finance is on an upwards trajectory as bilateral ODA for addressing climate change has increased both in volume and as a share of total ODA.²⁵ The World Bank Group's climate finance increased by 22 percent in the 2023 fiscal year, reaching 41 percent of the group's total financing.²⁶ Nevertheless, investments in nature-based solutions will have to triple by 2030 to meet climate, biodiversity and restoration targets.²⁷ Increasing funding is available for countries characterized by fragile and conflict-affected situations. World Bank financing for these countries has grown by an average annual rate of 27 percent over the last five years, compared with 4 percent for countries not affected by conflict or fragility.²⁸

²³ OECD. 2024. *ODA Levels in 2023 – preliminary data. Detailed summary note*; OECD. 2024. *ODA in 2023 (charts)*.

²⁴ OECD. *Development finance for gender equality and women's empowerment* [accessed 12 June 2024]; OECD. 2024. *ODA for gender equality 2011–2022*. Based on averages for 2021–2022.

²⁵ OECD. 2024. *Official development assistance for climate in 2022: A snapshot*; OECD. 2024. *DAC members' bilateral ODA for climate change adaptation and/or mitigation over the years*. Based on data up to 2022.

²⁶ World Bank. 2023. *Climate Finance Update*.

²⁷ United Nations Environment Programme (UNEP). 2023. *State of Finance for Nature: The Big Nature Turnaround – Repurposing \$7 trillion to combat nature loss*.

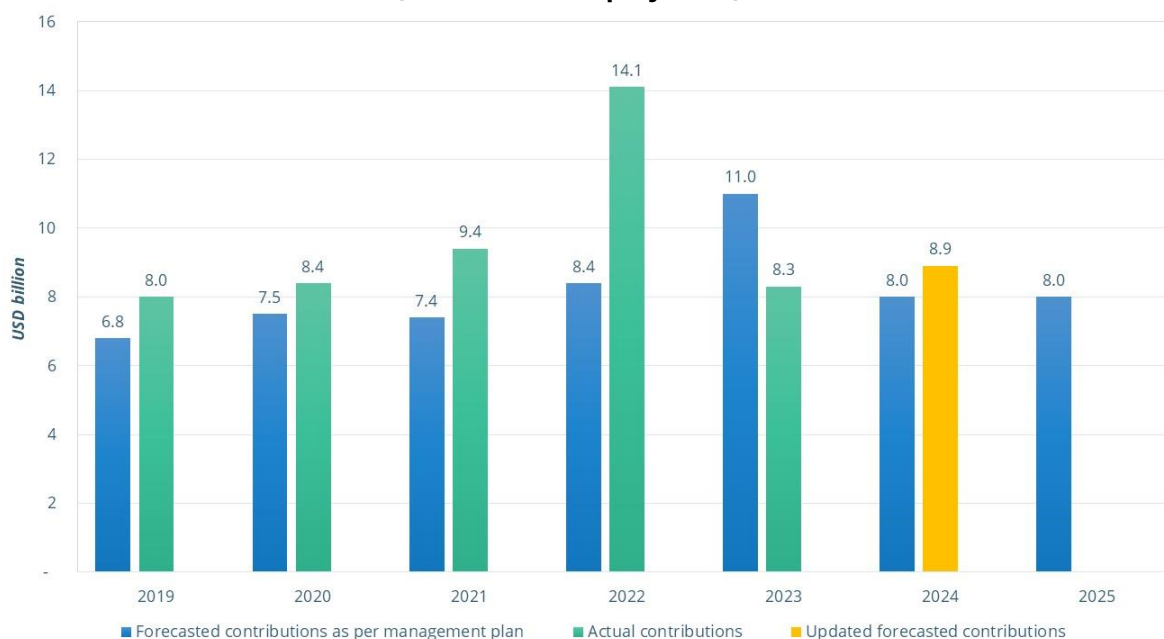
²⁸ World Bank. 2024. *Pursuing Development Goals amid Fragility, Conflict, and Violence*.

Section II: Funding context and resourcing assumptions

2.1. Overview

28. WFP has maintained robust partnerships with its donors over the years, fostering a spirit of collaboration and engagement that has contributed significantly to its growth and capacity to respond to hunger. Over the past decade, WFP's continuous efforts and strong alliances have resulted in a notable increase in funding. In 2015, WFP secured USD 5 billion from donors, growing to an average of USD 8 billion per year up to 2023, underscoring the critical role of WFP's strengthened partnerships with donors in increasing its ability to deliver on its mission of combating hunger.
29. In 2022, WFP experienced a significant increase in donor support, exceeding average levels in response to the impact of the COVID-19 pandemic on global food security. This resulted in WFP securing USD 14.1 billion in funding, an exceptional figure that marked 2022 as an outlier year in the organization's financial history. By 2023, WFP saw its resource levels return to those observed before the pandemic, with the organization securing USD 8.3 billion against approved needs of USD 22.8 billion, leading to its largest ever funding shortfall of 64 percent.
30. In the update to the management plan (2024–2026) approved by the Board at its 2024 annual session, funding for 2024 was projected at USD 8 billion. However, by late June 2024, new information had led to an updated forecast, with WFP expecting to secure USD 8.9 billion in confirmed contributions by the end of the year. The new forecast represents 49 percent of the projected operational requirements of USD 18.2 billion for 2024.
31. WFP has implemented measures to enhance the accuracy of its forecasting process and will continue to communicate openly with its partners. Looking ahead, funding is projected to remain at pre-COVID-19 levels for the next three years, with a conservative forecast of USD 8 billion per year from 2025 to 2027.
32. In this financial environment, WFP remains committed to protecting, expanding and diversifying its funding base, including by developing new sources of resources including from the private sector, innovative financing mechanisms and climate finance. With the increasing gap between unprecedented levels of need and the resources available to address them, WFP must remain ever-more agile, innovative and efficient. In line with commitments made under the Grand Bargain and the Funding Compact, flexible and predictable multi-year funding will help WFP to do so.
33. The challenging funding environment, which affects the entire humanitarian sector, has compelled WFP – and many other organizations – to prioritize the most critical needs as it works to fulfil its mandate. Against this backdrop, WFP will redouble its efforts to establish strong partnerships by demonstrating value for money, directing its resources to where they will have the greatest impact and meeting the highest standards of assurance.
34. At the same time, it is important to recognize that the operational settings in which WFP works are becoming increasingly complex. This often results in longer implementation periods and higher costs for reaching people in need, and it requires WFP to enhance its engagement with partners in order to ensure complementarity, maximize efficiency and effectiveness through innovation, and mitigate risks.

Figure 2.1: Evolution of donor contributions to WFP, 2019–2025 (confirmed and projected)*



* Forecasted contributions for 2024 are from the [Update to the WFP management plan \(2024–2026\)](#).

Figure 2.2: Donors to WFP by value of contribution and percentage of total contributions, 2019–2025 (confirmed and projected)



2.2. Protecting, expanding and diversifying the funding base

35. WFP will continue to invest in partnerships through a three-pronged strategy designed to protect, expand and diversify its resource base.

Strategic engagement

36. At a time when the partnerships function is more critical than ever, WFP recognizes that it requires a more integrated approach to its engagement, fundraising, advocacy and positioning with partners, based on continued transparent two-way dialogue and mutual trust and aimed at jointly defining priorities and identifying strategic opportunities to better meet needs.
37. To boost WFP's humanitarian diplomacy efforts, executive managers will use their attendance at key international events to establish strategic alliances, accelerate partnership building and attract support for WFP's efforts to achieve its objectives and reach zero hunger.
38. Broadening the range of partnerships, including by building thematic partnerships and focusing on strategic partners while also further nurturing and expanding existing partnerships will enable WFP to diversify its engagement to build shared strategic, geographic and thematic objectives. By tailoring its interventions and services to governments, organizations and communities, WFP has the opportunity to leverage a wide range of contributions from partners.
39. As a voluntarily funded organization, WFP values its longstanding relationships with all of its government donors. The organization relies significantly on a small group of partners, with approximately 80 percent of its funding coming from ten donors. While it will remain essential for WFP to continue nurturing those relationships and to have regular communications at the capital, regional and country levels, it will also be important to expand and diversify its funding base so as to be able to respond effectively in today's challenging humanitarian environment.

United Nations partnerships and pooled funds

40. The United Nations Central Emergency Response Fund (CERF) represents a lifeline for the most vulnerable people, enabling WFP to act swiftly during emergencies. The fund also facilitates early and anticipatory actions that help people before a crisis reaches its peak. This proactive approach reduces the projected humanitarian impact of a crisis, ensuring a faster, more dignified and more cost-effective response.
41. Other United Nations pooled funds play a strategic role in improving the coordination of aid, risk management and the diversification of funding for the United Nations system. Pooled funds provide an important strategic pathway for WFP in its engagement with the wider United Nations system in achieving national and global priorities.
42. Overall, for 2025, WFP expects a similar level of funding as in previous years from both the CERF (USD 166 million in 2023) and other pooled funds (USD 186 million in 2023). WFP will enhance its collaboration with United Nations resident coordinators and humanitarian coordinators on prioritizing the most vulnerable people. It will also contribute to strengthening the visibility of United Nations contributions to humanitarian response, while demonstrating the impact of those contributions.

43. At the corporate level, through regular engagement, WFP works closely with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) to advocate support for vulnerable people and communities around the world. WFP also supports OCHA's advocacy efforts at pledging events and through annual reports. At the inter-agency level, WFP maintains close relationships with other United Nations entities on joint advocacy for priority operations and related resource mobilization efforts.

Programme country partnerships

44. WFP's partnerships with programme countries have expanded significantly over recent years and are aimed at helping countries to achieve their national priorities, in line with WFP's strategic plan. Direct support for WFP from programme countries continues to increase through financial and in-kind contributions and the sharing of capacity, knowledge and technical skills through South-South and triangular cooperation arrangements. In response to its evolving partnerships with programme countries, WFP has established the Multilateral and Programme Country Partnerships Division.
45. *Domestic financial resources:* WFP puts national ownership and the mobilization and effective use of domestic resources at the centre of its efforts to achieve the Sustainable Development Goals (SDGs). Domestic funding for WFP initiatives, including all the resources provided by national governments, such as funds from international financial institutions, is forecasted to reach USD 900 million in 2025. In promoting the national financing of programmes related to SDG 2, WFP will continue to leverage initiatives such as the Emerging Donor Matching Fund and the Changing Lives Transformation Fund, which provide incentives for low-income and lower-middle-income countries to contribute domestic resources to WFP CSPs.
46. *International financial institutions:* WFP will continue to strengthen its collaboration with IFIs, contributing to the priorities of national governments, in line with the WFP strategic plan. Financing from programme countries can originate from IFI "envelopes" or domestic financial resources. To sustain the expansion of government-funded support, WFP will continue to invest in providing analysis and technical support that enable country offices to better leverage national funding. WFP has forecast that USD 750 million of IFI-sourced financing will be identified in 2025, consistent with trends in recent years.
47. *Resources from the Global South:* Leveraging the unique contributions of the Global South, WFP will continue to facilitate South-South and triangular cooperation for the exchange of knowledge, experiences and skills among developing countries in support of progress towards the achievement of zero hunger.

Private sector

48. The proportion of donations from private donors almost tripled between 2019 and 2023, individual donations increased more than sevenfold and, with appropriate investment, this growth trajectory is expected to persist. As of mid-2024, income from the private sector – corporations, foundations, philanthropists and individuals – is projected to reach USD 350 million in 2024. Of that total, more than USD 120 million is expected to be generated by the individual fundraising programme, which comprises the headquarters-based individual giving team, the ShareTheMeal platform and WFP friends' organizations, predominantly those based in the United States of America and Japan.
49. Individual fundraising is the largest private sector source of flexible funding, with an estimated 30 to 35 percent of all individual contributions being flexible. The share of donations reinvested in individual fundraising operations, set out in the private sector partnerships and fundraising strategy and approved by the Board at its 2019 second regular

session, will remain at 29 percent in 2025, with the majority of the reinvested funds being used to pay for the highly targeted digital advertising that drives individual contributions, repay the capital budget financing advance and cover operational costs. The investments also aim to expand the current digital fundraising model, achieving depth in key markets, offering the option of Zakat giving and providing new experiences through the mobile application so as to promote increased engagement.

50. WFP foresees that partnerships with foundations, and philanthropic contributions will continue to grow. A considerable proportion of income is expected to come from engagement with foundations, despite the market volatility in this sector. Building on its multifaceted involvement in the private sector, and with the aim of tapping into new markets and funding streams, WFP will develop new fundraising approaches that range from individual donations to contributions from foundations and that include options for Islamic philanthropy.

Innovative finance

51. WFP will explore innovative funding sources by leading donor engagement at the capital level while providing direct support to regional bureaux and country offices for the design of investment cases for innovative funding and the development of evidence-driven proposals for attracting additional multi-year contributions.
52. In line with its new innovative finance strategy, WFP will further advance its innovative finance objectives, employing mechanisms such as debt swaps, capital market solutions, blended finance and climate risk finance, and aiming to mobilize an additional USD 100 million in 2025.
53. In 2025, the focus of the innovative finance strategy will be on climate risk financing for smallholder farmers, presenting financing options for partners, refining business models and providing capacity building for regional bureaux and country offices. The structure and design of innovative finance initiatives, including debt swaps, crypto-currency contributions and blended financing, will be guided by WFP's Legal Office. Anticipating increased engagement in innovative financing in 2025, WFP aims to attract funding through non-traditional channels, including from the existing donor base.

Thematic partnerships

54. Through strengthened relationships, interactions in the field and tailored dialogue, WFP will emphasize its comparative advantages in the areas of climate action, resilience building, the strengthening of social protection systems and nutrition. By leveraging corporate investment plans and scaling up relevant programmatic activities, WFP will continue to strengthen collaborative efforts throughout headquarters, regional bureaux and country offices for effective fundraising at the country level. WFP will actively explore new modalities for thematic partnerships through innovative financing tools.
55. Anticipatory action will also remain a key focus for WFP, particularly through the use of forecast-based financing. This approach reduces humanitarian costs by facilitating proactive measures before extreme weather events occur. Through its CSPs, WFP will continue to support governments in strengthening national early warning systems and helping communities to anticipate, prepare for and recover from climate shocks. This will be achieved by securing reliable and prearranged funding to implement anticipatory action projects, and by advocating increased funding for climate adaptation.

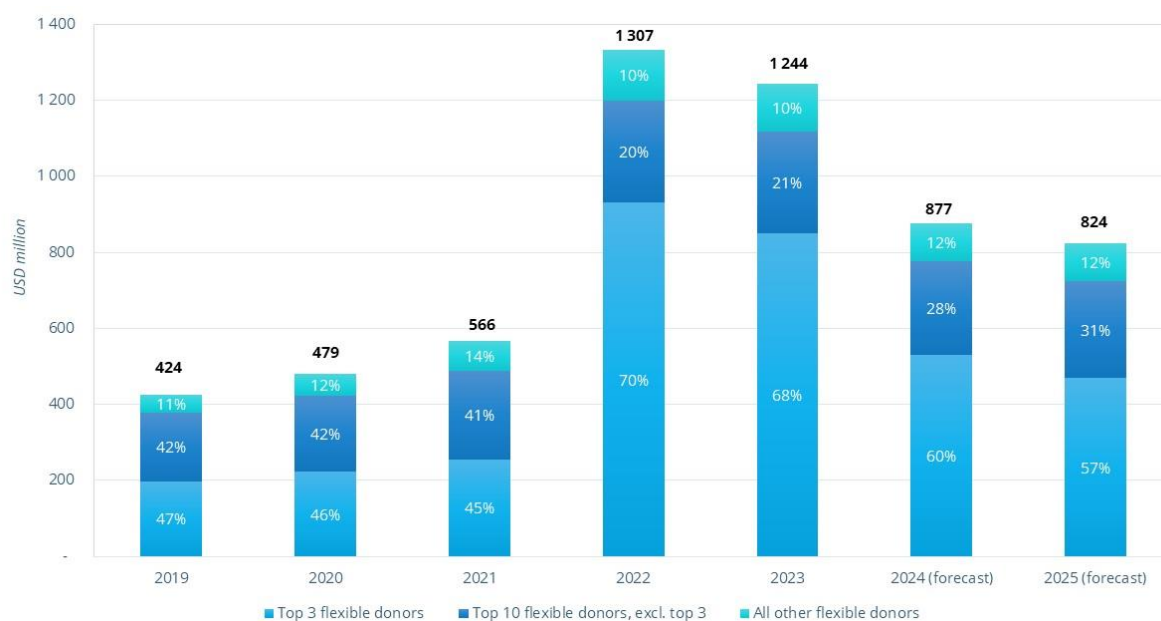
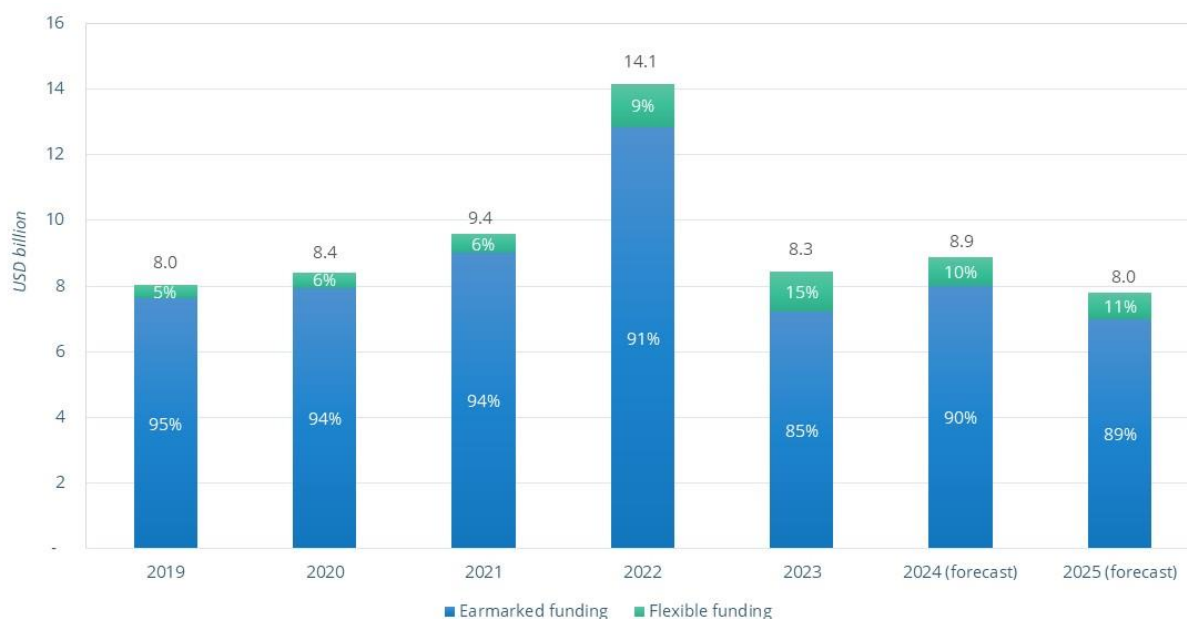
2.3. Funding flexibility and predictability

56. WFP is striving to safeguard, expand and broaden its funding sources, enhance transparency and strengthen accountability while adhering to stricter contractual requirements. By securing flexible and predictable multi-year funding, WFP can better plan and maintain operational continuity, remain agile in dynamic situations and establish more stable partnerships.
57. Flexible funding²⁹ includes unearmarked and “softly earmarked” contributions and allows WFP to determine where and how it uses the money it receives, giving it flexibility to respond quickly to emergencies and to fund responses to neglected crises around the world. Flexible funding saves lives and alleviates suffering in the most vulnerable population groups.
58. In 2023, the total amount of flexible funding decreased, but as a proportion of overall contributions, flexible funding increased from 9 percent in 2022 to 14 percent in 2023. In 2024, flexible funding is projected at USD 877 million, of which USD 419 million is in fully unearmarked funds, USD 71 million in direct contributions to the Immediate Response Account (IRA), and USD 383 million in softly earmarked contributions. Similar trends are expected in 2025.
59. Multi-year³⁰ funding allows WFP to build more successful, multi-sectoral and integrated partnerships that result in better outcomes for the people it serves. In 2023, 11 percent of WFP’s total revenue was in multi-year funding.
60. Achieving the goals of the Grand Bargain and the Funding Compact requires flexible and multi-year funding. To build support for flexible funding mechanisms, WFP will continue to articulate the benefits of high-quality funding and will advocate more flexible, multi-year funding at high-level events, on global platforms and during engagements with donors and policymakers.
61. In recognition of the generosity of donors who provide high-quality funding, WFP will acknowledge them in publications, social media and websites. It will also share evidence-based, human-interest stories about the impact of donors’ contributions, which will enhance donors’ visibility and ability to garner public support.

²⁹ The term “flexible funding” includes unearmarked multilateral contributions, contributions to life-saving activities made through the IRA, and softly earmarked contributions directed to the regional and thematic levels.

³⁰ WFP’s definition of “multi-year funding” refers to donors’ commitments to providing sustainable and predictable funding for longer than 12 months, with an agreed yearly schedule for the disbursement and use of the funds.

Figure 2.3: Flexible and earmarked funding by percentage of total contributions, 2019–2025 (confirmed and projected)

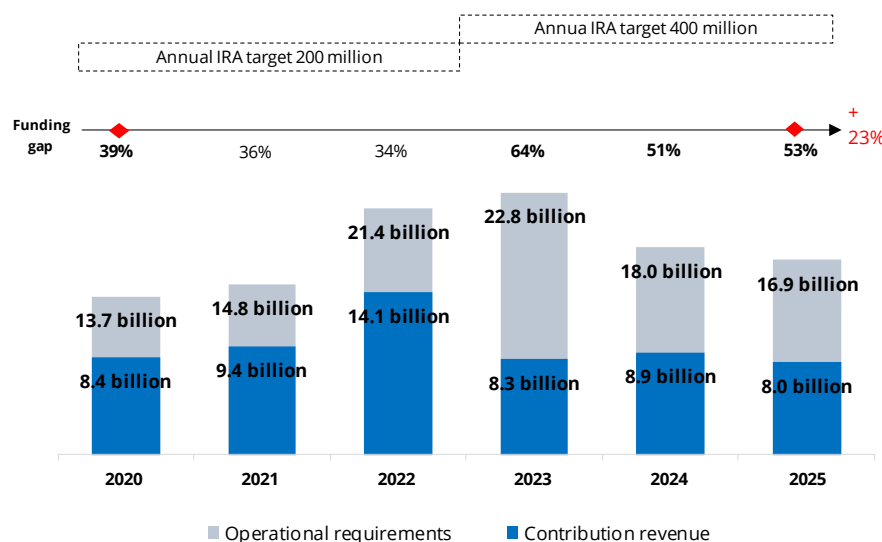


2.4. Immediate Response Account resourcing target

62. The IRA is WFP's reserve for the immediate allocation of flexible, replenishable, revolving multilateral funding. It is used as a last resort to enable WFP to react promptly to emergencies and to strengthen its readiness and capacity to undertake immediate life-saving activities. It provides advances to country offices, allowing them to start food procurement, deploy staff, initiate cash-based transfers (CBTs), register targeted beneficiaries and carry out other essential activities.

63. The IRA is an advance that can be repaid, or “revolved”, with any confirmed contributions as long as the conditions attached to the contributions allow that. Contributions that are used for this purpose are reported under the operations to which they were directed. Any IRA advance that has not been repaid can be converted into grants when the CSP comes to an end. The IRA is not a substitute for contributions from the CERF or for other directed contributions to WFP.
64. WFP operational requirements rose from USD 13.7 billion in 2020 to USD 21.4 billion in 2022, prompting the Board to approve the doubling of the IRA fundraising target to USD 400 million in 2022. The funding gap between operational requirements and global forecasted contributions increased from 39 percent in 2020 to 64 percent in 2023 and is projected to remain above 50 percent in 2024 and 2025 (see figure 2.4). This trend underscores the critical need for sustainable donor replenishment of the IRA to meet the increasing demand.

Figure 2.4: Operational requirements and forecasted contributions, 2020–2025 (USD)



Note: Figures for 2024 and 2025 are projections based on the global forecast as of June 2024.

65. The limited availability of IRA funds is a constraint to the advances provided to country offices. The growing funding gap and the increased advances made to country offices in recent years demonstrate the rising demand on the IRA. In 2023, two years after the resourcing target was raised to USD 400 million, allocations from the IRA reached USD 433.5 million, a 130 percent increase over 2020 when the resourcing target was only USD 200 million.
66. In 2023, 72 percent of the total IRA advances were provided to five country offices: USD 122 million to the State of Palestine to address hunger related to the Gaza conflict, USD 72 million for earthquake responses in Türkiye (USD 47 million) and the Syrian Arab Republic (USD 25 million), USD 67 million to the Democratic Republic of the Congo for responding to internal displacement, and USD 28 million to the Sudan for food assistance amid armed conflict. As communities worldwide continue to face conflict, climate shocks and economic challenges, IRA advances will likely continue to be critical in supporting operations.

67. Under Financial Regulation 4.3, the Board establishes an IRA target level for a financial period. The annual IRA target does not represent a commitment by Member States but serves as a signal for resource mobilization. The target level should be maintained by direct contributions from donors and, when possible, the repayment of advances made to eligible operations or activities. Should the IRA balance fall below the minimum threshold of USD 85 million, which is the average cost of three months of requirements for 2 million people, WFP will make a specific appeal to donors.
68. With the ongoing high demand for WFP to take anticipatory action for life-saving activities, WFP seeks the Board's approval for maintaining the IRA resourcing target level at USD 400 million for 2025.

Section III: Programmatic context

3.1. Operational requirements and provisional implementation plan for 2025

Overview

69. The world continues to face the largest global food and nutrition crisis in recent history, driven by conflicts and insecurity, the climate crisis and economic shocks. The challenge is compounded by critical shortfalls in humanitarian funding. Against this backdrop, WFP projects its operational requirements for 2025 at USD 16.9 billion³¹ to assist 123 million people through 86 operations in more than 120 countries and territories.
70. Recognizing that resources for 2025 will fall short of those needs, WFP has developed a provisional implementation plan at the global level, which reflects the organization's projections of how resources that it expects to receive during the year will be utilized. WFP's provisional implementation plan of USD 8.8 billion for 2025 will support 98 million beneficiaries worldwide.

2025 operational requirements

71. Operational requirements for 2025 are developed for each country operation based on the needs covered by the CSPs approved by the Executive Board, along with the projected changes arising from other budget documents under preparation or future revision. WFP aggregates requirements for country operations at the regional and global levels when presenting total projected operational requirements.
72. For 2025, the distribution of operational requirements across WFP's six regional bureaux closely mirrors that of 2024, as shown in table 3.1. The reduction of USD 1.1 billion in operational requirements compared with 2024 can be attributed primarily to three countries – the Syrian Arab Republic, Lebanon and Ukraine – all located in the Middle East, Northern Africa and Eastern Europe region. Despite this reduction, that region still accounts for nearly one third of the requirements for 2025, with USD 4.9 billion of the total USD 16.9 billion. For detailed information on the operational requirements of WFP's country offices, see annex VI.

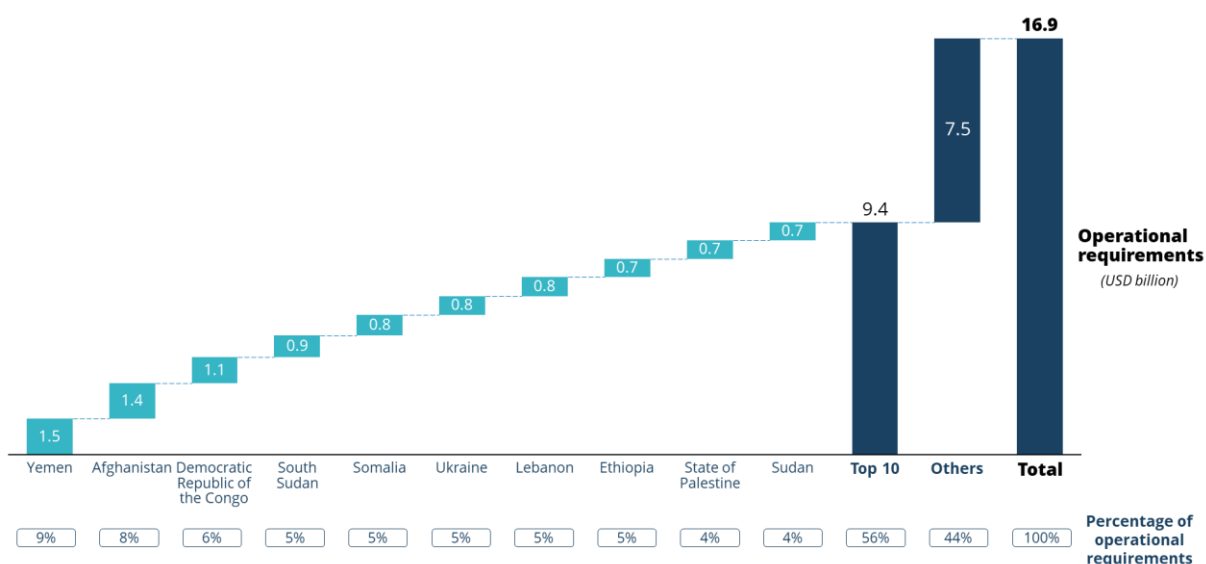
³¹ As of June 2024, based on estimated requirements collected from country offices.

Regional bureau	2024 operational requirements*		2025 operational requirements	
	(USD million)	(%)	(USD million)	(%)
Asia and the Pacific	2 605	14	2 457	15
Middle East, Northern Africa and Eastern Europe	5 683	32	4 914	29
Western Africa	2 784	15	2 743	16
Southern Africa	1 896	11	1 820	11
Eastern Africa	3 907	22	3 883	23
Latin America and the Caribbean	1 110	6	1 072	6
Total	17 986	100	16 890	100

* As reported in [Update to the management plan \(2024–2026\)](#).

73. Consistent with 2024, approximately 80 percent of the operational requirements outlined in the management plan for 2025–2027 are concentrated in 20 country operations. The ten largest operations account for 56 percent (USD 9.4 billion) of the total requirements (figure 3.1). Yemen, Afghanistan and the Democratic Republic of the Congo are WFP’s three largest operations, each with requirements exceeding USD 1 billion in 2025. For comparison, the requirements for WFP’s entire Regional Bureau for Latin America and the Caribbean are USD 1.1 billion.

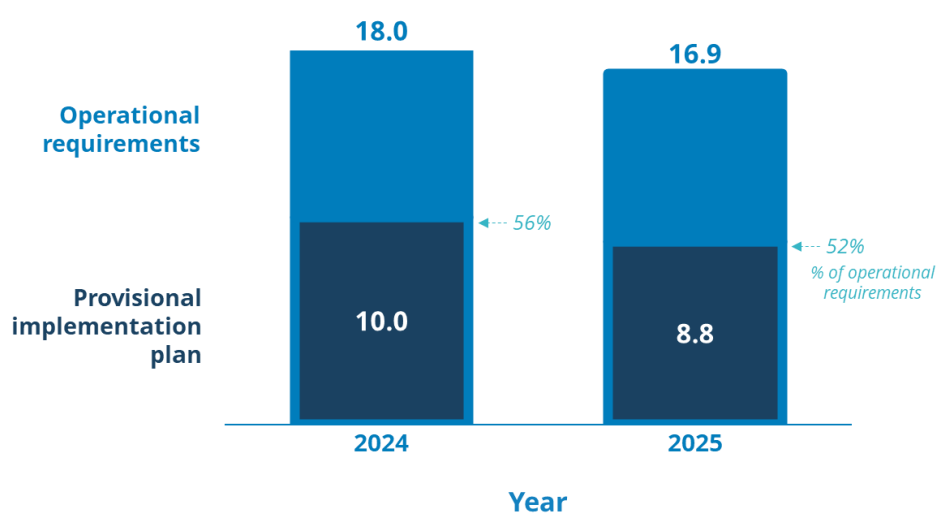
Figure 3.1: 2025 operational requirements, top ten country operations



2025 provisional implementation plan

74. The provisional implementation plan for all WFP operations outlines how WFP plans to use its limited resources to assist the beneficiaries who are in greatest need. The estimated total value comprises the 2025 global contribution forecast of USD 8 billion, the use of net carry-over contribution balances³² of an estimated USD 500 million and the projected revenue of USD 300 million from on-demand service provision.³³
75. The provisional implementation plan is based on projected operational requirements, projected funding availability and historical comparisons of planned and actual expenditures for WFP operations. It is prepared prior to country offices' submission of the figures for their individual implementation plans,³⁴ and it therefore provides a best estimate of WFP's 2025 annual plan of work.
76. At USD 8.8 billion, the provisional implementation plan for 2025 is approximately 52 percent of operational requirements (figure 3.2) and reflects a decrease of 12 percent compared with 2024.

Figure 3.2: Operational requirements and provisional implementation plan, 2024–2025 (USD billion)



3.2. WFP's planning approach

77. In response to growing challenges in securing resources for its operations, in October 2023 WFP instructed its largest country operations to revise their budgetary plans for 2024. The revisions involved applying updated data on evolving needs and reassessing the capacity, ability and resources of WFP and its partners to deliver high-quality programmes in light of the operational and financial constraints. The prioritized plans remain ambitious but are more realistic in relation to the current operating and funding environment.

³² The expected increase or decrease in WFP's fund balance from the end of 2024 to the end of 2025.

³³ WFP's provision to third parties of services that are consistent with its purposes, policies and activities in exchange for payment.

³⁴ Country offices will prepare initial implementation plan figures for 2025 at the end of 2024, when they are better positioned to project their plans of work for the coming year.

78. While the recalibration of WFP's top operations was conducted on an ad-hoc basis for 2024, robust guidelines were developed for revising WFP's planning approach and ensuring consistency across the organization (box 3.1).

Box 3.1: WFP's revised planning approach

Driven by record levels of global hunger, WFP's requirements have been rising while contributions decline. As a result, WFP's funding gap has significantly widened in recent years. Internally, this often leads to unrealistic budget planning and planning scenarios that are unlikely to materialize in an increasingly complex operational environment. Externally, resource partners are increasingly asking WFP and the broader humanitarian system to ensure that humanitarian appeals and plans are evidence-based, credible, people-centred and prioritized to benefit the people and communities most in need.

In response, WFP has put in place a revised approach to formulating its budgetary and programmatic plans at the country level. Country offices are being equipped with a systematic framework that facilitates consistency across the organization while also being responsive to country-specific circumstances and that will guide the calibration of CSPs and related country portfolio budgets, helping country offices to put forward realistic budgets and plan operations that are more closely aligned with their capacities and resources for delivering high-quality programmes.

This approach to country-level budgetary planning focuses on the assistance that country offices anticipate being able to deliver, considering country needs, the collective response, WFP's capacity and ability in the country – i.e., its operational potential – and the resources that country offices can reasonably expect to receive. The new approach will involve increasing coordination with governments and other stakeholders in order to avoid overlaps and increase synergies, and improving the analysis of contextual challenges and gaps, operational constraints, WFP's comparative advantage and donor funding trends and forecasts.

The guidelines for this approach were communicated to country offices in the third quarter of 2024. Country offices developing new CSPs – including those presenting CSPs at the Board's second regular session in November 2025 – will adopt the revised planning approach, while other country offices with significant, unjustified deviations from the principles outlined in the calibration guidelines will be requested to adjust their plans through a budget revision.

3.3. Insights into operational requirements and the provisional implementation plan

79. WFP reviews and prepares its budget from several perspectives, including by focus area, strategic outcome and cost category. This section provides insights into each perspective while contextualizing the resulting impacts on operations.

Analysis by focus area

80. Crisis response continues to be WFP's primary focus area, accounting for three fourths of the total operational requirements. Furthermore, WFP is expected to prioritize crisis response activities when faced with limited resources. Such prioritization is reflected in table 3.2 which shows crisis response as a share of the provisional implementation plan increasing to 77 percent and resilience building declining to 20 percent. A similar proportion, of 78 percent, for crisis response activities is expected in 2024.
81. Resilience work is planned and carried out in nearly all of WFP's country operations. More than half of the provisional implementation plan for the Regional Bureau for Latin America and the Caribbean is dedicated to resilience-building efforts. More broadly, WFP's resilience work is performed at scale in conflict-affected areas, such as in Ukraine, South Sudan and Afghanistan, and in regions battling the effects of severe climate, such as in the Sahel. As the outlook for both of these operational environments remains challenging, WFP's

provisional implementation plan for resilience-building activities, at USD 1.7 billion, reflects a strong commitment to supporting communities in preparing for, withstanding and recovering from shocks and stresses.

82. WFP continues to implement root cause activities in many operations in order to address the underlying factors contributing to food insecurity and poverty. Forty-five country offices are planning to implement root cause activities in their programmes, with total operational requirements of USD 552 million. The country offices in Pakistan and Honduras report the highest needs, of USD 118 million and USD 79 million respectively, to provide technical assistance to provincial governments and to deliver nutritious school meals for girls and boys.

Focus area	Operational requirements		Provisional implementation plan	
	2025	Proportion of total 2025 operational requirements	2025	Proportion of total 2025 provisional implementation plan
	(USD million)	(%)	(USD million)	(%)
Crisis response	12 598	75	6 760	77
Resilience building	3 739	22	1 742	20
Root causes	552	3	298	3
Total	16 890	100	8 800	100

Analysis by Sustainable Development Goal and strategic outcome

83. WFP's strategic plan for 2022–2025 is built on five strategic outcomes aligned with SDG 2 (zero hunger) and SDG 17 (partnerships for the goals). Current trends³⁵ indicate that progress towards more than 50 percent of the SDG targets of the 2030 Agenda for Sustainable Development is not on track, including progress towards key targets related to poverty, hunger and climate. Addressing the shortfall will ultimately require renewed thinking, and perhaps prioritization, in pursuit of specific goals.
84. To promote progress under its strategic plan, WFP developed a series of corporate high-level targets in the [corporate results framework \(CRF\) for 2022–2025](#). These targets define WFP's level of ambition under the five strategic outcomes, with each outcome having between three and five high-level indicator targets. In the medium term, WFP will continue to face funding constraints, high prices and challenges for operational access, affecting its ability to meet some of its 2024 and 2025 targets. The high-level targets for 2025, and the outlook for WFP's achievement of those targets, are detailed in annex VI.
85. As reflected in table 3.3, the majority of operational requirements (67 percent) and the provisional implementation plan (69 percent) is allocated to meeting urgent food and nutrition needs under strategic outcome 1. In 2023, the first year in which WFP reported

³⁵ United Nations. 2023. *The Sustainable Development Goals Report 2023: Special edition – Towards a Rescue Plan for People and Planet*.

against its current CRF, 70 percent of operational expenditures were related to this outcome, and a similar proportion (68 percent) is planned in 2024.

SDG	Strategic outcome	Operational requirements		Provisional implementation plan	
		(USD million)	(%)	(USD million)	(%)
2	1. People are better able to meet their urgent food and nutrition needs	11 354	67	6 109	69
	2. People have better nutrition, health and education outcomes	2 373	14	1 082	12
	3. People have improved and sustainable livelihoods	1 484	9	660	7
17	4. National programmes and systems are strengthened	507	3	288	3
	5. Humanitarian and development actors are more efficient and effective	1 172	7	661	8
Total		16 890	100	8 800	100

Analysis by transfer modality and cost category

86. Table 3.4 shows WFP's four transfer modalities and the associated costs of each.

Cost category	Transfer and associated costs	Operational requirements		Provisional implementation plan	
		2025	% of total transfer costs	2025	% of total transfer costs
		(USD million)	(%)	(USD million)	(%)
Transfers	Food	6 503	47	3 750	52
	CBTs and commodity vouchers	5 546	39	2 331	33
	<i>Cash</i>	3 708	26	1 521	21
	<i>Value vouchers</i>	1 550	11	664	10
	<i>Commodity vouchers</i>	288	2	146	2
	Capacity strengthening	1 008	7	496	7
	Service delivery	1 050	7	586	8
Total transfer costs		14 107	100	7 163	100

Cost category	Transfer and associated costs	Operational requirements		Provisional implementation plan	
		2025	% of total transfer costs	2025	% of total transfer costs
		(USD million)	(%)	(USD million)	(%)
IMP	Implementation costs	1 115		658	
Total direct operational costs		15 221		7 821	
DSC	Direct support costs	671		460	
Total direct costs		15 893		8 281	
ISC	Indirect support costs	997		519	
Total		16 890		8 800	

Transfer costs

Food transfers

87. In 2025, in-kind food assistance will remain the primary transfer method, accounting for more than half of the total transfer costs of the provisional implementation plan, in line with the figures for 2024. Local and regional markets are expected to account for nearly 50 percent of the total tonnage sourced, in both tonnage and value terms. Cereals and pulses are the commodities for which the highest share of local and regional procurement are planned, together with pre-packed food rations, mostly for the Middle East, Northern Africa and Eastern Europe region.
88. WFP will continue its efforts in the track and trace project. Current tracking processes are being assessed to identify opportunities for greater efficiencies and advanced solutions that ensure better visibility, accuracy and efficiency along the supply chain. The project will cover all movements – transport, storage and distribution – of in-kind food commodities, vouchers and non-food items, from procurement to distribution, in line with a robust identity management system. Expanding on its robust cash assurance framework, WFP will implement end-to-end verification practices for in-kind food transfers that are similar to those already in place for CBTs by using existing digital technologies for CBT operations to further digitize in-kind food delivery, leading to improved efficiency and enhancing transparency.
89. Recognizing that the transformation of its procurement practices is a strategic imperative, WFP is implementing initiatives aimed at enhancing efficiency, effectiveness and sustainability in its delivery of food assistance. Efforts include the digitization of manual steps in the procurement process, as described in the corporate process optimization CCI. While WFP anticipates potential increases in commodity prices in 2025, it expects that the transformed procurement process, with its focus on operational efficiency, market insights and risk management, will mitigate such impacts, leading to more cost-effective procurement. In addition, WFP is working towards environmental sustainability by developing strategies that reduce the carbon footprint of its supply chains and promoting green technologies and efficiency practices.

Cash-based transfers

90. WFP actively promotes the use of CBTs, especially unrestricted cash transfers, whenever possible, offering people flexible ways of meeting their food, nutrition and other essential needs with cash or value vouchers. This empowers people with greater choice and flexibility in addressing their specific needs. CBTs continue to be a core component of WFP's operations. The 2025 provisional implementation plan reflects this commitment, with CBTs and commodity vouchers representing 33 percent of total transfer costs – a slightly lower proportion compared with 39 percent in the 2025 operational requirements owing to the operational environment, funding availability, beneficiary needs and market access.
91. The cash policy approved by the Board at its 2023 annual session empowers WFP to maximize the impact of its CBT modality, particularly by directing transfers to women as a way of achieving improved outcomes for households. This policy reaffirms WFP's commitment to using the most effective modality for each setting, ensuring that people meet their food, nutrition and other essential needs. WFP is streamlining the processes for engaging financial service providers, offering better options for receiving assistance and promoting digital financial inclusion.

Commodity vouchers

92. WFP uses commodity vouchers where they are the most effective transfer modality, such as in unstable environments or hard-to-reach areas, during emergencies when needs are urgent and swift delivery is essential, or when collaboration with market operators represents the best option for assisting beneficiaries. For 2025, the operational requirements for commodity vouchers are USD 288 million, accounting for 2 percent of total transfers. The use of commodity vouchers has decreased by approximately 17 percent compared with 2024, mainly owing to decreased requirements in Afghanistan and Iraq.

Capacity strengthening

93. Capacity strengthening transfers include initiatives such as information dissemination, communication and education under various thematic or sectoral interventions aimed at addressing skill gaps at the household, community or institutional level. These transfers may also involve providing beneficiaries with tools and equipment, technical supervision and engineering support for constructing livelihood infrastructure as part of asset creation and livelihood activities.
94. In recent years, capacity strengthening has consistently increased as a share of total WFP transfers, reaching USD 496 million, or 7 percent of total transfers in the provisional implementation plan.

Service delivery

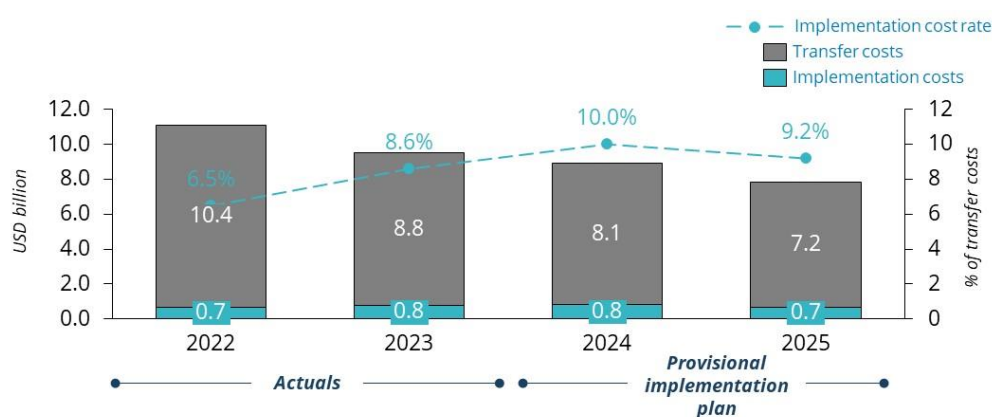
95. WFP will continue to support the reform and cohesion of the United Nations development system by providing mandated services, such as those of the United Nations Humanitarian Air Service (UNHAS), the United Nations Humanitarian Response Depot and the logistics and emergency telecommunications clusters, and on-demand services, such as those for the procurement and transport of food and fuel.
96. In 2025, *on-demand services* are projected to account for the largest share of service delivery activities, amounting to 47 percent (USD 274 million) of the provisional implementation plan for service delivery. This reflects the anticipated demand for WFP's expertise. The provision of food and CBT services is expected to continue its upwards trend, driven by government requests. Conversely, a decrease is anticipated in the procurement and transportation of fertilizer.

97. The WFP-managed UNHAS is the most utilized *mandated service* that WFP provides to humanitarian and development partners, accounting for 44 percent (USD 257 million) of the total provisional implementation plan for service delivery. The logistics and emergency telecommunications clusters combined account for 9 percent (USD 55 million). Such services will be maintained in 2025 while WFP focuses on improving their quality and ensuring that the needs of its partners continue to be met with high rates of satisfaction.

Implementation costs

98. Implementation costs cover the costs of activities conducted in field offices, including sub-offices and area offices, staffing, security, information technology, monitoring, assessments, evaluations and other operational aspects that can be attributed to the individual strategic outcomes under each CSP. Figure 3.3 shows the historical trend in implementation costs and the rates at which those costs were calculated³⁶ as a percentage of total transfer costs, since 2022. Overall, the implementation cost rate has remained stable, with slight increases in 2023 and 2024 due to WFP's investments in reassurance action plans. In 2025, implementation costs are expected to decrease following lower projected transfers, but USD 658 million will be allocated to ensuring adequate levels of assessment and monitoring activities in accordance with the reassurance plans.

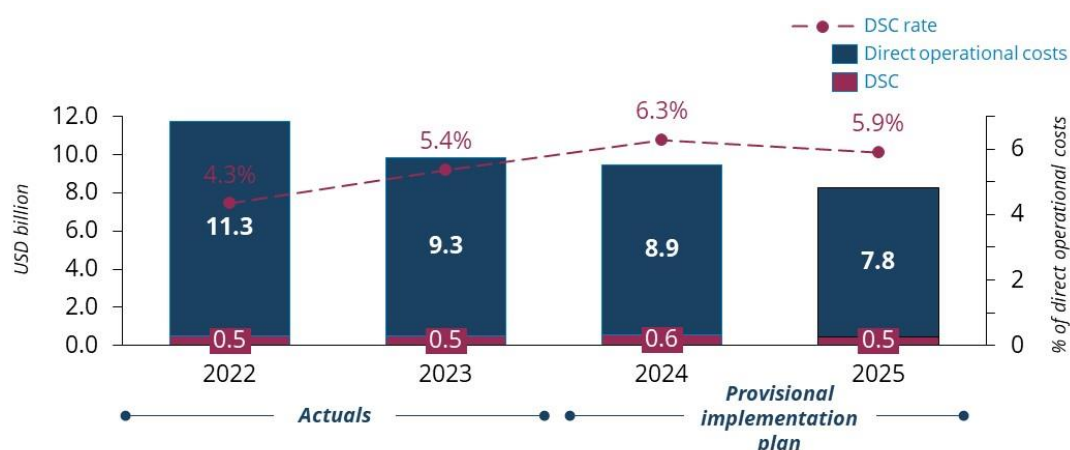
Figure 3.3: Implementation costs as a percentage of transfer costs, 2022–2025



Direct support costs

99. Direct support costs (DSC) are managed at the country level and directly support multiple activities related to the transfer of assistance and the implementation of programmes.
100. While the total value of DSC has hovered around USD 500 million over the last several years (figure 3.4), the estimated DSC of USD 558 million for 2024 reflects WFP's prioritization of its reassurance plans amid lower levels of expected resources. The planned decrease in DSC in 2025 can partly be attributed to WFP's cost-cutting measures in country operations.
101. The DSC rate is calculated for each CSP as a percentage of direct operational costs, which include transfer and implementation costs, and is driven by the size of the operation, the modalities used, the operational setting and the local economic environment. The DSC rate ranges widely among countries, from as low as 1 percent in those with large operations to a high of more than 30 percent for very small operations.

³⁶ For each CSP activity a specific rate is applied for calculating implementation costs. The rates in figure 3.3 are calculated at the global level and are not specific to any single CSP activity.

Figure 3.4: Direct support costs as a percentage of direct operational costs,* 2022–2025

* Excluding direct and indirect support costs.

Indirect support costs

102. Total operational requirements include indirect support costs (ISC) calculated using the standard ISC rate of 6.5 percent applied to all CSP budgets apart from those for on-demand service provision. Section IV of this document describes in detail the proposed ISC budget and rate and the projected ISC income.

3.4. Cost per beneficiary

103. WFP plans its operational requirements to maximize the intensity of the assistance³⁷ provided to beneficiaries. However, owing to the funding gap, WFP must prioritize the number of beneficiaries it assists, the duration of its provision of assistance and/or the size and nutritional adequacy of the assistance provided. In 2025, operational requirements would provide assistance for approximately 123 million beneficiaries while the provisional implementation plan aims to assist 98 million – 20 percent fewer. Table 3.5 shows that the average annual cost per beneficiary³⁸ in 2025 is estimated at USD 104 for operational requirements and USD 67 for the provisional implementation plan – a 35 percent reduction. Such a decrease will translate into less assistance for a lower projected number of beneficiaries.

³⁷ The intensity of assistance reflects the duration of the assistance provided to a single beneficiary and the value of the daily assistance, in grams, kilocalories or amount of money, provided to the number of beneficiaries reached.

³⁸ In addition to the transfer value and the transfer cost, the total cost per beneficiary includes all the costs associated with implementation and direct and indirect support.

104. The main component of the annual cost per beneficiary is the transfer cost, comprising the sum of the monetary value of the food items, cash or service provided and the related cost of providing the transfer to beneficiaries. In 2025, the transfer cost is expected to account for 84 percent of total operational requirements and 81 percent of the total provisional implementation plan.

Indicator	Operational requirements	Provisional implementation plan
USD value*	16.9 billion	8.8 billion
Projected beneficiaries	123.4 million	98 million
Annual cost per beneficiary	USD 104	USD 67

* The total operational requirements and the provisional implementation plan shown here include capacity strengthening and service delivery, which do not result in direct transfers to tier 1 beneficiaries.

105. More information on the cost per beneficiary, including the daily cost per beneficiary and the average duration of assistance, can be found in annex VI.

3.5. Cross-cutting priorities



106. *Gender equality and women's empowerment* are a necessary condition for ending hunger, saving lives and ensuring food security and nutrition for all. In 2025, WFP will focus on promoting approaches to the integration of gender equality into all areas of its work. The gender equality accountability for results tool, which measures performance on cross-cutting issues, will be rolled out to country offices developing new CSPs. The tool will be a core component of the new third-generation CSP package, supporting country offices in designing programmes that contribute to gender equality, ensuring the allocation of adequate resources to those programmes and monitoring how investments achieve gender results over the course of CSP implementation. WFP will also advance its gender-transformative approaches by working with communities and partners to shift the social norms that perpetuate inequalities. For example, through behaviour change communication activities in the nutrition sector, WFP can support communities in understanding who eats least, who eats last and who eats the least nutritious foods and why.
107. In addition, data collection and analysis will be further strengthened, institutionalizing the new gender indicators in the CRF and expanding methods and approaches, including qualitative methodologies, for improving WFP's ability to understand and address the complex linkages between food insecurity and gender inequality. WFP will continue to roll out the gender equality certification programme to additional country offices. The programme supports country offices in taking an action-oriented approach to the attainment of core gender equality benchmarks, thereby strengthening the processes and capacity to advance gender mainstreaming. Finally, tailored tools and guidance on gender-based violence will be rolled out throughout the organization, with specific training provided as required. At the same time, WFP will move forward with concrete actions in

response to the recommendations from the evaluation on protection from sexual exploitation and abuse with a view to optimizing and systematizing prevention and response activities throughout the organization.

108. *Protection and accountability to affected populations.* WFP is committed to improving its efforts related to the protection of and accountability to affected people through the ongoing alignment of protection risk analysis with conflict analysis, and of conflict-sensitive risk assessment with gender analysis. The continued roll-out of the integrated cross-cutting context analysis and risk assessment tool will be the primary driver of this alignment. Effective application of the tool will contribute to safer, more effective and inclusive programmes by ensuring that WFP's response provides a protective environment for individuals and groups in the affected communities it serves, while concurrently addressing their individual risks and requirements. WFP will continue to roll out the community engagement for accountability to affected populations strategy, building on existing country action plans and implementing the necessary actions to ensure the high-quality engagement of a diverse range of voices in influencing and enhancing programming and decision-making.
109. *Environmental sustainability.* In an environment of contracting budgets, WFP is challenged in sustaining the strong technical support infrastructure it needs to implement its environmental and social sustainability framework and continue appraising environmental and social risks throughout its country operations and programmes. Subject to the availability of funding in 2025, WFP will continue to support its country offices and partners in assessing and mitigating the potential negative impacts of country programmes on the natural environment and advancing environmental sustainability throughout its operations, in line with the commitments made in its environmental policy and strategic plan.
110. Relevant activities funded under the management plan for 2025–2027 will emphasize the continuous and balanced strengthening of technical advisory capacities for environmental and social safeguards in WFP programme regions; the training of regional and country office staff on environmental risk assessments; and the targeted appraisal of environmental and social risks in potentially high-risk operations. Recommendations from the evaluation of WFP's environmental policy will be reviewed and a management response will be implemented. A system for tracking environmental sustainability will be implemented and connected to the review and improvement of WFP's CRF.
111. *Nutrition integration.* In 2025, the Nutrition and Food Quality Service will reinforce its strategic support for country offices and regional bureaux so as to optimize the impact of WFP programmes on diets and malnutrition, in line with the new nutrition strategy. Particular emphasis will be placed on enhancing WFP's reach among the population groups at greatest risk of malnutrition, including pregnant and breastfeeding women and girls, children under 5 and people living with HIV, thereby optimizing the nutritional impacts of the WFP portfolio. This will include enabling successful delivery on the joint transition plan on acute malnutrition formulated by the Bureau for Humanitarian Assistance of the United States Agency for International Development, WFP and UNICEF, a joint Rome-based agency approach to improving local food solutions, and support for efforts to enhance the nutritional adequacy of WFP's assistance through the establishment of a new high-level task force. WFP will also prioritize the implementation of its new strategy on HIV, optimizing the contribution it makes through its engagement in social protection and emergency response. This holistic approach will equip country offices and regional bureaux with the necessary tools and expertise to implement effective programming, ultimately improving the nutrition, diets, health and resilience of the populations WFP serves.

Section IV: Programme support and business operations

4.1 Overview

112. WFP's programme support and business operations encompass activities managed by headquarters divisions, regional bureaux and country offices that indirectly support the organization's provisional implementation plan, which is budgeted for and funded through CSPs. The business support and business operations also support extra-budgetary activities such as the provision of the United Nations common services that WFP is mandated to provide. Reflecting an overall decline in resources, and consequently a decline in the level of operational activity, the budget for programme support and business operations in 2025 declines by 7 percent compared with 2024.
113. The largest component of programme support and business operations is the programme support and administrative (PSA) budget, which covers WFP's most essential activities for supporting operations and meeting its governance obligations and fiduciary responsibilities. The proposed PSA budget of USD 480 million for 2025 will support operations in complex settings while WFP continues the transition to a more stable and sustainable budget.
114. In mid-2023, with signs of lower than anticipated contributions, WFP started to take steps to reduce expenditures against an approved PSA budget of USD 576.3 million. Acknowledging that the contribution forecast for 2024 as presented in the management plan for 2024–2026 was unlikely to be reached, the organization took further action to reduce 2024 PSA expenditures. In mid-2024, the Executive Board approved a revised PSA budget of USD 528 million and urged WFP to implement further cost savings of up to USD 40 million, in line with the PSA utilization plan of USD 483 million. At USD 483 million, the 2024 PSA utilization plan represents a reduction of 14.6 percent from the level in 2023.

TABLE 4.1: COMPREHENSIVE BUDGET (USD million)

Programme support and business operations									Programme operations	Total
	Baseline				Other services	Direct activities	Total	CSP**		
	PSA	CCIs	TF, SA and other	Total						
2025	480.0	47.4	167.8	695.2	27.3	134.6	857.1	8 146.4	9 003.5	
2024*	482.6	104.5	142.5	729.6	34.2	131.8	895.7	9 314.3	10 210.0	
Change	(2.6)	(57.1)	25.2	(34.5)	(6.9)	2.8	(38.5)	(1 167.9)	(1 206.5)	
% change	(1)	(55)	18	(5)	(20)	2	(4)	(13)	(12)	

* 2024 PSA is based on the PSA utilization plan presented in the [Update to the WFP management plan \(2024–2026\)](#).

** The CSP budget is based on the provisional implementation plan excluding direct activities and ISC.

Abbreviations: CCIs = critical corporate initiatives; TF = trust funds; SA = special accounts.

115. Activities included in the programme support and business operations budget are classified as baseline activities, other services or direct activities.

116. “Baseline activities” are critical for the efficient and effective execution of WFP’s annual implementation plan and for meeting institutional obligations. These activities encompass the daily recurring operations essential for keeping WFP’s functions running smoothly, one-time investments to address systemic corporate risks and improve efficiencies through new technologies, processes and approaches, and externally funded complementary activities. The 5 percent decrease in the 2025 baseline budget is due mainly to the substantial reduction in one-time investments funded by critical corporate initiatives (CCIs).
117. The “other services” category includes incidental, supplementary or discretionary activities that complement baseline activities or provide administrative and management services to non-WFP entities. The largest activity in this category is for WFP’s administration of the African Risk Capacity.
118. “Direct activities” are those that are planned and managed by headquarters but that can be directly linked to operational or other support activities through a cost driver such as number of employees or commodity tonnage. Examples of direct activities include the provision of information technology (IT) infrastructure, the sourcing of food and the management of beneficiary data services.

4.2 Baseline budget

Baseline components and funding sources

119. The baseline budget comprises three components, each with an appropriate funding source:
- *The PSA budget, funded from ISC income:* The PSA budget mainly covers the recurring costs of global headquarters and the basic costs of country offices. Section 1.3 provides a comprehensive overview of the 2025 PSA budget proposal.
 - *CCIs, funded from reserves such as the PSA equalization account (PSAEA) or other internal funds such as the unearmarked portion of the General Fund:* CCIs focus on organizational change or transformative initiatives, are aligned with the priorities set by the leadership group and are one-off efforts (see annex III).
 - *Trust funds and special accounts, funded from contributions and cost recovery:* Trust funds fall outside WFP’s regular operational programmes but are in line with the organization’s policies, aims and activities. Special accounts are established to manage special contributions, business services and support activities on a non-profit basis. The “other funding sources” category included in the “trust funds, special accounts and other” category in table 4.1 encompasses the General Fund and in-kind contributions earmarked for indirect costs. Detailed analysis of trust funds and special accounts is presented in annex IV.

Corporate management priorities

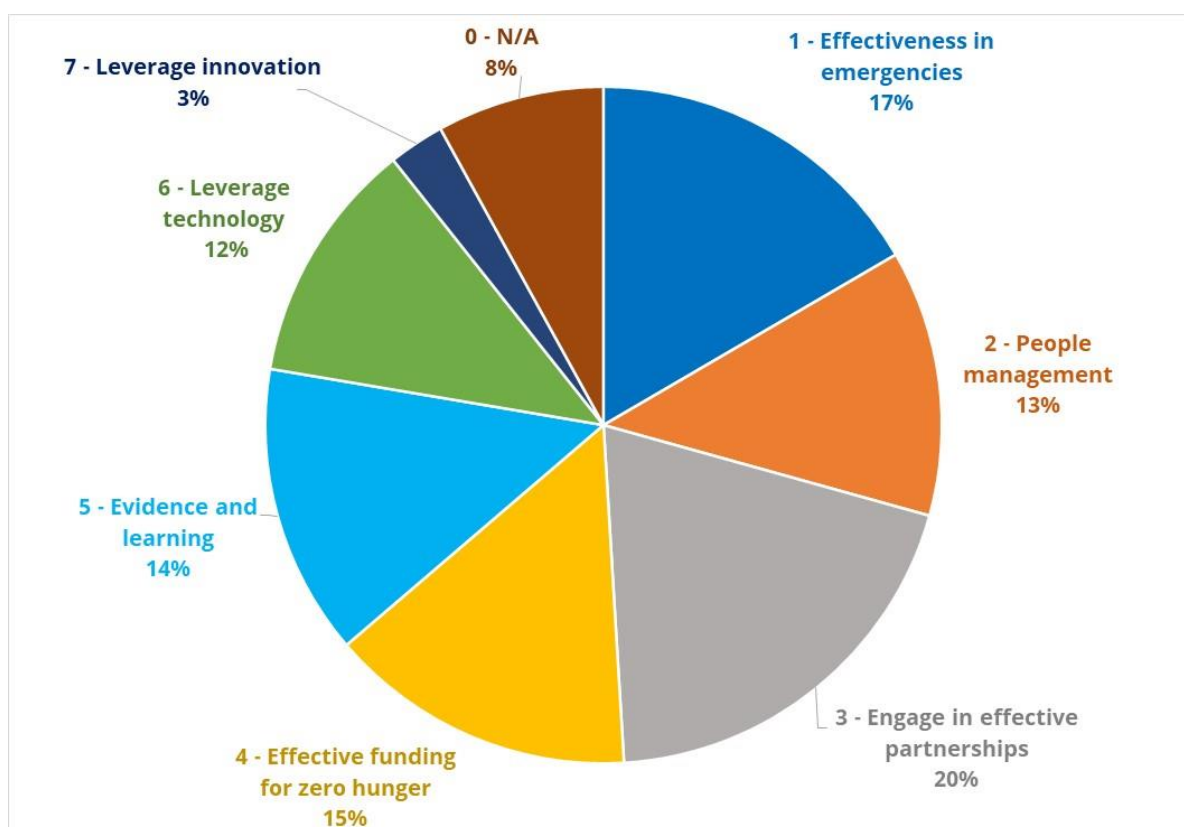
120. WFP’s budget planning is guided by the strategic plan for 2022–2025. The 2025 baseline budget is informed and shaped by the corporate priorities defined by the Executive Director and the leadership group and builds on the Executive Director’s strategic vision, and actions taken in 2023 and 2024 towards that vision. There are four priorities for 2025:
- *Maintaining WFP’s strength in emergency response while placing sharper programmatic focus on resilience and climate adaptation:* WFP’s expertise and capacity in logistics and emergency food assistance must be maintained in order to meet the unprecedented level of global needs. At the same time, WFP will focus on refining its programmatic offer, ensuring adequate implementation capacity, defining and advocating

comparative value propositions and maintaining financing mechanisms that encourage funding diversification aligned with the core programmatic portfolio.

- *Duty of care, which relates to excellence in people management and a respectful and inclusive workplace:* This requires WFP to maintain its “stay and deliver” approach, ensuring that it remains agile and effective in high-risk environments while upholding safety and security standards and fostering an agile and effective workforce. WFP defines its commitment to duty of care as a non-waivable obligation to mitigate risks that may harm its employees and their families.
- *Diversifying and expanding WFP's resource base, including through partnerships with the private sector, multilateral organizations and host and donor governments, and innovative funding mechanisms:* WFP will increase its engagement with partners, not only as a potential source of funding but also as a valuable source of knowledge and expertise. Access to thematic funding lines, such as those for addressing climate, gender and migration matters, are expected to remain an important entry point for the diversification of WFP's regular funding streams.
- *Realizing the benefits of reform initiatives to achieve efficiency and effectiveness gains and direct more resources to the frontline:* Accountability to its stakeholders will remain central to WFP. A strong emphasis on accountability should be achieved through the new organizational structure, which eliminates duplications, aligns responsibilities and accountabilities, emphasizes cross-functional opportunities and ensures checks and balances. WFP will continue to foster a culture of creative innovation, leveraging the power of science and data and the adoption of new technologies that modernize processes, enable humanitarian operations, and provide assurance to the organization's donors and accountability to the people it serves.

Management results

121. The baseline activities and budget allocations are categorized according to WFP's seven corporate management results, which are set out in the corporate results framework for 2022–2025. The management results are used for results-based budgeting and facilitate alignment between the management plan and the annual performance report.

Figure 4.1: Baseline budget by management result

122. Consistent with past years of the strategic plan for 2022–2025, the largest share of the baseline budget is allocated to management result 3, “Engage in effective partnerships”, driven in large part by representation and partnership activities carried out at the country office level. This is followed by management result 1, “Effectiveness in emergencies”, which remains prominent in the baseline budget owing to the large volume of programme operations in crisis response. A description and elaboration of each management result and its related key performance indicators can be found in annex I of this document.

Efficiencies in the baseline budget

123. WFP promotes efficiency through internal and inter-agency initiatives. The projected efficiencies in 2025 will encompass ongoing and new initiatives in the areas of emergency preparedness, finance, supply chain, technology and digitization, partnerships, innovation and human resources. The organizational review, initiated in 2023, identified key strategies for streamlining activities, strengthening collaboration and realigning headquarters structures with strategic priorities, ensuring a focused and effective response to rising humanitarian needs despite declining funding. Following the 2024 restructuring in headquarters, 2025 will see the implementation of decisions from the review of regional bureau structures. As well as the imperative to reduce indirect costs, the organizational changes are expected to result in more cost-effective processes and activities carried out in headquarters and the regional bureaux. Highlights of the initiatives that will generate efficiency gains include the following:
- The global payment solution consolidates WFP’s accounts payable function in a single location, alleviating the workload of country offices in carrying out routine tasks. This global service, established in 2023, will continue to be expanded to cover more

regional bureaux and country offices in 2025, with full coverage planned by the end of 2026.

- The global commodity management facility enables WFP to reduce delivery times, expedite emergency response, optimize costs and support the local and regional procurement of commodities, including from smallholder farmers. Through rigorous management of operations and risks and by adapting to changes in commodity markets, supply chain corridors and programme needs since its inception in 2008, the global commodity management facility will continue to generate significant efficiencies in the form of cost avoidance related to the procurement of food and its delivery to strategic locations.
- The human capital management platform, which aims to digitize human resources processes, will bring substantial time savings, achieving streamlined and efficient processes for the documentation of WFP's global workforce.
- Completion of the "smart sourcing" project will achieve the goal of minimizing manual tasks by automating workflows, and provide visibility to real-time data by optimizing end-to-end procurement processes. This will result in reduced procurement lead times, improved accuracy and compliance with policies, better management of risks related to suppliers, and cost savings for WFP.
- In 2023 and 2024, WFP prioritized the digitization of key workflows and solutions along the planning, budgeting and reporting chain, in headquarters and country offices. These digital improvements are expected to yield significant efficiency gains through time savings on transactional processing and cumbersome analysis, and improved data traceability along the resources-to-results chain, fostering informed decision-making overall.

124. WFP has a comparative advantage in the area of innovation through its award-winning Innovation Accelerator, which is combined with the Innovation Division in the Partnerships and Innovation Department to create a global innovation function focused on identifying, supporting and scaling high-impact innovations that combat hunger and contribute to the other SDGs for partners. The function fosters collaboration on innovation and change among WFP offices, including through innovation hubs, and promotes frontier innovations such as artificial intelligence (AI) and innovative finance efforts. It also supports senior executives in WFP and other United Nations entities in planning for the future and transforming strategy into action.

4.3 Programme support and administrative budget

125. At USD 480 million, the proposed PSA budget for 2025 reflects the Executive Director's expectations for the streamlining, stabilization and calibration of the PSA budget in line with the lower level of funding, while maintaining a high level of oversight and supporting an implementation plan of USD 8.8 billion.
126. Funding for the PSA budget is derived from the application of an ISC rate to contributions to WFP, with the ISC rate approved annually by the Board. Management proposes maintaining the current rate of 6.5 percent in 2025, with specific exceptions allowing a reduced 4 percent rate under conditions previously approved by the Board.
127. Based on these proposed rates, the projected ISC income is USD 463 million. The use of the PSAEA is proposed to cover the difference between the ISC income and the PSA budget in 2025.

Programme support and administrative budget calibration from 2023

128. Prior to the COVID-19 pandemic, contributions to WFP and the level of WFP's operations were showing a steady upwards trend. This growth accelerated during the pandemic, reaching a peak in contributions and operational level in 2022. In mid-2023, with signs of a decline in contributions, WFP began recalibrating its PSA budget towards a lower income and operational level. PSA allotments were reduced, reallocations were made in favour of activities that were more closely linked to supporting countries, and a pause in staff recruitment was instituted. These measures resulted in actual PSA utilization of USD 557 million in 2023, which supported operational costs of USD 9.8 billion.
129. The 2024 PSA budget was initially approved at USD 568 million but was subsequently revised downwards to USD 528 million, slightly higher than the projected ISC income for 2024. In proposing this revised PSA, WFP developed an ambitious PSA utilization plan of USD 483 million. Management anticipates that actual 2024 expenditures will be between the approved PSA budget of USD 528 million and the PSA utilization plan of USD 483 million.
130. The proposed PSA budget of USD 480 million for 2025 reflects the continued downwards calibration of PSA funding and the challenges of reducing costs during a period of price inflation, with long lead times to meet contractual obligations and high expectations regarding oversight, duty of care and governance standards.
131. Any PSA expenditure above the ISC income in 2025 will be absorbed into the PSAEA, which maintains a healthy balance as detailed later in this section. The planned deficit for 2025 will allow WFP to shift to a lower PSA level while remaining within its risk appetite.
132. Activities in the PSA budget have been prioritized to cover the most essential costs and to leverage past investments for efficiency gains. With the objective of generating cost savings, efforts in the latter half of 2024 and throughout 2025 will continue to focus on innovative processes such as digitization, the identification of synergies, and the streamlining of processes and consolidation of activities among services. Cost efficiencies may also be realized from the ongoing review of the structure and accountabilities of regional bureaux.
133. With the income forecast stabilizing at USD 8 billion, the PSA budget will need to be reduced further in 2026 to match the level of projected ISC income. While not an exhaustive list, actions with the potential to result in future PSA savings include eliminating the duplications of effort between headquarters and regional bureaux, eliminating the investigations backlog, adjusting oversight activities to a lower level of operations, completing the roll-out of the human capital management system, managing organizational change and reform, and adjusting processes and support to a lower volume of activity.
134. In addition, a sustainable funding model for global services, such as the global payment solution, needs to be identified. These services are often funded from PSA, but cost savings are realized through lower costs for CSPs. A funding model that can easily capture and recognize global cost savings can create incentives for the further development and expansion of global services.

Programme support and administrative budget by appropriation line and pillar

135. Table 4.2 provides an overview of the proposed PSA budget by appropriation line and pillar. The Board is requested to approve the PSA budget at the appropriation line level.

TABLE 4.2: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET BY APPROPRIATION LINE AND PILLAR				
	2025 PSA budget (USD million)	2024 utilization plan (USD million)	Value difference (USD million)	% change
Strategy and direction	109.5	100.6	8.9	9
A - Strategy and direction	109.5	100.6	8.9	9
Services to operations	239.2	246.3	(7.1)	(3)
B - Business services	166.7	163.3	3.4	2
C - Policy, guidance and quality assurance	72.5	83.0	(10.5)	(13)
Governance and independent oversight and fundraising	131.3	135.8	(4.4)	(3)
D - Advocacy, partnerships, fundraising and United Nations coordination	887.2	92.3	(5.1)	(6)
E - Governance and independent oversight	44.1	43.4	0.7	2
Total	480.0	482.6	(2.7)	(1)

136. Half of the 2025 PSA budget is attributed to the services appropriation line, denoting a prominent component in the PSA budget for country offices, regional bureaux and headquarters divisions for enabling delivery on WFP's mandate. Strategy and direction accounts for 23 percent of the 2025 PSA budget, reflecting strategic positioning and leadership efforts as the organizational changes stabilize and WFP closes its activities under the current strategic plan and develops the next strategic plan. Governance and independent oversight and fundraising account for 27 percent of the PSA budget.

137. In addition to more efforts put towards strategic decision making, the increase in the strategy and direction pillar is due to the adoption of a more efficient support strategy, including innovative solutions such as the Global Payment Solution. The 13 percent decrease in the policy guidance and quality assurance component of the services to operations appropriation line reflects efficiencies gained from the 2024 organizational realignment and more streamlined field support, while ensuring a high level of quality assurance. The 6 percent reduction in advocacy, partnerships, fundraising and United Nations coordination is primarily due to the refocusing of efforts in some regional bureaux as they shift from regional resource mobilization strategies to broader regional strategies, a reduction in secondments as WFP seeks to reduce the budget and the transfer of grant management activities to the business services pillar. The restructuring of headquarters provided an opportunity for divisions to reformulate their activities and reflect on the nature of those activities and their place in the PSA "line of sight" (see annex II), which led to other less significant changes within the pillars.

Programme support and administrative budget by department

138. Table 4.3 shows the proposed 2025 PSA budget of USD 480.0 million by organizational unit, compared with the 2024 PSA utilization plan.³⁹
139. The 2025 PSA budget fully embraces the headquarters reorganization that came into effect on 15 February 2024. In 2024, departments and divisions are reshaping their teams and activities to adopt the new organizational structure and adjust to a reduction in the PSA budget.

TABLE 4.3: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET BY DEPARTMENT				
Department	2025 PSA budget (USD million)	2024 utilization plan (USD million)	Value difference (USD million)	% change
Country offices	60.3	60.2	0.1	0
Regional bureaux	95.2	97.8	(2.6)	(3)
Executive Director and Chief of Staff	86.0	82.4	3.6	4
Deputy Executive Director and Chief Operating Officer	19.9	17.9	2.0	11
Partnerships and Innovation	40.6	41.4	(0.8)	(2)
Programme Operations	63.8	71.3	(7.6)	(11)
Workplace and Management	77.1	75.9	1.3	2
Central appropriations	37.0	35.7	1.3	4
Total	480.0	482.6	(2.6)	(1)

Country offices

140. The PSA budget for country offices covers costs that are not directly attributable to operations and that therefore do not vary when the size of operations in the country changes. Given the fixed nature of these costs, the country office PSA has been maintained at the same level as in 2024. The budget includes USD 47.5 million for core functions, covering the costs of the country director, a national staff assistant, a driver and basic office running costs; USD 10 million for costs related to the management of risks, particularly any weaknesses in country offices that undermine compliance with accountability and assurance standards and policy implementation; and a USD 2.7 million contingency fund for allocation to countries throughout the year, as needed to cover unforeseen increases in the support costs incurred at the local level.

Regional bureaux

141. The 2025 PSA budget for regional bureaux represents a 3 percent reduction compared with the 2024 utilization plan; this follows a 15 percent reduction in 2024. In comparison, headquarters departmental budgets have decreased by 1 percent for 2025 and 19 percent for 2024. The larger decrease for regional bureaux in the 2025 budget indicates a slower

³⁹ The 2024 PSA utilization plan by organizational unit was derived from a mapping of the utilization plan at the division and activity levels developed before the headquarters restructuring decisions were announced and came into effect. As some divisions were split among more than one department, the comparisons at the departmental level will reflect some minor inconsistencies between 2024 and 2025.

pace in the downwards calibration of PSA in 2024 than occurred in headquarters departments. Reductions in the regional bureau budgets generally affect all functions, with the largest reductions occurring in programme support owing to this being by far the largest functional area in the regional bureaux, both before and after the budget reductions.

142. The regional bureau budgets are based on the current accountabilities and responsibilities of regional bureaux. As the regional bureau organizational review is currently under way, decisions that may change the bureaux's roles and responsibilities have yet to be made and so any consequent structural changes are not reflected in the regional bureau budget.

Headquarters

143. Owing to the significant PSA reductions of 19 percent in 2024, the 2025 PSA budget for headquarters departments has only a modest reduction of 1 percent, allowing a gradual downwards calibration of support activities while oversight and governance activities are maintained, and covering essential infrastructure and administration costs.

Offices of the Executive Director and Chief of Staff department

144. The budget for the Office of the Executive Director and Chief of Staff department covers the activities of those offices, the independent offices, the Legal Office, the Chief Financial Officer Division, the Global Privacy Office and the Communication and Media Office.
145. The budget is particularly attentive in providing adequate funding for the independent offices. Compared with both the original 2024 PSA budget and the 2024 utilization plan there has been no decrease in the budgets of the Office of the Inspector General (Inspections and Investigations, and Internal Audit), the Office of the Ombudsman and Mediation Services and the Ethics Office. As outlined in the detailed workplan in annex VII, the budget for the Office of Evaluation will allow the full implementation of the centralized evaluation work plan.
146. The overall increase in the Executive Director and Chief of Staff departmental budget is driven by an allocation to the Chief Financial Officer Division for the scale-up of the global payment solution. During its design and start-up phase, this initiative was funded in part from a CCI. The scale-up will bring organization-wide savings, primarily through reduced costs for payment processing in country offices.
147. Leveraging CCI investments, the Executive Director and Chief of Staff department will benefit from digital solutions that enhance performance management and resources-to-results processes and tools in the Chief Financial Officer Division, and the use of strategic technology, such as AI in the Office of the Inspector General, will strengthen the effectiveness and efficiency of assurance work in the department.

Workplace and Management Department

148. The Workplace and Management Department upholds WFP values and brings together divisions, enabling the delivery of people-focused services and consolidating the functions designed to support, protect and empower WFP's employees. The department oversees the Human Resources Division, the Management Services Division, the Security Division, the Technology Division and the Wellness Service.
149. Given the essential services and infrastructure covered by this department, the ability to reduce costs is constrained, and the Technology Division is bearing the brunt of the reductions in the departmental PSA budget. With a new information and technology strategy in place the Technology Division is undergoing its own reorganization and will benefit from

complementary funding from a CCI and extra-budgetary resources during this transformation.

150. The Workplace and Management Department will continue to view opportunities for service improvements and digital transformation as critical in enhancing service quality and delivery and generating efficiencies for the function and the organization. The implementation of the human capital management platform, Workday, is expected to bring significant efficiency gains by reducing processing times in people management by 40 percent and enabling the collection of better workforce data to inform effective decision-making regarding people management.
151. In late 2024, a new annex providing office space for 350 workstations will be opened in the Rome headquarters complex. The annex, which has been under refurbishment for several years, will allow the closure of office space leased in the vicinity but outside the complex. With the main building and the new annex, 1,700 workstations will be available to accommodate employees working in Rome.

Programme Operations Department

152. The Programme Operations Department leads the way in corporate initiatives for implementing the strategic plan for 2022–2025, ensuring the quality of WFP’s programmatic offer in various settings and enabling efficient supply chain management and delivery. These efforts encompass the establishment of the policies, strategies, partnerships, tools and capacities that WFP needs to fulfil its mandate of saving lives and changing lives by delivering assistance directly where it is needed and facilitating national zero hunger solutions.
153. The department’s PSA budget for 2025 shows an 11 percent reduction compared with the 2024 utilization plan and builds on the results of the 2024 organizational restructuring, which integrated several formerly distinct functions and services to enhance coordination, reduce duplication, maximize efficiencies and streamline field support. The Analysis, Planning and Performance Division now encompasses food security and nutrition analysis, research and knowledge management, programme monitoring and reporting and programme budget management. This integration, which will be consolidated and stabilized in 2025, ensures that WFP’s operations consistently build on and generate evidence throughout the programme cycle, maximizing effectiveness, efficiency and transparency. Thematic areas such as climate and resilience, and school meal programmes and social protection have been consolidated in the Programme Policy and Guidance Division to reduce overlaps and foster programmatic integration. Bringing together all the functions essential for ensuring top-quality supply chain and delivery, most of the former Cash-Based Transfers Division and the Non-Governmental Organization Partnerships Unit have merged with the Supply Chain and Delivery Division.
154. Ongoing investments under the CCIs for implementation of the strategic plan and the corporate results framework, monitoring, identity management and traceability, and corporate process optimization, support the Programme Operations Department’s efforts to increase efficiency by fostering the automation of key processes, strengthening standard procedures and simplifying guidance for country offices. As the innovative and impactful activities of the Programme Operations Department generate external interest, and as that department is the largest provider of mandated and on-demand services, it is also the department with the highest level of extra-budgetary funding to complement core activities.

Partnerships and Innovation Department

155. The 2025 PSA budget for the Partnerships and Innovation Department is fully aligned with the Executive Director's priorities of raising additional resources, expanding the funding base and scaling up partnerships, including with the private sector. The departmental PSA budget reflects a conservative planning approach with the minimum funding needed for protecting WFP's contribution revenues by maintaining the organization's resource mobilization function and consolidating engagement and relationships with donors and resource partners.
156. Strategic cross-departmental workstreams are expected to support organizational adaptation processes in line with the corporate reorganization initiatives implemented towards the end of 2024. This will enhance contribution management from proposal, to contribution agreement to grant, and improve compliance with contribution agreements.
157. In 2025, the focus will be on driving functional efficiency and effectiveness gains by enabling country offices and regional bureaux to lead resource mobilization efforts and identify new partnerships and resourcing opportunities, particularly in the areas of innovative and climate financing.
158. The prioritization of innovation and partnerships is essential for the achievement of WFP's objectives and in sustaining the confidence and collaboration of the organization's valued partners, leading to increased trust and financial support. While the PSA budget for the Innovation Division is small, it is combined with complementary funding for the Innovation Accelerator to support the global innovation function focused on identifying, supporting and scaling up high-impact innovations that combat hunger and contribute to other SDGs for partners.

Office of the Deputy Executive Director and Chief Operating Officer department

159. The Deputy Executive Director and Chief Operating Officer oversees three assistant executive directors, who serve as heads of departments; the incumbent also oversees the regional bureaux, the Risk Management Division, the Executive Board Secretariat and the Office of the Deputy Executive Director and Chief Operating Officer. The responsibilities of the Office of the Deputy Executive Director and Chief Operating Officer include emergency coordination, regional bureaux coordination, and strategic analysis and humanitarian diplomacy. Coordination functions are brought to an executive level in the office, which links various functions and teams and ensures coordination across the organization for more streamlined emergency responses within WFP, and improved collaboration among United Nations entities. The strategic analysis and humanitarian diplomacy function includes global analysis support for operations and leads WFP's engagement in humanitarian diplomacy by exerting influence on both internal and external stakeholders on issues that have an impact on the organization.
160. In 2025 the Deputy Executive Director and Chief Operating Officer department will remain committed to implementing the organization's transformational change, driving efficiencies and maintaining a focus on accountability, the elimination of redundancies and the promotion of transparency. The department will support smooth structural changes throughout the organization, focusing on the optimal continuation of WFP's assistance programmes. Further opportunities to improve operational efficiency will be identified with the overarching goal of optimizing resource utilization through enhanced coordination and closer collaboration among departments and divisions.

Central appropriations

161. Central appropriations fund the costs of meeting statutory requirements, particularly WFP's funding commitments to the United Nations jointly financed activities and other centrally managed activities. The proposed central appropriation budget for 2025 is 4 percent more than the 2024 utilization plan.
162. The largest increase in central appropriations is for WFP's share of the budget for jointly financed activities – the United Nations Department of Safety and Security (UNDSS), the International Civil Service Commission, the Joint Inspection Unit and the Chief Executives Board. The increases in WFP's budget are due to increases in the budgets for jointly financed activities and to WFP's covering of an increasing proportion of the total costs due to its higher expenditures and numbers of staff relative to the totals for the other United Nations entities. The largest of the increases, USD 1 million for UNDSS, is attributed to the increasing complexity, number and severity of crises to which the United Nations is responding.
163. Annex II provides a comprehensive list of the central appropriations for 2025 compared with the 2024 utilization plan.

	2025 PSA budget (USD million)	2024 utilization plan (USD million)	Value difference (USD million)	% change
Staff	330.1	326.0	4.1	1
Other employees	45.7	51.3	(5.6)	(11)
Non-employees costs	104.1	105.3	(1.2)	(1)
Total	480.0	482.6	(2.6)	(1)

164. As shown in table 4.4, there is a slight increase in the 2025 budget for staff, which is offset by reductions in other employee and non-employee costs. Staff costs represent the cost of fixed-term international and national professional officers and general service staff. While the number of fixed-term, full-time equivalent (FTE) staff posts decreases by 2 percent, higher standard costs for international staff and increases in the salary scales for staff outside headquarters are driving the increase in staff costs.
165. The "other employees" category includes international short-term professional staff, consultants and temporary assistance. This is the category that offers the most flexibility in allowing reductions in costs within a short timeframe because the contracts in this category are less than one year.
166. Reductions in non-employee costs are seen in all departments and regional bureaux, but the decreases are offset by increases in central appropriations. Training, communications and IT costs will see the largest decreases, while the costs of office facilities and United Nations services have the largest increases.

Post category	2025 PSA budget					2024 utilization plan				
	COs	RBx	HQ	CA	Total	COs	RBx	HQ	CA	Total
Fixed-term	263	550	1 382	14	2 209	264	584	1 383	15	2 246
Short-term		114	418		532		129	493		622
Total	263	664	1 800	14	2 741	264	713	1 876	15	2 868

Abbreviations: CA = central appropriations; CO = country office; HQ = headquarters; RB = regional bureau.

167. Compared with the 2024 PSA utilization plan, the proposed PSA budget for 2025 has 127 fewer full-time equivalent posts, with the reduction in short-term posts being greater than that in fixed-term posts. The lower reduction in fixed-term posts reflects the fact that the PSA budget is the primary source of funding for core, recurring activities performed by fixed-term staff, and demonstrates WFP's commitment to honouring its obligations to its long-term staff members.

Standard position cost rates

168. WFP uses standard position costs to budget and account for international professional staff and general service staff at headquarters. The rates are recalculated annually to reflect the actual costs of employing staff at each grade and location, including entitlements, benefits, allowances, cost recovery for staff security and wellness, and anticipated exchange rates for euro-based expenditures.

169. The standard position costs for 2025 are based on the actual costs in 2023, adjusted for inflation and actuarial estimates of after-service costs. Owing to the voluntary separation package offered in 2024, the accrual for staff termination benefits will be nearly depleted by the end of 2024, thus the accrual for staff termination benefits within the standard costs is higher than in previous years. In addition, with funding reductions affecting both headquarters and country operations, WFP anticipates longer periods of time between staff assignments and more staff members waiting for new assignments; consequently, the estimation of costs for staff between assignments is higher than in 2024.

170. For euro-denominated expenditures at headquarters and global offices, WFP makes a forward purchase of the required euro amounts to ensure certainty regarding the US dollar value. The hedging contracts for 2025 have been finalized and are having a positive impact on the standard position costs for positions based in the eurozone.

171. The staff costs in the 2025 PSA budget are USD 10.2 million higher than they would have been if the standard position costs had not increased in 2025.

172. At the end of each year, a standard cost variance – the difference between the actual costs and the costs charged to budgets using the standard position cost rates – is apportioned between the PSAEA for positions funded by the PSA and the unearmarked portion of the General Fund for all other positions⁴⁰. Owing in large part to the failure of salary scales in the eurozone to keep pace with inflation, and to discount rates having a favourable impact on estimates for after-service benefits, the variance charged to the PSAEA has been positive over the past few years, while inflation, exchange rate fluctuations and the higher

⁴⁰ "Update on the WFP Management Plan (2006–2007)" (WFP/EB.1/2007/6-A/1).

proportion of staff in high-cost operations have resulted in negative variances posted to the General Fund.

4.4 Indirect support cost rate

173. Assuming a global contribution forecast of USD 8 billion for 2025 and an ISC standard rate of 6.5 percent, with exceptions of 4 percent for specific cases as approved by the Board, the ISC income in 2025 will be USD 463 million. This calculation assumes that the full rate will apply to 87 percent of contributions, the reduced rate to 12 percent and a full waiver of ISC to 1 percent of contributions.
174. WFP's ISC rate is calculated to ensure that the costs of the activities defined in the PSA budget can be fully funded from projected contribution revenue. At the same time, the rate established should not generate excess income that could otherwise be used for direct programme implementation.
175. The derived standard ISC rate for 2025 has been calculated as shown in table 4.6 using the methodology established in 2006⁴¹ with no adjustment shown for the PSAEA target level, which is projected to be above the target ceiling.

2023 baseline	6.15
Decrease for higher indirect expenditures (from 2023 to 2025)	(0.95)
Increase for lower funding forecast (from 2023 to 2025)	1.13
Derived ISC rate for 2025	6.33

176. The calculated ISC rate of 6.33 percent would cover the costs of the proposed PSA budget and CCIs and maintain the PSAEA balance as described in the following section.

4.5 Reserves and fund balances

Overview

177. This section provides an overview of the PSAEA and the unearmarked portion of the General Fund. Subject to approval by the Board, the PSAEA and the unearmarked portion of the General Fund are potential funding sources for the programme support and business operations budget and, in the case of the unearmarked portion of the General Fund, may also fund operational costs.
178. The PSAEA and the unearmarked portion of the General Fund are projected to have balances of USD 289.1 million and USD 414 million, respectively, on 1 January 2025. These projected beginning-of-year balances are above the respective PSAEA target ceiling and the prudent balance of the unearmarked portion of the General Fund. With the projected healthy opening balance and the expectation that interest income will be credited to the unearmarked portion of the General Fund during 2025, management proposes to use part of the unearmarked portion of the General Fund for strategic investments in corporate initiatives and to replenish the IRA, while the balance in the PSAEA would be used only for PSA-related expenditures.

⁴¹ "Review of Indirect Support Costs Rate" (WFP/EB.A/2006/6-C/1).

Programme support and administrative equalization account

TABLE 4.7: PROJECTION OF THE PROGRAMME SUPPORT AND ADMINISTRATIVE EQUALIZATION ACCOUNT (USD million)	
PSAEA projected budgetary balance at 1 January 2025	289.1
ISC projected revenue (based on global contribution forecast income of USD 8.0 billion)	463.0
Proposed PSA budget	(480.0)
Proposed PSAEA drawdown for ISC shortfall	17.0
PSAEA projected budgetary balance at 31 December 2025	272.1
PSAEA target (equivalent to 5 months of 2024 PSA expenditures)	200.0
PSAEA floor (equivalent to 2 months of 2024 PSA expenditures)	80.0

179. Established in 2002, the PSAEA reflects the difference between WFP's ISC revenue and the PSA expenses for the financial period. The balance acts as a safety net for underwriting the risk of a shortfall in the ISC income needed to cover PSA expenditure. The PSAEA may also be used to fund CCIs, replenish reserves and fund initiatives in thematic areas.
180. At the beginning of 2024, the PSAEA budgetary balance, which is calculated by deducting budgetary commitments from the financial balance, was USD 375 million. Taking into consideration the movements in 2024 – projected ISC income on contribution revenue of USD 8.9 billion,⁴² approved PSA funding of USD 528 million and approved PSAEA drawdowns – the projected budgetary balance of the PSAEA at 31 December 2024 is USD 289.1 million.
181. Following a review of the optimal PSAEA balance,⁴³ a target balance of five months of PSA expenditure and a “floor” of two months of PSA expenditure were adopted. The PSAEA is complemented by operational fund balances, which together ensure the continuity of operations and indirect support from one fiscal year to the next. While the review did not conclude that the number of months of expenditure held in the PSAEA and the operational fund balances should be equal, there should be a reasonable relationship between the two fund balances.
182. Excluding any exceptional uses, the projected balance of the PSAEA at the end of 2025 is USD 272.1 million, as shown in table 4.7. Although the PSAEA balance is projected to be higher than the five-month target ceiling – because of the possibility that operational fund balances will exceed five months of operational activity, and following a prudent approach to the management of reserves – the proposed use of the PSAEA in 2025 is limited to covering the ISC shortfall of USD 17 million.

Use of the unearmarked portion of the General Fund

183. The main source of income for the unearmarked portion of the General Fund is investment income from WFP's cash balances held in investment portfolios and bank and money market accounts, and foreign exchange income on treasury transactions, which is credited to the General Fund in accordance with Financial Regulation 11.3.

⁴² As of June 2024.

⁴³ “Update on the Financial Framework Review” (WFP/EB.2/2015/5-C/1).

Projected balance at 1 January 2025		414.0
Projected earnings		155.0
<i>Previously approved – Treasury management</i>	(2.4)	
Proposed uses	(137.4)	
- <i>Critical corporate initiatives</i>	(30.4)	
- <i>Immediate Response Account replenishment</i>	(50.0)	
- <i>Staff obligations</i>	(30.0)	
- <i>Health insurance reserve</i>	(7.0)	
- <i>Individual fundraising model</i>	(20.0)	
Projected balance at 31 December 2025		429.2
Prudent balance		150.0

184. In light of the healthy projected balance, management proposes to allocate USD 80+ million of the unearmarked portion of the General Fund. This amount will be used prudently and strategically for investments in WFP's future, to strengthen WFP's reserves and to meet contractual obligations to employees as WFP calibrates its budget downwards.
185. As approved in the management plan for 2022–2024, the annual allocation of USD 2.35 million for *treasury management* will be maintained. This allocation will ensure optimal management of WFP's financial resources and enhance the monitoring of financial risks.

Staff obligations

186. An allocation of USD 30 million from the unearmarked portion of the General Fund is proposed to fund additional exceptional costs related to *management of the reductions of international professional and headquarters general service staff*.
187. The calibration of WFP's budget to lower funding levels is affecting employees under all types of contract and at all levels of the organization. When the calibration began in 2024, WFP managed the related downsizing by instituting a pause in recruitment at global headquarters, offering an agreed separation package to staff with fixed-term contracts, providing special measures for national employees in the field whose contracts had been affected, and managing positions through the abolishment of positions and the reassignment of staff members, with those staff members who were not reassigned to a new position being categorized as being of "unassigned status". The reduction of 431 fixed-term positions in the 2024 PSA utilization plan was met largely through the cancellation of vacant positions or the use of alternative funding sources. These actions were guided by the alignment of staffing plans with resource availability, while taking into account the need to ensure continued capacity and support for critical operations.
188. The cost of reducing the workforce in 2024 has been and continues to be met through a variety of funding sources. For local staff in country operations, the costs of further reductions are expected to be met largely from CSP budgets, accruals, the termination indemnity fund CCI and the country office safety net. For local staff in the regional bureaux and global offices, the costs of reductions will be met from accruals. For international staff,

regardless of their location, and general service staff in headquarters and global offices, the costs of further reductions can be met partly from accruals and standard position costs (see paragraph 169), but the potential costs are likely to exceed the availability of accruals and the level that can reasonably be absorbed by standard position costs.

189. The actual cost of the reductions will be determined by the number of staff affected and the actions taken. When all funding sources are taken into consideration, the planned net reduction in fixed-term staff for activities managed by global headquarters is only 65 FTEs in 2024. However, this net figure understates the absolute number and variety of job profiles concerned and the grades of the positions affected. When analysed by division and grade, the gross reduction in FTE positions jumps to 205. Other uncertainties related to the number of staff affected include the contraction or expansion of country operations, the restructuring decisions arising from the review of headquarters and regional bureaux, and the source of the additional cost savings needed in order to achieve a PSA budget that is equal to ISC income in 2026.
190. In planning for an exceptional case in which 275 staff members are unassigned (225 professional and 50 general service), the estimated costs of retaining those staff members for 12 months exceeds the estimate used in the standard position costs. The option of retaining staff on the payroll while they are unassigned ensures that there is a skilled and experienced workforce ready for future deployment. However, measures for adapting the workforce to the future funding landscape that result in reductions in the number of staff will also be considered. These actions would reduce the duration and therefore the cost of retaining unassigned staff, but would entail one-time payments for staff terminations.

Health insurance reserves

191. An allocation of USD 7 million is proposed for *health insurance reserves* to provide a one-time allocation from the unearmarked portion of the General Fund for the expansion of WFP's medical self-insurance. Self-insurance is a cost-effective alternative to the purchase of traditional commercial insurance. In a 2023 review of health insurance schemes in the United Nations system,⁴⁴ the Joint Inspection Unit observed that self-insured schemes are usually cheaper and more efficient than profit-oriented commercially insured schemes. Further information related to self-insurance can be found in section 5.2.

Individual fundraising model

192. An allocation of USD 20 million is proposed for the *individual fundraising model* in 2025. The funding will primarily be allocated towards advertising and content development from WFP's country operations for use globally, with a portion dedicated to supporting the technologies needed to extend the global fundraising infrastructure.

⁴⁴ Joint Inspection Unit. 2023. *Review of the quality, effectiveness, efficiency and sustainability of health insurance schemes in the United Nations system organizations* (JIU/REP/2023/9).

-
193. Investment in fundraising from individuals constitutes a key strategic imperative for WFP's efforts to significantly diversify its donor base and increase its level of flexible funding. The income from WFP's unique individual fundraising model, driven mainly by digital platforms, has grown sevenfold, from USD 16 million in 2019 to USD 107 million in 2023. By the end of 2024, individual giving will have generated more than USD 460 million in cumulative income, from a CCI investment of USD 52 million and a loan of USD 24 million⁴⁵, demonstrating success at scale in the initial phase.
194. Moving to a more ambitious phase, fundraising from individuals has the potential to raise USD 1.3 billion for WFP in the next six years and double the income each year. This will become a key source of funding for the organization. Given that about 30 percent of individual donations are flexible, this stream could generate USD 400 million in flexible funds over the period from 2025 to 2030.
195. A total investment of USD 100 million over six years will be required to reach this potential level of funding. The USD 20 million requested in 2025 as the first tranche of this multi-year investment will generate a total income of USD 138 million in the first year, with more than USD 1 billion being generated in the years 2026–2030 with continued investments. This investment will build a stronger supporter base leading to a solid and sustainable income stream for future years.

Immediate Response Account

196. An allocation of USD 50 million is proposed to replenish the IRA. The IRA is indispensable to WFP's ability to continue to save lives; ensuring the account's sustainability is therefore critical. A yearly resourcing target for the IRA has been established and is met mainly by voluntary contributions from donors and by the repayment of IRA advances from contributions to CSPs. To that end, WFP continues to advocate donor contributions to the IRA. The target may also be met by allocations of multilateral contributions and transfers from WFP's reserves and fund balances as approved by the delegated authorities or the Board. The movements in the account, including approved transfers to the IRA from the PSAEA and the unearmarked portion of the General Fund, are shown in table 4.9.

⁴⁵ Currently a loan of USD 19 million has been drawn down and spent. A total loan of USD 24 million is estimated for the year in 2024.

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	July 2024
Directed IRA contributions	50.2	33.9	33.2	29.6	22.6	24.7	64.0	101.1	107.5	30.8
Revolved funds	95.3	125.2	114.5	68.3	150.0	82.5	70.4	220.4	131.6	49.3
WFP funds	57.1	13.7	28.7	67.1	23.1	77.5	53.8	180.0	155.8	52.2
<i>Multilateral contributions</i>	-	13.7	13.7	23.1	23.1	25.0	30.6	50.0		
<i>PSAEA and unearmarked portion of the General Fund</i>	50.0	-	15.0	44.0	-	52.5	-	130.0	150.0	50.0
<i>Other*</i>	7.1	-	-	-	-		23.2		5.8	2.2
Total revenue	202.6	172.8	176.4	165.0	195.7	184.7	188.2	501.5	394.9	132.3
Allocations	164.2	215.2	154.2	144.2	161.0	188.5	220.0	385.2	433.5	90.8

* Other = fund balances and foreign exchange fluctuations from contributions to the CSPs and other recipient WFP activities; interest accrued on donor funds administered by WFP through trust funds for bilateral contributions; other funds identified with and approved by the appropriate donors, management authorities and/or the Board; and surplus from the self-insurance special account in 2021.

197. Humanitarian needs arising from the global food and nutrition crisis have surged dramatically. The drivers of the crisis are multifaceted, ranging from conflict, climate change and natural disasters, to economic and financial instability. These factors have been exacerbated by declining contributions, affecting the replenishment and revolvment of the IRA, which has resulted in the decreasing availability of IRA funds. Owing to this constrained availability, requests for IRA advances have been prioritized and complemented by advances from other advance financing mechanisms, such as internal project lending, with the IRA being used as a last resort. However, owing to the ongoing escalation of the emergencies in the Sudan and the Middle East region, the demand on the IRA is expected to remain high.
198. As part of the management plan for 2024–2026, the Board approved the transfer of USD 50 million to the IRA; this timely injection at the beginning of 2024 was instrumental in enabling WFP to respond rapidly to the conflicts in Yemen, Chad and the Sudan. In 2025, management proposes to transfer USD 50 million from the unearmarked portion of the General Fund to the IRA. This proposed transfer will improve the availability of funds in the first quarter of 2025 while WFP continues to engage with donors on replenishing the IRA.

Critical corporate initiatives

199. An allocation of USD 30.4 million is proposed to fund CCIs. CCIs are fully aligned with WFP's corporate priorities and are designed to lead to sustained gains in efficiency or effectiveness following their completion. The development of CCI proposals involves collaboration among headquarters, regional bureaux and country offices to ensure that the planned results meet the needs of WFP's field operations.

200. Nine CCIs are planned in 2025 – five continuing from 2024 and four new ones. Management proposes to allocate USD 30.4 million of the unearmarked portion of the General Fund, compared with USD 88.4 million in 2024. This will fund the CCIs throughout their duration, and not just in 2025, thereby providing reliable multi-year funding to ensure their completion. The total budget for these CCIs, consisting of the new funding requested and previously approved funds, is USD 57.8 million for the period 2025–2027, of which USD 47.4 million is for use in 2025.
201. When assessing the CCI proposals, WFP considered the attributes described in the corporate management priorities and grouped the CCIs into five thematic areas: accountability and compliance, partnerships and fundraising, people, digital technology, and innovation and efficiency. Table 4.10 shows the multi-year budget and net funding request of USD 30.4 million, 13 percent of which is expected to support the final year of implementation of two ongoing CCIs, while the remaining 87 percent will be used to implement four new, multi-year CCIs. The remaining three ongoing CCIs – Fit for Future in a changed funding landscape, Investing in WFP people, and Corporate process optimization – will be implemented using the funding approved previously .
202. Each CCI is briefly described in the following paragraphs. More details on their deliverables, activities, proposed budgets, implementation plans and key performance indicators are presented in annex III. WFP’s annual performance report for 2023 includes the achievements and budget utilization of the CCIs active in 2023.

Thematic area/CCI name	Duration	Funding		
		New request	Previously approved	Total budget
Accountability and compliance		8.1	23.7	31.8
Monitoring, identity management and traceability	2024–2025	3.0	23.7	26.7
IPSAS implementation	2025–2026	5.1	-	5.1
Partnerships and fundraising		5.1	7.9	13.0
Fit for Future in a changed funding landscape	2024–2025	-	7.9	7.9
Positioning WFP to unlock diverse funding	2025–2027	5.1	-	5.1
People		5.1	79.3	84.4
Investing in WFP people	2022–2025	-	79.3	79.3
Duty of care and inclusion	2025–2026	5.1	-	5.1
Digital technology		11.0	-	11.0
Digital integration and modernization	2025–2026	11.0	-	11.0
Innovation and efficiency		1.1	34.4	35.5
Corporate process optimization	2024–2025	-	21.0	21.0
UNSDG efficiency road map	2023–2025	1.1	12.3	13.4
Total		30.4	145.3	175.7

Abbreviations: IPSAS = International Public Sector Accounting Standards; UNSDG = United Nations Sustainable Development Group.

Monitoring, identity management and traceability – year two of two

203. The management plan for 2024–2026 approved USD 23.7 million for the two-year CCI on monitoring, identity management and traceability. The aim of this CCI is to comprehensively address recurrent issues raised in oversight reports and ensure WFP's ability to deliver uninterrupted assistance to people in need, transparently, accountably, effectively, efficiently and in all humanitarian environments.
204. In 2025, a budget of USD 10.4 million is planned, of which USD 7.4 million has already been approved. Regional bureaux play a key role in directly supporting the roll-out of the global assurance framework at the country office level but face reductions in the PSA budget. An increase in the funding of the CCI by USD 3.0 million will therefore ensure that regional bureaux have the capacity to support the roll-out.
205. In 2025, the CCI will focus on scaling up remote process and outcome monitoring; continuing the roll-out of standards and systems for community feedback; continuing the roll-out of identity management standards, digitization and global reconciliation for in-kind food assistance; investing in scanning technology; and designing a "track and trace" system.
206. Through this CCI, broad integration and collaboration are fostered among functions and with regional bureaux and country offices, developing a "whole-of-organization" understanding of assurance and thereby supporting country offices in ensuring that the right people receive the assistance they need, safely, in full and without interference.

International Public Sector Accounting Standards implementation – year one of two

207. WFP has been preparing its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) since 2008. In the past two years, the IPSAS board has developed and published six new standards that WFP needs to implement when they come into effect in 2025 and 2026. IPSAS 43 on leases and 47 on revenue are expected to have particularly significant impacts on WFP's financial statements. The implementation of these standards will require cross-functional engagement to ensure that accounting policies and models are revised, staff are capacitated to apply new operational procedures, and information systems can support accounting and reporting requirements.
208. In 2025, the focus will be on IPSAS 43 (leases). After identifying the leases that fall within the scope of the standard, a new set of data will need to be collected from agreements. Systems for collecting such data will be evaluated and selected and system changes will be implemented to comply with standard requirements. Accounting policies will be updated and issued. Training on related policies and operations will be delivered to relevant functions globally. All internal manuals, procedures and guidance will be updated to reflect the changes required for IPSAS compliance. Accounting entries for the restatement of opening balances, transactions in the current period and 2025 closing balances will be developed and processed.
209. During the second year of this initiative, all donor agreements, service provision contracts and cooperating partner agreements will be reviewed to identify the criteria for measurement and the recognition of revenues and expenses in WFP's agreements under the new IPSAS 47 and 48. Agreements will be classified to inform their subsequent accounting treatment.

Fit for Future in a changed funding landscape – year two of two

210. Through this CCI, WFP aims to strengthen its collaboration with partners to ensure complementarity and maximize efficiency. By adopting new ways of working, the CCI seeks to optimize the business processes for partnerships and innovation with streamlined tools for the end-to-end management of partners and contributions, and to develop staff capacity and capabilities, including in the area of innovative finance.
211. In 2024, the digitization and harmonization of partner management focused primarily on reviewing the system landscape for partnerships and innovation, examining the connections between and within systems and identifying critical gaps in and opportunities for automation, while ensuring that systems are better harmonized and efficiently streamlined. This followed an extensive consultative process with country offices, regional bureaux and global headquarters. A new tool is being designed and will be rolled out in 2025, accompanied with relevant training.
212. In 2025, capitalizing on achievements in 2024, the CCI will continue to prioritize the piloting and documentation of innovative financing projects along with related training programmes and materials. Comprehensive partner and contribution management tools will also be launched. Activities in 2025 will be funded from the previously approved allocation.

Positioning WFP to unlock diverse funding – year one of three

213. Recognizing the risk of its dependence on a small number of resource partners and mainly traditional fundraising models, WFP aims to diversify its funding while protecting and expanding its current partnerships and reputation as a partner of choice. The initiative will allow WFP to approach resource mobilization in new and innovative ways while recognizing the importance of strategic and targeted communications in underpinning this process. Efforts will focus on enabling country offices to diversify their funding by providing direct support for the planning of partnership requirements, the identification of new and different partnerships, the design of solutions and options that address the corporate barriers to country offices' work with diverse partners, the provision of training and guidance on engagement in the partnerships required, and the publication of results from WFP's work in partnerships in order to strengthen the organization's brand and reputation.
214. Communication experts will support outreach to new partners through the development of strong evidence-based publications relevant and useful to their target audiences. Support for the management of reputational risk will underpin this work by carrying out due diligence exercises on new partners and influencers. As a result of this strong cross-departmental collaboration, country offices will form and build sustainable relationships with diverse partners, decreasing WFP's reliance on the top traditional donors.

Investing in WFP people – year four of four (extended by one year)

215. Since 2022, WFP has allocated a total of USD 79.3 million to the Investing in WFP people CCI to support an ambitious change management process. An estimated USD 8.8 million of that total will be carried forward into 2025 to fund a one-year extension for the completion of activities that have been delayed or have slightly shifted in focus in line with the ongoing global organizational change and budget adjustments. During this extension year, the focus will be on regionally led efforts to support excellence in people management by strengthening WFP's organizational capacity to establish, operationalize and absorb corporate and cross-functional activities that achieve the outcomes expected from each deliverable.

216. The five CCI deliverables and approved activities are all anchored on WFP's people policy which represents the organization's vision for its future workforce as one of diverse, committed, skilled and high-performing teams selected on merit and operating in a healthy and inclusive work environment, in line with WFP's values.

Duty of care and inclusion – year one of two

217. This initiative aims to align WFP's commitment to duty of care with its "stay and deliver" approach, ensuring that the organization remains agile and effective in high-risk environments while upholding standards for staff well-being, workplace inclusion and safety and security.

218. The investment enhances the management of fiduciary risk by focusing on WFP's employees and strengthening accountabilities within a new framework. By investing in occupational health, safety and security, WFP aims to create a safer and more productive work environment, which drives the achievement of the organization's mission. This approach is designed to minimize work-related injuries and illness, mitigate their severity and impact, and foster an agile, flexible and active workforce.

219. The CCI aims to examine all the aspects related to the duty of care of employees with a view to mitigating the risks that may harm employees by creating an agile, secure and healthy working environment. Through infrastructure and facilities management, the objective is to provide the right tools and skills to minimize work-related injuries and illness and mitigate their impact. The initiative will also strengthen field security functions through digitization and innovation by creating a digital framework that integrates all security compliance processes, developing an organizational intelligence-based approach for security risk management, and consolidating the security knowledge hub into a unique entry point providing digital access to all relevant information on security and the processes linked to it.

220. WFP will review and revise the human resources manual with a view to integrating the duty of care concept into its human resources policies and manuals, incorporating diversity, equity and inclusion considerations. The CCI will also focus on enhancing access to health services via a corporate well-being platform, facilitating the development and adoption of inclusive technology, and ensuring that IT solutions are aligned with the United Nations Disability Inclusion Strategy.

221. The proposed CCI funding totals USD 5.1 million for 2025 and 2026.

Digital integration and modernization – year one of two

222. The main objective of this CCI is to modernize and integrate WFP's IT and digital infrastructure so as to enhance its operational efficiency and align it with strategic goals. The CCI encompasses a range of IT and digital components, including enterprise resource planning, data systems, payroll systems and AI. The most significant component of the CCI is upgrading the enterprise resource planning system, which is crucial in preventing the current platform from reaching its end of life in 2027. WFP will also design a roadmap for payroll processing, which is currently carried out through three different systems.

223. Following the finalization of WFP's AI strategy, the development and roll-out of a modern data platform will start, incorporating essential AI capabilities. This includes work with country offices on co-designing and delivering AI use cases for critical WFP initiatives, focusing on the scaling and transformation of operations. The initiative also aims to enhance the data and AI competencies of WFP staff and partners in line with WFP's data literacy and competency framework.

Corporate process optimization – year two of two

224. This initiative aims to improve the efficiency and effectiveness of business processes through the integration, automation and streamlining of enabling processes that leverage global efficiencies. The CCI will also strengthen controls and reduce risks through the increased standardization, automation and integration of corporate processes.
225. Work towards the leading deliverable of the CCI – the optimization of end-to-end procurement – will continue in 2025, focusing on the completion of the “smart sourcing” project to achieve the goal of minimizing manual tasks by automating workflows, and providing visibility to real-time data by optimizing end-to-end procurement processes. Despite increases in the value, volume and complexity of WFP’s procurement function, there has been little investment in digital capabilities for the function. Owing to the manual nature of the operations, this has resulted in increased transactional workloads, process inefficiencies, lack of transparency, and inadequate monitoring of transactions. The new procurement solution will be responsive to current needs and scalable for the future.
226. The CCI budget in 2025 will be fully met from funding approved previously.

United Nations Sustainable Development Group efficiency road map – year three of three

227. The United Nations Business Innovations Group is continuing its efforts to deliver on the overarching efficiency targets established by the Secretary-General in 2017 and is committed to achieving the annual savings of USD 310 million called for through various inter-agency, agency and bilateral initiatives.
228. Approval is sought for the extension of this CCI by one year, with additional funding of USD 1.1 million to enable management to support the Secretary-General’s reform initiatives. The proposed investment will ensure that WFP has the capacity to prepare for and respond to inter-agency reform efforts – leading where appropriate – and develop its position and potential contributions within the reform.
229. In 2025, the CCI will focus on the finalization of two existing deliverables, with interventions that include the adoption of common premises, the expansion of, and reporting on, the business operations strategy, participation in the establishment of common back offices and further expansion of WFP global shared services. WFP will deliver further efficiency gains in 2025 and beyond by providing and scaling up carpooling and ridesharing services through United Nations mobility.
230. A new deliverable – a model for the delivery of shared services – will be added in 2025 to consolidate, systematize and streamline processes across operations through internal service delivery. The CCI will provide the resources to develop a model for delivering and financing shared services.

Section 5 – Insurance schemes

5.1. Expansion of operational risk self-insurance coverage

231. In 1993, the Committee on Food Aid Policies and Programmes, the predecessor to the Executive Board, approved the implementation of a self-insurance arrangement for WFP international cargo in order to address the challenges of obtaining appropriate insurance coverage in the open market. WFP was mandated to establish and operate a self-insurance arrangement applying commercial insurance principles as if it were an external insurer. This scheme is commonly known as “captive insurance”, a form of self-insurance whereby the insurer – the Captive – is owned wholly by the insured. The Captive charges WFP’s activities a premium, compensates the organization for losses, seeks to recover losses from liable third parties, and reinsures catastrophic and other categories of loss in the commercial insurance market where possible.
232. In 2017, the Board approved two adjustments to the scheme⁴⁶ in response to changes in WFP’s operational landscape. First, coverage under the scheme was extended up to the point when WFP hands over goods to beneficiaries, cooperating partners or governments. Second, losses not typically covered by commercial insurance were included in the Captive’s coverage. With these changes, the self-insurance scheme has continued to serve WFP well by minimizing interruptions to activities through prompt settlement of claims,⁴⁷ providing cost savings through broad and flexible coverage and enhancing loss prevention and overall risk management in WFP.
233. In 2022, the Secretariat updated its insurance strategy⁴⁸ to align it with WFP’s operational environment. The strategy aims to protect WFP’s employees and resources against risks inherent to its operational environment, directly support the achievement of programmatic goals, and achieve better use of available resources through loss prevention and other strategies. The Captive is at the core of the strategy, allowing the Secretariat to maintain an optimal balance between risk retention (risks the Secretariat keeps internally) and risk transfer (risks shared with commercial insurers).
234. The Secretariat seeks to enhance the Captive’s coverage to effectively respond to the current and emerging risk profile. The Secretariat intends to formally include certain risks that currently are not covered or are only partially covered by the captive. These include CBT risks, other financial risks, property risks, and emerging and hard-to-insure risks.
235. *Financial risks.* From 2017 to 2023, WFP’s operational expenditures grew from USD 5.9 billion to USD 10.0 billion, and although the forecasts for 2024 and 2025 are trending downwards, the rise in needs and the response from the donor community do not indicate a return to 2017 levels. Similarly, WFP’s assistance provision through CBTs continues to grow, with CBTs currently constituting 36 percent of all WFP assistance. In 2023, WFP distributed USD 2.9 billion in CBTs to 57.4 million people in 76 countries. In addition, the increased financial outlay from WFP’s operational expenditure and the increasing use of the CBT modality to deliver assistance have significantly increased financial risks to WFP.

⁴⁶ “WFP Management Plan (2018–2020)” (WFP/EB.2/2017/5-A/1/Rev.1).

⁴⁷ Commercial insurance claims can sometimes take years to settle, with very large claims often being resolved through litigation.

⁴⁸ Deputy Executive Director’s directive (DED2022/004) *WFP Insurance Strategy*.

236. Although WFP's financial risks are covered by a commercial insurance policy,⁴⁹ the policy has a large deductible. Losses that do not exceed the applicable deductible are currently retained in the balance sheet, from where they are eventually written off. The Secretariat predicts that insurers will increase the deductible and coverage restrictions in line with market practice and conditions and partly as WFP's underwriting data improve.⁵⁰ Individual losses will likely remain below the deductible, but their cumulative amounts can be large, making such losses ideal for coverage by the Captive. In its most recent actuarial assessment of financial risks, the Secretariat projects a possible annual loss of between USD 1.83 million and USD 33.3 million, of which a possible loss of between USD 1.3 million and 28.30 million is projected to be retained by WFP based on the current deductible limits for commercial crime policies. If these losses are uninsured they would have to be written off by WFP.
237. *Property losses.* WFP's property portfolio has increased substantially over the years, reaching an estimated value of USD 776 million in 2023. Except for vehicles, WFP's use of property insurance has largely been fragmented, with individual country offices deciding whether to insure their property. The cost benefits of consolidating all property insurance under one global policy are substantial. Given the challenging environment in which many WFP properties are located, commercial insurers are likely to restrict the terms of coverage, such as by imposing large deductibles and/or excluding certain territories. The partial retention of risk by the Captive will provide the Secretariat with flexibility and leverage in negotiations with commercial insurers, reduce the total cost of risk to WFP and ensure that any risks excluded from commercial insurance coverage are adequately covered.
238. *Emerging and hard-to-insure risks.* WFP's volatile operating environments may lead commercial insurers to exclude or offer higher premiums for risks that are customarily covered. For example, coverage for aviation insurance in the Sudan was excluded at the onset of the crisis in April 2023, malicious acts insurance coverage in Ukraine was excluded at the onset of the conflict in 2022 and was later provided at high cost, and war risk coverage for cargo and vessels involved in the Black Sea grain initiative was extremely difficult and expensive to obtain.
239. Even when emerging and hard-to-insure risks can be covered commercially, the insurance placement process is often time-consuming and may not enable WFP to respond promptly to emergencies. Including coverage of emerging and hard-to-insure risks in the Captive will strengthen the Secretariat's ability to respond swiftly to emerging challenges and protect WFP's people and assets.
240. The proposed enhancements remain in line with the Captive's strategic objectives of managing the retention of risks, maintaining adequate solvency and capital requirements, supporting WFP's values and complying with the corporate governance framework. The Secretariat will continuously evaluate the costs and benefits of any expansion activities so as to maintain an optimal balance between risk retention through the Captive and through external insurance. Where external insurance is available and cost-effective, risks will be insured externally. For risks retained in the Captive, the Secretariat will use several tools to ensure that losses do not overrun the established capital adequacy. The measures for maintaining a robust capital base will include:
- the strategic use of aggregate reinsurance covering multiple lines of business in order to cap retained losses and transfer the more volatile risks to external reinsurers;

⁴⁹ Comprehensive commercial crime insurance.

⁵⁰ Commercial insurance deductible levels for organizations with a similar financial outlay as WFP are typically in the range of USD 500,000 to USD 1 million.

- careful selection of the risks to be retained within the Captive – all the risks proposed for addition to the Captive are “short-tail” risks, i.e., risks where the time between the occurrence of a loss event and the final claim settlement is relatively short, allowing for a more accurate financial projection;
 - regular stress-testing through actuarial modelling of the impact of large loss events on the Captive's financial health;
 - the use of excess capital over and above internal capitalization targets to smooth the effects of outlier loss events; and
 - continued high levels of loss prevention through work with relevant operational teams on initiatives for minimising losses with negative impacts on the Captive.
241. Expanding the coverage of the Captive to include the risks outlined above has many benefits for the Secretariat. These include providing the flexibility to respond promptly in sudden-onset emergencies; the ability to tailor insurance coverage for hard-to-insure or emerging risks; the ability to smooth the effects of hard insurance markets, when prices rise and coverage terms are restricted; the immediate settlement of losses, allowing programmatic activities to continue with minimum interruptions; and support for loss control and the overall development of risk management in WFP. The Secretariat is often called on to respond to emergencies in volatile situations, often at short notice. The safety and security of staff and resources are always a top priority during emergency response. To ensure safety and security, the Secretariat has implemented a robust security risk assessment and management system that is consistent with United Nations guidelines and that allows for the safe deployment of staff and resources. The insurance arrangement also enables the Secretariat to effectively respond to any residual risks.

5.2. Expansion of health self-insurance

242. WFP's corporate risk register recognizes the organization's fiduciary duty of care towards employees and its commitment to supporting employees' health and safety in order to mitigate the financial, reputational and business continuity risks arising from the likelihood of health-related incidents, prolonged absenteeism and low employee engagement. One of the instruments enabling WFP to enhance the physical and psychosocial well-being of its workforce is the provision of comprehensive health insurance coverage. Active and retired employees and their eligible family members receive health protection through one of four medical insurance schemes, each providing defined benefits to specific employee categories.
243. Currently, three medical insurance schemes⁵¹ (accounting for approximately 85 percent of all corporate health insurance costs) are contracted to commercial insurance underwriters, while the fourth scheme⁵² (accounting for approximately 15 percent of costs) is self-insured. Building on the successful experience of managing operational risks through a self-insured captive scheme and conforming to the consolidated model followed by all United Nations

⁵¹ BMIP/MMBP (Basic Medical Insurance Plan/Major Medical Benefits Plan), applicable to General Service staff members in headquarters or in WFP global offices, international professional staff members worldwide holding a fixed-term, continuing or indefinite appointment, and national professional officers in WFP global office; MICS (Medical Insurance Coverage Scheme), applicable to national professional officers and general service staff members in regional bureaux and country offices; and MCS/MCNS (Medical Coverage for Supernumeraries/Non-staff), applicable to short-term staff, consultants, interns and WFP volunteers wherever they are located, and special service agreement subscribers in headquarters.

⁵² MIDD (Medical Death and Disability Plan), applicable to service contract holders and special service agreement subscribers in regional bureaux and country offices.

organizations of comparable size,⁵³ WFP intends to adopt a self-insurance framework in its mitigation of employee health risks as a means to achieve greater efficiencies and long-term savings.

244. Although commercial schemes provide short-term financial predictability by limiting WFP's exposure to the stipulated premiums throughout the duration of the contract, they entail higher costs stemming from the incorporation of the commercial underwriter's profit margin and risk retention fee into the premiums (currently increasing premiums by 4.6 percent, or USD 2.1 million in 2023). The financial predictability does not extend to the longer term because premium rates must be renegotiated at each contract renewal, and they tend to increase steadily in accordance with trends in medical cost inflation.
245. Under a self-insurance arrangement, WFP retains the financial risk of paying the medical expenses incurred by participants in the arrangement as those expenses are incurred without the need for any external underwriting. By removing the commercial contractor's profit margin and risk underwriting restrictions, self-insured schemes provide greater flexibility in setting costs and benefits, leading to savings over time.
246. The current commercial insurance contract will expire in December 2025. Given the high global inflation in medical costs observed in recent years,⁵⁴ it is projected that a renewal of the three commercially insured schemes into 2026 will entail an unavoidable premium increase of no less than 35 percent, from the current USD 60 million per year to a projected USD 82 million per year (USD 79 million to cover claims plus USD 3 million profit margin). The foreseen increase is also related to the high volume of claims paid across the range of WFP's medical insurance plans, particularly the medical scheme applicable to WFP's short-term employees.
247. Rather than renewing a commercial insurance arrangement, beginning in 2026 WFP will adopt a self-insurance approach for all four health benefit schemes. The administration of benefits and claim reimbursements will continue to be outsourced to an externally contracted third-party administrator (TPA) with expertise in providing services such as claims processing, worldwide direct billing arrangements and cost containment solutions.
248. The health self-insurance scheme will be funded from a dedicated special account, the "self-insurance fund", which will collect monthly premiums and simultaneously replenish the TPA's working capital. As cashflows are likely to fluctuate in the short term, the self-insurance fund will include a reserve margin sufficient to provide for any occasional shortfalls occurring between monthly premium income and monthly expenses. Such a reserve should be equivalent to at least one full month's worth of claims, estimated at USD 7 million.⁵⁵

⁵³ The Joint Inspection Unit's report on the "[Review of the quality, effectiveness, efficiency and sustainability of health insurance schemes in the United Nations system organizations](#)" (JIU/REP/2023/9) observes that "*Half of the health insurance schemes within the United Nations are self-insured or captive schemes, in which the organizations underwrite all the risks related to health-care costs, which is usually cheaper and more efficient. In addition, self-insured schemes are not profit-oriented plans and, therefore, they do not have to provide financial returns for the performance of the insurance activity, which externally administered schemes would need to do.*" (par. 33). It also reports that "*Self-insured plans are generally larger than outsourced ones. The self-insured schemes tend to be larger in size; 11 of the 13 such schemes have over 10,000 plan members each, and 9 have over 25,000, which is mostly because of the need to have sufficient critical mass both to adequately manage risks*" (par. 35) and that "*Commercially insured plans tend to be smaller in size. With the exception of the WFP Medical Insurance Coverage Scheme, with over 40,000 members, and the FAO Basic Medical Insurance Plan, with almost 16,000 users, the fully commercially insured schemes (...) tend to be smaller in size, with an average of 6,353 members.*" (par. 37).

⁵⁴ Willis Towers Watson. 2023. [2024 Global Medical Trends Survey](#).

⁵⁵ Willis Towers Watson has calculated that claims will range between USD 78 and 84 million for 2026, with USD 78 million representing the statistically most probable amount and USD 84 million the least probable and most catastrophic scenario, which has an estimated probability of 1-in-200-years, or 0.5 percent of the projected scenarios.

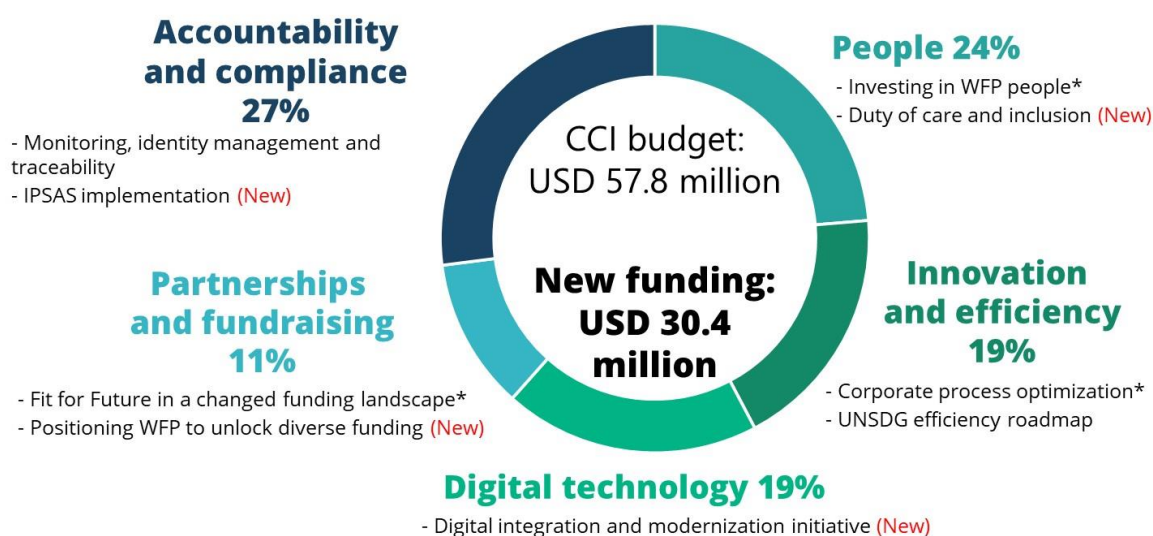
249. To guarantee the TPA's access to sufficient liquidity to cover all claims as they arise, WFP will set up a working capital fund to be used by the TPA to pay all the benefits claimed by participants. The Secretariat anticipates the working capital's liquidity requirements to be equivalent to three months' worth of claims, thus requiring one-time advance of an estimated USD 23 million to the TPA.
250. Compared with the two-year renewal of the commercially insured contract at a projected total premium cost of USD 82 million per year, a self-insurance approach is projected to generate savings of up to USD 3 million in 95 percent of projected scenarios.
251. By paying the true costs of healthcare incurred by the workforce, WFP will minimize the outflow of cash and be able to respond to emerging healthcare needs with greater agility and efficiency: unspent resources will be reinvested in preventive health programmes, wellness initiatives and expanded coverage of the scheme. This will reduce the severity of health-related incidents and the likelihood of high-cost medical claims over time.
252. In line with the above, and conforming to the best practice observed in the Joint Inspection Unit's report on health insurance schemes ([JIU/REP/2023/9](#)), WFP proposes to adopt a self-insurance arrangement for all medical schemes starting in January 2026. In line with the above, a one-time allocation of USD 7 million from the unearmarked portion of the General Fund is proposed – to be made before the end of 2025 – as capital for the new self-insurance fund.

ANNEX III

Critical corporate initiatives – concept notes

1. Since 2015, WFP has used CCIs approved by the Executive Board to strengthen its systems and workforce and, ultimately, to improve the delivery of services to food-insecure people.
2. The 2015 progress report on the financial framework review¹ defined CCIs as initiatives aimed at strengthening WFP's programming, operational and administrative capacity to fulfil its mission and delivering value for money. Elaborating further, the report stated that the development and prioritization of CCIs should be guided by the requirements that CCIs be one-off in nature and not covered by regular PSA funding; not be related to a single project; require predictable funding; be unlikely to generate sufficient additional investment from donors through corporate trust funds; and focus on organizational change. In approving the report, the Board also approved the use of the PSA equalization account and the unearmarked portion of the General Fund to fund CCIs.
3. Nine CCIs are planned for 2025. Their expected results, activities, implementation plans, budgets and key performance indicators (KPIs) are detailed in this annex. Four CCIs are new, while five ongoing CCIs will enter their final year of implementation in 2025. Of those five, only two require additional funds.

Figure A.III.1: Proposed critical corporate initiatives, 2025–2026 (USD million)



* CCIs that do not require new funding.

¹ "Progress on the Financial Framework Review, including Indirect Support Costs" (WFP/EB.A/2015/6-C/1).

TABLE A.III.1: CRITICAL CORPORATE INITIATIVES BUDGET OVERVIEW (USD million)

Thematic area/CCI title	Duration	Projected expenditures				
		Up to 30 June 2024*	July–December 2024	2025	2026 and beyond	Total
Monitoring, identity management and traceability	2024–2025	8.10	8.10	10.50	-	26.70
IPSAS implementation	2025–2026	-	-	2.80	2.30	5.10
Fit for future in a changed funding landscape	2024–2025	5.20	1.20	1.50	-	7.90
Positioning WFP to unlock diverse funding	2025–2027	-	-	2.10	3.00	5.10
Investing in WFP people	2022–2025	60.80	9.70	8.80	-	79.30
Duty of care and inclusion	2025–2026	-	-	3.20	1.90	5.10
Digital integration and modernization	2025–2026	-	-	7.80	3.20	11.00
Corporate process optimization	2024–2025	8.40	4.00	8.60	-	21.00
UNSDG efficiency roadmap	2023–2025	5.60	5.70	2.10	-	13.40
Total		88.10	28.70	47.40	10.40	174.60
Previously approved funding						144.20
Proposed new funding						30.40

* Unaudited cumulative expenditures since the start of each CCI, including open commitments as of 30 June 2024.

Monitoring, identity management and traceability

Summary			
Lead department/ division	Programme Operations Department	Funding for Board approval	USD 3.00 million
Participating division(s)	Analysis, Planning and Performance Division, Supply Chain and Delivery Division, all regional bureaux	CCI lifespan	2024–2025
Alignment with 2025 corporate priorities		Links to management results	
WFP's strength in emergency response (30%) Realizing the benefits of reform initiatives (70%)		MR1: Effectiveness in emergencies (32%) MR5: Evidence and learning (21%) MR6: Leverage technology (47%)	

Overview

- WFP's operational environment continues to evolve in terms of both complexity and needs. WFP's ability to effectively and efficiently procure and distribute in-kind food to beneficiaries and to implement appropriate reporting and monitoring mechanisms is crucial. A cross-departmental taskforce established by the Executive Director in early 2023 has developed a costed workplan for implementation in 2024 and 2025 to comprehensively address recurrent issues raised by WFP's oversight functions. This CCI is incorporated into the overall workplan and will support WFP's ability to deliver uninterrupted assistance, transparently and with accountability to people in need, especially in challenging environments.
- The CCI focuses on strengthening systems, processes and tools in three key areas: monitoring and community feedback; digitization, delivery assurance and reconciliation of in-kind food assistance through identity management; and scanning technology for the supply chain and the initial design of a track and trace system. The CCI will foster broad integration and collaboration among the functions involved and with regional bureaux and country offices, developing a "whole-of-organization" understanding of assurance and thereby supporting country offices in ensuring that the right people receive the assistance they need, safely, in full and without interference. In 2025, an additional allocation of USD 3 million to the regional bureaux will enable each bureau to invest in areas central to the achievement of the intended results of the global assurance framework and will support the roll-out of that framework and tools to all country offices.

Main achievements in 2024

- As of mid-2024, the CCI has achieved significant milestones in terms of its key deliverables, each of which is aimed at bolstering WFP's operational prowess and supporting high-risk country offices in meeting global assurance standards. Organizational restructuring across WFP, particularly in the new monitoring and reporting and delivery assurance services, fostered collaboration among the teams working on different deliverables, enhancing the quality of tools and processes.
- Building on lessons learned from the pilot in Ethiopia, the initiative enhanced data collection processes for cash and food distributions. Work included implementing standardized monitoring tools, supported by robust corporate systems and semi-automated data pipelines. Central to this enhancement is a dashboard displaying monitoring findings

from remote sites in near real-time. The tool enhances visibility and supports informed decision-making for both remote and face-to-face monitoring across WFP's operations. With the improvement, notable reductions in the time required for data analysis, and improvements in data quality are expected. These efficiencies facilitate the timely sharing of findings to optimize programme performance. As of July 2024, three targeted high-risk operations are equipped with the capacity for remote monitoring, which will gradually be extended to four additional offices, bringing the total to seven by the end of 2024.

8. Desk research, stocktaking and collaboration workshops led to an expanded scope for the project to include outcome and process monitoring alongside output monitoring. The study proceeded with a systems gap analysis to assess the suitability of monitoring solutions. Formal consultations with regional IT and monitoring advisory teams provided crucial insights into the challenges and opportunities for creating an interoperable ecosystem, which will guide upcoming strategic visioning activities in the third quarter of 2024.
9. The Executive Director's circular on minimum monitoring and assurance standards for CFMs was approved, bolstering field operations' adherence to CFM standards. A corresponding on-line toolkit was released and quarterly updates of the toolkit are expected to continue, incorporating feedback. Thematic guidance notes on the response to misconduct and environmental complaints, along with webinars with the Gender, Protection and Inclusion Service, enhanced two-way communications with affected communities. Country offices such as those in Afghanistan, Colombia and Egypt used the dedicated software system to improve the design and integration of CFMs and to raise issues to appropriate levels of management for handling, setting the stage for similar enhancements in Chad and Madagascar.
10. Accountabilities were clarified and norms and standards for identity management were finalized, including corporate guidance on the use of biometrics, which is currently under final consultation. Progress in the operationalization of digitized identity management for in-kind deliveries and reconciliation was made in several high-risk operations in Libya and the Sudan, where enhanced data collection capabilities were implemented, enabling emergency registration processes within 72 hours.
11. Three operations – in Burkina Faso, the Democratic Republic of the Congo and the Sudan – introduced a card tracking and identity verification module, enhancing the distribution of ration cards and ensuring accurate identity verification during food distributions. Fifteen global reconciliation service assessments for cash transfers were completed, providing country offices with strengthened and standardized reconciliation practices.
12. The track and trace project is finalizing the scanning technology requirements. Following market assessments, 12 companies are now demonstrating their solutions to the track and trace project team. By conducting these demonstrations, the project team aims to gain deeper insights into the performance, reliability and scalability of each solution. This will ultimately enable the team to make an informed decision on which technology to adopt for WFP operations.

Deliverables

TABLE A.III.2: BUDGET BY DELIVERABLE, 2025 (USD million)	
Deliverables	2025 total
1. Remote process and outcome monitoring with a supporting technical solution	3.30
2. Feasibility study for an integrated and interoperable ecosystem for programme monitoring (to be completed in 2024)	-
3. Minimum assurance standards for in-kind food operations with CFMs	1.30
4. Traceability road map and enhancement of information flow and data standardization (road map and "first mile" stage)	1.80
5. Scanning technology for automated receipt and dispatch and improved warehouse management ("middle and last mile" stages)	1.10
6. Support for implementation of the global assurance framework in all country offices	3.00
Total	10.50
Less: carryover from 2024	(7.50)
2025 requested funding	3.00

13. In 2025, under **deliverable 1**, remote process and outcome monitoring will be scaled up and rolled out to additional country offices, based on lessons learned. This initiative represents a significant leap in enhancing monitoring efficiency and effectiveness, reinforcing WFP's capacity to deliver impactful interventions in the regions it serves.
14. To achieve the objectives of **deliverable 2**, WFP is conducting an assessment and feasibility study on system gaps, particularly in relation to output monitoring and the inclusion of outcome and process monitoring, and providing recommendations on the integration and interoperability of existing systems. Prototypes will be developed for the recommended solutions and analysed to determine the next steps. The analysis will consider factors such as user feedback, impact on KPIs, technical feasibility and financial considerations and is expected to be completed in 2024.
15. The focus of **deliverable 3** in 2025 is on rolling out the CFM improvements and advancing the digitization of identity management for in-kind food assistance so as to enable the timely identification and mitigation of risks to individuals, communities and WFP itself and to ensure that assistance reaches the right people at the right time in a dignified and safe manner.
16. The main objective of the track and trace project under **deliverable 4** is to implement an enhanced and adequately automated system for managing the food procured along the entire supply chain. For the traceability road map, detailed processes, including both supply chain- and non-supply chain-related activities, will be developed. To complement this internal process, a market assessment of off-the-shelf solutions will be conducted in consultation with the private sector and other external stakeholders. A crucial aspect of this enhancement involves establishing a new working definition of the information exchange process between WFP and its upstream partners, including suppliers and shipping operators. This collaborative effort will lay the foundation for more streamlined and efficient data exchange along the supply chain.

-
17. **Deliverable 5** covers the “middle and last-mile” stages, for which WFP plans to incorporate new scanning technologies, such as the use of QR codes, to significantly improve operational efficiency. To achieve this, WFP will identify processes and benchmark them against industry best practices, collaborating with subject matter experts and partnering with industry leaders on the design and implementation of sustainable and state-of-the-art solutions. As part of this phase of the project the implementation of advanced systems for use in warehouses will be prioritized, ensuring that it meets the needs of warehouse staff profiles. Such alignment will help to streamline processes and optimize overall warehouse performance, resulting in smoother and more efficient operations along the supply chain.
 18. In 2025, the global assurance framework will be expanded to all operations, joining the 31 country offices that were considered as high-risk and prioritized for completion of the assurance project in 2024. This will be implemented under a new **deliverable 6**. Regional bureaux will support all country offices in identifying gaps in their assurance measures, updating their risk registers, conducting fraud risk assessments and creating costed implementation plans for augmented assurance. Regional bureaux will provide implementation oversight, including through technical support for country offices and by requesting support from divisions and risk leads when issues are beyond the capacity of the regional bureau to address.
 19. As of 30 June 2024, 30 percent of the CCI’s total budget for 2024–2025 had been utilized.

Implementation plan

20. Implementation is being coordinated and validated with stakeholders (country offices, regional bureaux and headquarters divisions) through the high-level task force. During emergency operations, monitoring, identity management processes and traceability are often particularly important, but at times they are not adequately supported. Implementing the costed workplan ensures that WFP is investing in capabilities to meet the global assurance standards so that emergency response operations have robust accountability systems in place to mitigate the risks of fraud, corruption and diversion and to catch and address wrongdoing when it occurs, preventing the types of loss that can occur when processes are outpaced by the speed with which operations need to be scaled up in emergencies.
21. In 2025, the roll-out of global assurance standards to all country offices will begin, and resources are being prioritized to ensure that regional bureaux have the capacity to drive forward the intended results of operations. Implementation of the plan will address evaluation and internal audit recommendations. The performance of work towards each deliverable will be assessed against the KPIs listed below.

Key performance indicators

TABLE A.III.3: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 1: Remote process and outcome monitoring with a supporting technical solution		
Key performance indicator	Baseline	2025 target
Number of high-risk operations with remote process and outcome monitoring	7	15
Deliverable 3: Minimum assurance standards for in-kind food operations with community feedback mechanisms		
Key performance indicator	Baseline	2025 target
Percentage of high-risk operations that have implemented assurance benchmarks for in-kind food operations	0	85%
Deliverable 4: Traceability road map and enhancement of information flow and data standardization (roadmap and "first mile" stage)		
Key performance indicators	Baseline	2025 target
Number of suppliers integrated into automated information flow ²	N/A	20% of active suppliers
Number of data entry work hours saved ³	N/A	Reduce by 30%
Deliverable 5: Scanning technology for automated receipt and dispatch and improved warehouse management ("middle and last mile" stages)		
Key performance indicators	Baseline	2025 target
Timeline for identifying and tracing a commodity along the entire supply chain ⁴	N/A	Less than 5 days
Number of standard operating procedures developed to incorporate scanning technology ⁵	N/A	4
Number of major storage locations with enhanced tracking technology ⁶	N/A	30
Warehouse space optimization ⁷	N/A	20%
Deliverable 6: Support for implementation of the global assurance framework in all country offices		
Key performance indicator	Baseline	2025 target
Number of high-risk country offices that meet global assurance project benchmarks for more than 80% of their unconditional resource transfers	TBD	25

² Fewer than 1 percent of active suppliers account for 50 percent of WFP's procurement expenditure. The value measured will be in line with the number of transactions that are automated.

³ Measures the time saved per document type over periods of 3, 6 and 12 months; baselines to be confirmed.

⁴ Previous food tracing, for example for incident-related recalls, takes between 14 days and several months. The introduction of a five-day target will accelerate the process by approximately 90 percent. The roll-out of scanning technology will be tiered based on the volume and strategic location. WFP aims to achieve 100 percent adoption of scanning for the receipt and dispatch of commodities so as to provide near-real-time data on commodity visibility at any given time.

⁵ Standard operating procedures for labelling, printing, scanning and loading/unloading.

⁶ Five storage locations per region, representing about 30 country offices or fewer.

⁷ Calculated as the volume of the inventory as a percentage of the warehouse storage capacity and tracked as a measure of space efficiency whereby inventory accounts for a targeted percentage of total warehouse storage capacity.

2025 budget

TABLE A.III.4: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Analysis, Planning and Performance Division	1.40	3.30	4.70	13.20
Supply Chain and Delivery Division	1.40	1.40	2.80	14.10
Regional bureaux	1.90	1.10	3.00	22.90
Total	4.70	5.80	10.50	50.20

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

IPSAS implementation

Summary			
Lead department/division	Chief Financial Officer Division	Funding for Board approval	USD 5.10 million
Participating division(s)	Legal Office, Management Services Division, Partnerships Coordination Services, Supply Chain and Delivery Division, Technology Division	CCI lifespan	2025–2026
Alignment with 2025 corporate priorities		Links to management results	
Realizing the benefits of reform initiatives (100%)		MR5: Evidence and learning (10%) Not linked to a specific management result (90%)	

Overview

22. WFP prepares its audited financial statements in conformity with IPSAS. There are currently six new IPSAS standards issued by the IPSAS Board due for mandatory adoption by WFP in accordance with their respective effective dates: IPSAS 43–46⁸ come into effect in 2025, and IPSAS 47–48⁹ in 2026. Implementation of these standards is mandatory for WFP and failure to adopt them will lead to non-compliance with IPSAS and therefore a qualified audit opinion (severe risk). The objective of this CCI is to ensure the full implementation of IPSAS 43–46 in the audited financial statements for 2025 and IPSAS 47–48 in those for 2026.
23. Implementation is cross-functional and will have a direct impact on the processes and systems that support the operational activities of WFP executed in country offices and regional bureaux and the corporate activities of headquarters functions. The WFP accounting policies and operational procedures affected by the policy changes will be amended to comply with the new standards. The main enterprise resource planning and other systems that WFP currently uses to handle the underlying data and transactions will require changes to accommodate the new IPSAS requirements. Selected country offices will support the implementation of the changes through pilots. All country offices, regional bureaux and headquarters functions will be mandated to comply with the new standards by the end of 2025 and the end of 2026.

Deliverables

TABLE A.III.5: BUDGET BY DELIVERABLE, 2025–2026 (USD million)			
Deliverables	2025	2026	Total
1. Review and implement fully IPSAS 43–46 in the 2025 audited financial statements	2.80	-	2.80
2. Review and implement fully IPSAS 47–48 in the 2026 audited financial statements	-	2.30	2.30
Total	2.80	2.30	5.10

⁸ IPSAS 43 – leases; IPSAS 44 – non-current assets held for sale and discontinued operations; IPSAS 45 – property, plant and equipment; and IPSAS 46 – measurement.

⁹ IPSAS 47 – revenue – measurement and recognition under donor and service provision agreements; and IPSAS 48 – transfer expenses – cooperating partners, non-governmental organizations and government partners.

24. Activities under **deliverable 1** will include a review of the rental contracts for premises and other facilities, aviation charters, shipping contracts, the lease contracts for trucks, other vehicles and the joint United Nations fleet, and other rental or service agreements in order to determine whether they fall within the scope of IPSAS 23. Those within the scope will require the collection of a new set of data from agreements so that they can be accounted for as “right-to-use assets”. Systems for collecting such data will be evaluated and selected and the necessary system changes will be implemented to comply with standard requirements.
25. Data collection will be required at the decentralized level, with monitoring and review for quality control. Accounting policies will be updated and issued. Training on policies and operations will be delivered to relevant teams in the field and headquarters. All internal manuals, procedures and guidance will be updated to reflect the changes required for IPSAS compliance. Accounting entries will be developed and processed for the restatement of opening balances, transactions in the current period and closing 2025 balances.
26. Outcomes of all internal analysis, changes to data and systems, new accounting policies and the related accounting adjustments will be shared with the External Auditor for alignment. Following implementation of the pilot in several country offices, all country offices will be mandated to comply with IPSAS 43–46 by the end of 2025.
27. As a starting point of **deliverable 2**, all donor agreements, service provision contracts and cooperating partner agreements with non-governmental organizations, academia and government counterparts will be reviewed to identify how core criteria are reflected in WFP’s agreements. The core criteria will include the existence and availability of binding arrangements, compliance obligations and the related liabilities, and principal–agent relationships, and the modification of agreements and other core elements. Agreements will be classified to determine the subsequent accounting treatment.
28. It is expected that significant changes to current revenue recognition policies will be required under IPSAS 47, which implies that system changes will also be required to collect all the necessary data in the grants management module and to integrate relevant data into the financial accounting module. The main impact of the expenses recognition standard is expected to be on the distribution of food commodities, requiring that in the future, food commodities be recognized only when they are delivered to beneficiaries. Work in this direction is already planned under the track and trace project and is consistent with the External Auditor’s recommendation regarding the expensing of commodities when they reach beneficiaries.
29. Training on policies and operations will be delivered throughout WFP to promulgate the new accounting and operational policies in revenue and expenses recognition. All internal manuals, procedures and guidance will be updated to reflect the changes required for IPSAS compliance. Accounting entries will be developed and processed for the restatement of opening balances, transactions in the current period and closing 2026 balances.

Implementation plan

30. The high-level implementation plan can be summarized as follows, with each activity being applicable to each IPSAS standard being adopted:
 - Review new IPSAS requirements for key concepts: the changes introduced; the scope of application, recognition, measurement and disclosure requirements; the transitional measures allowed for initial adoption, etc.

- Review the specific aspects of WFP's operational context that fall within the scope of the new standards, including underlying contractual agreements between WFP and other parties, to determine the necessary changes to business processes, systems and existing policies.
- Prepare revised accounting policies to guide implementation of the new standards.
- Engage cross-functionally on introducing the changes to existing business processes and systems.
- Accompany all underlying accounting policies, business processes and system changes with appropriate levels of communication, change management and training initiatives, including an update of the internal guidance on WeLearn, extensive, multi-stakeholder communication and awareness raising.
- Amend and roll out the changes to systems ahead of the IPSAS coming into effect, in pilot countries and headquarters units.
- Introduce new KPIs on existing financial management dashboards so as to take into account the IPSAS-driven changes. This will require the collection of relevant data and the development of business requirements and processing changes for existing dashboards such as the Chief Financial Officer Division dashboard, the financial dashboard for special accounts, and other relevant functional tools.
- Prepare the financial statements for 2025 and 2026 based on the new standards adopted.
- Obtain an unqualified external audit opinion on the financial statements, including the newly adopted IPSAS.
- Ensure that an adequate post-implementation phase is in place for applying any lessons identified internally or through the financial audits.
- Ensure that the maintenance of the newly implemented standards is fully embedded in regular business processes at the relevant functional levels.

Key performance indicators

TABLE A.III.6: KEY PERFORMANCE INDICATORS BY DELIVERABLE			
Deliverable 1: Review and implement fully IPSAS 43–46 in the 2025 audited financial statements			
Key performance indicator	Baseline	2025 target	2026 target
Number of new IPSAS reviewed and adopted*	n/a	4	N/A
Deliverable 2: Review and implement fully IPSAS 47–48 in the 2026 audited financial statements			
Key performance indicator	Baseline	2025 target	2026 target
Number of new IPSAS reviewed and adopted	n/a	N/A	2

* Unless it is determined that the new standard is not applicable to WFP's operational context.

2025 budget

TABLE A.III.7: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Chief Financial Officer Division	1.20	0.30	1.50	7.10
Legal Office	-	0.10	0.10	
Management Services Division	0.10	0.10	0.20	2.00
Partnerships Coordination Services	0.10	0.20	0.30	1.00
Supply Chain and Delivery Division	0.40	-	0.40	2.50
Technology Division	-	0.30	0.30	
Total	1.80	1.00	2.80	11.50

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

Fit for future in a changed funding landscape

Summary			
Lead department/division	Partnerships and Innovation Department	Funding for Board approval	No new funding is required
Participating division(s)	Chief Financial Officer Division, Global Partner Countries Division, Innovation Division, Legal Office, Partnerships Coordination Services, Programme Policy and Guidance Division	CCI lifespan	2024–2025
Alignment with 2025 corporate priorities		Links to management results	
WFP's strength in emergency response (7%) Diversifying and growing WFP's resource base (78%) Realizing the benefits of reform initiatives (15%)		MR3: Engage in effective partnerships (56%) MR6: Leverage technology (29%) MR7: Leverage innovation (15%)	

Overview

31. With unprecedented growth in global humanitarian needs, traditional funding sources are insufficient to meet WFP's programme requirements for ending hunger. Continued investments are necessary to better align WFP's partnership base with the needs of individuals, communities and countries striving to end food insecurity. In addition, new ways of working are crucial in increasing efficiency, optimizing resources and harnessing new forms of financing. WFP must optimize its resource mobilization framework and funding opportunities.
32. The Fit for Future in a changed funding landscape CCI was approved by the Board at its second regular session in 2023 for a period of two years, covering 2024 and 2025. An amount of USD 1.5 million, including a small carry-over from 2024, will be required to conduct and complete activities in 2025.
33. Through this CCI, WFP aims to strengthen collaboration with partners so as to ensure complementarity and maximize efficiency. By adopting new ways of working, the CCI seeks to optimize the business processes for partnerships and innovation with streamlined, end-to-end management of partners and contributions and the development of staff capacity and capabilities. These investments will strengthen the partnerships function throughout the organization, empowering country offices and regional bureaux to identify and develop new partnerships and resourcing opportunities, particularly in innovative financing and climate funding. Overall, the CCI is expected to drive additional efficiency gains at the function level by enabling the relevant units in the field to lead resource mobilization and be equipped with advanced tools for effectively carrying out their roles.
34. In 2025, capitalizing on the achievements of 2024, the CCI will prioritize the piloting, documentation and implementation of innovative financing projects and related training programmes. Tools for comprehensive partner and contribution management will also be launched.

Main achievements in 2024

35. Several outputs that enhance the capabilities of partnership officers in headquarters, global offices, regional bureaux and country offices have been achieved within the first six months of the CCI. An onboarding package was prepared in alignment with the updated partnerships and innovation framework. To boost efficiency, cut costs and expand the scope of the global partnerships function, webinars were designed and delivered to support field teams in adapting to evolving partner compliance standards and the broader donor environment. Webinars and training continue to be developed to better equip partnerships staff in their resource mobilization efforts. New ways of working supported the establishment of a cross-functional working group to review knowledge management in the partnerships and innovation function, improve those mechanisms and provide comprehensive and easily accessible knowledge and communications materials for partnerships and innovation staff globally.
36. The digitization and harmonization of partner management focused primarily on reviewing the systems landscape for partnerships and innovation, examining the connections between and across systems, identifying critical gaps and opportunities for automation, and ensuring that systems are better harmonized and efficiently streamlined. This followed an extensive consultation with country offices, regional bureaux and global headquarters. A new tool is being designed and will be rolled out in 2025, accompanied by relevant training.
37. The functional reorganization that was foreseen under this CCI was carried out in conjunction with the corporate organizational review that resulted in the establishment of a restructured Partnerships and Innovation Department. To enable a robust partnerships and innovation function, new divisions and services were created or reorganized to strengthen the function's alignment, effectiveness and accountability and to optimize the support provided to field offices. This includes a partnerships coordination service that provides functional coordination and enhances business management processes and knowledge management. The CCI provided the initial impetus and environment for the rearrangement of groups to create interdivisional collaborative teams in support of partnerships and innovation and aligned with the corporate organizational restructuring of 2024.
38. A cross-functional workshop on innovative financing strategies was convened in early 2024 to agree on an implementation plan for 2024–2025 with the objective of identifying prioritized, scalable and sustainable solutions to address funding challenges and contribute to programme impact. The workshop proposed the establishment of a centre of excellence responsible for coordinating innovative finance topics, working groups for optimizing the management of projects by priority area, and a community of practice to increase awareness of and capabilities for innovative finance topics throughout WFP.
39. During the first half of 2024, efforts focused on enhancing organizational capability and fostering cross-functional collaboration on the development and effective implementation of innovative finance mechanisms. While WFP continued to advance on its debt swap initiatives, it also explored new mechanisms and capital market solutions with a view to securing a guarantee from development financial institutions that would anchor the pursuit of long-term financing for its operations.
40. As of 30 June 2024, 65 percent of the CCI's total budget for 2024–2025 had been utilized.

Deliverables

TABLE A.III.8: BUDGET BY DELIVERABLE, 2025 (USD million)	
Deliverables	2025 total
1. Cadre development and capabilities (workshops, training sessions and webinars and knowledge management)	0.20
2. Technology tools and systems	0.40
3. Functional reorganization (to be completed in 2024)	-
4. Other deliverables, including a pipeline of climate funding proposals and prioritized innovative financing projects	0.90
Total	1.50
Less: carryover from 2024	(1.50)
2025 requested funding	-

41. In 2025, work under **deliverable 1** will continue to contribute to the enhancement of partnerships capacity across WFP and coordinate support for the implementation of innovative financing activities at the country office and regional bureau levels. WFP will continue to integrate innovative finance into its strategies and plans, developing guidance materials and tools and holding working sessions to co-develop solutions tailored to its needs.
42. Activities under **deliverable 2** will continue to consolidate, streamline and harmonize tools for the forecasting and registration of contributions and to roll out a new integrated platform. Under this component, WFP will also implement a contract lifecycle management tool to ensure that contribution agreements are made digitally available to staff so that they can support and track decision-making on non-standard conditions with a view to increasing compliance, knowledge management and follow-up.
43. **Deliverable 4** will remain a key element of the CCI. WFP will continue to develop and implement initiatives in the priority areas and on the innovative financing mechanisms identified in its innovative financing strategy, including debt swaps, capital market solutions, blended finance, value chain and infrastructure finance and innovative climate risk finance, with the objective of mobilizing an additional USD 65 million in 2025 to reach a cumulative USD 100 million mobilized since 2024.
44. In 2025, WFP will use innovative financing options for climate risk developed in 2024 to inform its climate and resilience interventions for smallholder farmers during programme design, proposal development and the formulation of CSPs. This area of work will also contribute to the roll-out of WFP's climate and resilience policies. By the end of the year, ten climate-related programme and project proposals will be developed, with concrete ready-to-use options for raising funding for WFP's operations. This will equip a set of WFP country offices with new tools and models for positioning themselves in line with the corporate need for resource diversification.

Implementation plan

45. The core integrated team will continue to lead this CCI. The temporary multidisciplinary team will continue to interact with stakeholders in headquarters, regional bureaux and country offices for the implementation of the project through a combination of top-down and bottom-up approaches, allowing robust internal engagement.
46. The design and implementation of innovative financing projects will continue to be guided by the innovative finance steering committee, chaired by key divisions and in line with the innovative financing strategy.
47. Within this framework, the implementation plan will continue to allow regional bureaux and country offices to play a dynamic role in the design and application of WFP's innovative financing instruments and the development of multisectoral resource mobilization strategies and their implementation, including at the field level. To achieve this, and based on country-specific needs, regional bureaux and country offices will have access to tailored innovative finance toolkits and technical training.

Key performance indicators

TABLE A.III.9: KEY PERFORMANCE INDICATORS BY DELIVERABLE			
Deliverable 1: Cadre development and capabilities (workshops, training sessions and webinars and knowledge management)			
Key performance indicators	Baseline	2024 target	2025 target
Number of regions satisfied with new guidance and its accessibility	0	n/a	6
Updated onboarding material package provided	0	1	n/a
Number of global training sessions and workshops provided ¹⁰	0	n/a	1
Deliverable 2: Technology tools and systems			
Key performance indicator	Baseline	2024 target	2025 target
Percentage of contributions managed through the comprehensive database	0	n/a	100%
Deliverable 3: Functional reorganization (to be completed in 2024)			
Key performance indicator	Baseline	2024 target	2025 target
Number of cross-departmental teams established (target of three teams for strategic coordination, business management, and innovative operations) within a cohesive change management plan.	0	3	n/a

¹⁰ To cut costs and extend our global functional scope, webinars will be conducted rather than one global workshop.

TABLE A.III.9: KEY PERFORMANCE INDICATORS BY DELIVERABLE

Deliverable 4: Other deliverables, including a pipeline of climate funding proposals and prioritized innovative financing projects			
Key performance indicators	Baseline	2024 target	2025 target
Number of pre-vetted climate solution proposals at the country office, regional bureau and headquarters levels in the pipeline	0	5	5
Number of new innovative financing agreements signed (debt swaps, blended finance, food security bonds)	2022: 1 2023: 2	4	n/a
Number of new innovative financing vehicles launched (Changing Lives Transformation Fund, co-financing mechanisms, First 1,000 Days Fund)	2022: 1 2023: 0	2	2
Number of new innovative finance resources raised in 2024–2025 (USD 100 million)	2022–2023: 35	35	65

2025 budget

TABLE A.III.10: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025

Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Chief Financial Officer Division	0.18	0.05	0.23	2.50
Global Partner Countries Division	0.06	0.18	0.24	0.80
Innovation Division	0.16	0.07	0.23	1.50
Legal Office	0.11	0.04	0.15	2.00
Partnerships Coordination Services	0.09	0.33	0.42	0.60
Programme Policy and Guidance Division	-	0.23	0.23	
Total	0.60	0.90	1.50	7.40

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

Positioning WFP to unlock diverse funding

Summary			
Lead department/ division	Partnerships Coordination Services	Funding for Board approval	USD 5.10 million
Participating division(s)	Communications and Media Office, Global Partner Countries Division, Chief Financial Officer Division	CCI lifespan	2025–2027 ¹¹
Alignment with 2025 corporate priorities		Link to management results	
Diversifying and growing WFP's resource base (100%)		MR4: Effective funding for zero hunger (100%)	

Overview

48. Recognizing the risks of its dependency on a small number of resource partners and reliance on traditional fundraising models, WFP aims to diversify its funding while protecting and enhancing its current partnerships and reputation as a partner of choice. The proposed CCI is informed by lessons learned from the Fit for Future CCI and guided by findings from the evaluation of the strategic plan, which noted perceived shortcomings in efforts to engage and demonstrate credibility to partners that could lead to more diversified funding and resource-informed planning. It also draws on recommendations, from internal events included in the thematic fundraising workstream and from the evaluation of the strategic plan on providing lean, agile and country office-centred support, automating donor mapping, enhancing knowledge sharing and building capacity at the field level. Tapping into the wider global financing landscape with new and different partnering modalities requires a concerted cross-functional approach with a strong emphasis on the field and recognition of the importance of strategic and targeted communications in underpinning the process.
49. The initiative will enable country offices to diversify funding by increasing and supplementing capacities in the field for identifying new and different partnerships and pursuing new partners and types of partnership. Direct support will be provided to country offices for the development of well-informed resourcing plans and the definition of high-quality value propositions for partner engagement. Country offices will be connected to potential programme partners for innovative financing through a dedicated platform. A key part of the positioning of WFP's brand as a leader in thematic areas such as climate preparedness, resilience and social protection so as to appeal to diverse funding sources is the provision of high-quality content for use in communications throughout the period of the CCI. Communication experts will support outreach to new partners through the development of strong evidence-based publications that are relevant and useful to their target audiences. Support for the management of reputational risk will underpin this by carrying out due diligence on new partners and influencers during the process. As new climate financing and other multisectoral partnerships will play an important role in diversifying funding, communication materials and reports will be developed to bolster outreach in close collaboration with headquarters divisions and country office counterparts.

¹¹ The proposed duration of the CCI is three years, as many of the partnerships it aims to secure will require extensive periods of proposal development. A longer timeframe will enable WFP to convene, develop and structure new multisectoral partnerships, resulting in greater programme impact.

50. Country offices will be connected to potential programme and technical partners for multisectoral resource mobilization through an expansion in the scope of the existing donor and partner mapping. The initiative aims to design solutions and options for addressing the corporate barriers to country offices' ability to work with diverse partners from a variety of sectors, while planning for risk mitigation and providing training and guidance that support field staff in creating the partnerships needed.

Deliverables

Deliverable	2025	2026	2027	Total
1. Identify, engage and obtain funding from new or diverse partners	1.40	1.30	0.50	3.20
2. Position WFP as the partner of choice for diverse funding opportunities through multilayered communication activities and support for colleagues in country operations	0.50	0.50	0.50	1.50
3. Enable country offices to pursue new multisectoral resource mobilization partnerships	0.20	0.10	0.10	0.40
Total	2.10	1.90	1.10	5.10

51. Under **deliverable 1** WFP will utilize a partner mapping resource to support country offices in identifying new sources of funding by comparing them – by country and thematic area – with the evolution of resource flows from all partner types (public, private and multilateral). A tailored digital consumer intelligence platform will be adopted to help country offices to extract insights from the online materials of global and local donor organizations. The project team will design solutions and options for addressing the corporate barriers to country offices' work with diverse partners, and provide hands-on support, including mobile teams and surge capacity that bring experts closer to the field.
52. Simultaneously, online training on the development of proposals will be provided through the corporate learning portal, and in-person training will be conducted on various types of partnership, such as multi-partner innovative finance, various types of partner, such as climate vertical funds, and various types of thematic funding. Change management will be developed to promote the use of the new tools, and guidance will be rolled out. A revamped corporate plan for the mobilization of various climate resources will be prepared.
53. Work under **deliverable 2** will support country offices and divisions in the creation of evidence-based publications that support WFP's positioning, partnership and fundraising efforts. There will be a focus on developing publications of interest to the specific funding source, for example publications relating to the impact of climate on food security will be used to optimize outreach to climate finance partners, and materials on the benefits of preparedness and resilience in addressing hunger will be directed to other types of donor.¹² During the CCI period, the reputational risks associated with the engagement with diverse partners that is planned under the other deliverables will be mitigated through expert due diligence processes and monitoring and evaluation. An internet influencer programme will be developed in country operations so as to boost diversified partnerships and aid global

¹² As part of this CCI, an initial investment is required for setting up the standard operating procedures, processes, types, frequencies, standards and digitization of key publications that enable and support the pursuit of diversified funding.

and local brand-building activities. The programme will be developed in collaboration with colleagues in the field and be handed over to trained local and regional colleagues for maintenance. Information and other communication materials gathered in emergency settings will be leveraged to support fundraising with diverse partners.¹³

54. **Deliverable 3** aims to enable country offices to pursue new multisectoral partnerships through the expansion of the existing donor and partner mapping to include information and metrics for the mapping of multisectoral resource mobilization partners, integrated into existing WFP systems. To achieve this the project team will develop and deploy a robust system for collecting, integrating and managing data from various WFP systems and related to various resource partners and types of partnership, ensuring data accuracy, security and accessibility. A structured framework will be created within the system to support country offices in conceiving and developing innovative multisectoral projects, providing the necessary tools and resources. Country offices will receive support in the fostering and management of partnerships with external stakeholders, facilitating collaboration on opportunities for new or underutilized types of multisectoral partnership, such as climate finance, co-financing and blended finance. Comprehensive tracking and monitoring will be carried out to evaluate progress while ensuring long-term impacts from the multisectoral partnerships established.

Implementation plan

55. The divisions involved in this CCI will provide meaningful support for identifying, engaging and partnering with new partners and in new types of partnership. This will include hands-on support and surge capacity for country offices, and cross-functional coordination that results in diversified funding. Project teams will work together on the development and design of diversification tools for inclusion in existing digital systems, including mapping, intelligence gathering and other tools as needed.
56. An expanded mapping of donors and partners that includes multisectoral opportunities will be deployed to support country offices in developing proposals and engaging with potential partners for the related work.
57. Cross-departmental teams, such as the corporate climate finance coordination group, will organize training on funding diversification. Subject matter experts from the teams supported by this CCI will ensure that the necessary frameworks, policy backing and guidance are in place for engaging in innovative partnerships, with the Board's involvement where necessary.
58. Communities of practice may be organized to support the work of the CCI and ensure regular cross-regional learning. WFP experts will support outreach to new partners through the development of strong evidence-based publications that are relevant and useful to the target audience. In preselected countries, support will be provided for the identification and engagement of local and regional online influencers to promote the diversification of funding partners. Support for the management of reputational risk will underpin this by running due diligence on new partners and influencers during the process.

¹³ The gathering of information in emergency settings will help country offices that are not responding to a prominent high-level emergency to appeal to new sources of funding. The emergency information gathering role will include providing capacity development for country offices so that by year three of the CCI, the need for the role will decrease. Currently, such capacity is non-existent in country offices and re-budgeting is leading to its phase-out from regional bureaux.

Key performance indicators

TABLE A.III.12: KEY PERFORMANCE INDICATORS BY DELIVERABLE				
Deliverable 1: Identify, engage and obtain funding from new or diverse partners				
Key performance indicators	Baseline	2025 target	2026 target	2027 target
Percentage increase of country offices that approached new partners or planned for new partnership types	0	25%	50%	75%
Percentage increase of country offices that diversified funding sources	0	10%	20%	30%
Deliverable 2: Position WFP as the partner of choice for diverse funding opportunities through multilayered communication activities and support for colleagues in country operations				
Key performance indicator	Baseline	2025 target	2026 target	2027 target
Percentage of country offices receiving communication support for diversifying funding sources	0	25%	50%	75%
Deliverable 3: Enable country offices to pursue new multisectoral resource mobilization partnerships				
Key performance indicator	Baseline	2025 target	2026 target	2027 target
Number of partnership connections facilitated by the expansion of donor and partner mapping to include multisectoral partners	1	2 (cumulative)	4 (cumulative)	6 (cumulative)

2025 budget

TABLE A.III.13: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Chief Financial Officer Division	-	0.20	0.20	
Communications and Media Office	0.40	0.12	0.52	6.00
Global Partner Countries Division	0.04	0.12	0.16	0.50
Partnerships Coordination Services	0.51	0.71	1.22	5.00
Total	0.96	1.15	2.10	11.50

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

Investing in WFP people

Summary			
Lead department/division	Workplace and Management Department	Funding for Board approval	No new funding is required
Participating division(s)	Office of the Ombudsman and Mediation Services, Human Resources Division, Management Services Division, Partnerships and Innovation Front Office, Staffing Coordination and Capacity Service, Security Division, Supply Chain and Delivery Division, Workplace and Management Front Office, regional bureaux	CCI lifespan	2022–2025
Alignment with 2025 corporate priorities		Link to management results	
Duty of care (100%)		MR2: People management (100%)	

Overview

59. The strategic plan for 2022–2025 identifies WFP's people as a key enabler of the organization's mission. The management plan for 2024–2026 prioritizes excellence in people management and the provision of respectful and inclusive workplaces.
60. The WFP people policy provides a vision of WFP's future workforce and a framework for the achievement of four related work priorities: "nimble and flexible", "performing and improving", "diverse and inclusive" and "caring and supportive". Effective implementation of initiatives aimed at achieving excellence in the management of WFP's people requires the implementation of a long-term, sustained, coordinated and incremental change management process.
61. The purpose of the one-year extension of the CCI into 2025 (with no additional funding) is to allow the completion of certain CCI activities that have either been delayed or have shifted focus slightly, in line with the ongoing global organizational change and budget adjustments. While the scope of the CCI has been reduced for the extension period, and the focus is now mainly on regionally led efforts, the purpose remains to support excellence in people management by strengthening WFP's organizational capacity to establish, operationalize and absorb corporate and cross-functional activities that achieve the expected outcomes under each deliverable. The activities planned for the extension period are fully aligned with the 2025 corporate priorities and the people policy and strengthen WFP's ability to stay and deliver in emergencies.

Main achievements

62. The CCI is part of a holistic and wide-ranging investment in a transformative change in the WFP workforce and workplace. This investment has enabled headquarters, regional bureaux and more than 70 country offices to plan and pursue local priorities that enable change in accordance with the WFP people policy through the implementation of about 100 ongoing activities throughout the organization. These plans and activities are integrated into corporate exercises, including the global staff survey, the global health survey and the management review of significant risk and control issues. They incorporate feedback from

global management collected from the 2023 Executive Director assurance exercise, evidence from internal and external oversight bodies, and the corporate risk register.

63. In line with the policy's "nimble and flexible" priority area, the CCI has supported the mitigation of risks such as workforce misalignment through strategic, targeted skills development, recruitment and retainment efforts. The proportion of long-term contracts has increased from 39 to 54 percent of total staff contracts as part of the implementation of the staffing framework, reflecting a crucial and necessary shift from the prolonged misuse of short-term contract modalities. WFP has enhanced its community engagement to attract applicants from underrepresented groups, including Indigenous minorities and individuals with disabilities, and is on-track to reduce overall recruitment timelines. The CCI has also supported the establishment of new and the strengthening of existing future international talent pools.
64. Under the "performing and improving" priority area of the people policy, the "people dimension" has been mainstreamed in 92 percent of annual performance plans, and strategic plans have been linked to workforce plans in 30 country offices and 13 functions. The Respect+ and Speak Up programmes, which aim to foster respectful behaviour, have already reached more than 16,000 employees in 77 offices. Comprehensive learning initiatives cover leadership, management, language skills, coaching, mentoring, disability and inclusion, technical support and cross-functional training.
65. As part of the policy's "diverse and inclusive" priority objectives, the CCI has contributed to meeting and exceeding 60 percent of the United Nations disability inclusion indicators. The reasonable accommodation policy was revised to include individuals with disability. The CCI has also facilitated the establishment of employee resource groups in the areas of disability inclusion and gender and LGBTIQ matters. The diversity, equity and inclusion (DEI) team has been receiving funding for change leadership initiatives under the CCI, providing a leadership transformation roadmap that promotes inclusion throughout the organization. To date, more than 200 senior leaders have completed the inclusive leadership programme for corporate global executives.

Example from the field

The regional bureau for Latin America and the Caribbean identified 134 potential partners among non-governmental organizations, associations and other organizations that focus on people with disabilities, Afro-descendants and Indigenous communities. These partnerships aim to share job vacancies, offer skill development sessions and provide training in cultural sensitivity. In the regional bureau, the CCI has funded a pilot project aimed at strengthening WFP's ability to include and work closely with Indigenous groups, highlighting the importance of engagement with Indigenous people for inclusive programme design. The pilot is now being scaled up and lessons are being applied in other regions, allowing enhanced talent acquisition practices that enable improved capacity and delivery on CSPs.

66. Efforts under the "caring and supportive" priority include the launch of the global employee mentoring programme with more than 1,800 participants, the establishment and strengthening of new office wellness committees, and the strengthening of health support through new United Nations clinics. Other notable achievements to date include the establishment of the online career resource centre with multiple career toolkits for employees provided in various languages, and the establishment of the critical skills academy, providing concise development interventions for all WFP employees in line with the future skills identified in the strategic workforce planning exercise.

67. In enhancing capabilities for analytics that support people management, and with a view to achieving more strategic and strengthened data-based decision-making throughout the employee lifecycle, KPI frameworks have been completed, reflecting industry best practices, and related management dashboards are being developed. Numerous human resources-related paper forms have been digitized in the corporate self-service platform, leading to significant efficiency gains. A new platform for online assessments of potential WFP candidates was deployed globally to simplify the talent acquisition process.
68. As of 30 June 2024, 76 percent of the CCI's total budget for 2022–2024 had been utilized.

Deliverables

TABLE A.III.14: BUDGET BY DELIVERABLE, 2025 (USD million)	
Deliverable	2025 total
1. Proactive management of structures and positions	1.00
2. Acquisition and retention of diverse talent	1.20
3. Capability and capacity development	3.00
4. Development of respectful and inclusive workplaces	1.40
5. Employee safety, health and well-being	2.20
Total	8.80
Less: carryover from 2024	(8.80)
2025 requested funding	-

69. The five CCI deliverables and approved activities in 2025 are all anchored on WFP's people policy, which represents WFP's vision for its future workforce as one of diverse, committed, skilled and high-performing teams selected on merit and operating in a healthy and inclusive work environment, in line with WFP's values.
70. **Deliverable 1** is focused on optimizing organizational structures and job positions to ensure that they are fit for purpose. Work under this deliverable includes providing guidance on people management to regional bureau and country office managers and implementing strategies such as workforce planning and staffing frameworks. It also aims to accelerate the implementation of actions arising from reviews of organizational structures, positions and contract modalities. This includes the development of human resources analytics and data analytics capabilities for human resources practitioners and managers. This activity is designed to continue the transformation of functions globally by ensuring that the right staff with the necessary skills are placed in the appropriate roles and locations.
71. Work under **deliverable 2** aims to improve the acquisition and retention of diverse talent by speeding up recruitment timelines and adopting best practices in talent acquisition. It also involves supporting managers and coordinators in ensuring that the right staff members are placed in the right roles. This includes facilitating talent deployment and related capability development through the coordination of staffing decisions, with a focus on improving talent acquisition approaches, including the use of selection tools such as aptitude and psychometric testing and competency-based training, and developing managers as talent acquisition "champions".

-
72. **Deliverable 3** is focused on enhancing employees' skills and capabilities and addressing identified gaps in workforce alignment (a corporate priority risk) through synchronized initiatives on corporate priorities such as disability inclusion, leadership, management and language skills. It includes dedicated cross-functional training, coaching and mentoring and the provision of technical support and training for employees.
 73. Work under **deliverable 4** aims to create a more enabling workplace culture, particularly in the field. It involves supporting offices in the consistent implementation of global staff survey action plans and corporate policies such as Respect+ and Speak Up! It also includes the design and implementation of plans for ensuring more accessible workplaces. Another key activity under this deliverable is the facilitation of the roll-out of the workplace culture, gender, diversity and internal communication policies to foster a respectful and inclusive workplace culture.
 74. **Deliverable 5** is focuses on ensuring the safety, health and well-being of employees by implementing security and safety standards and wellness activities at the regional level. It includes interventions for enhancing employees' resilience, addressing stress and anxiety and conducting related oversight missions to promote accountability. Activities include the roll-out of health and psychosocial risk assessments aimed at contributing to the safety, health and well-being of employees through the implementation of risk assessments and the provision of evidence-informed recommendations. Through the provision of medical and psychosocial support services, this initiative will contribute to the development of a healthy, motivated and engaged workforce capable of carrying out WFP's mission effectively.

Implementation plan

75. This is the final year of a programme that was initially planned for three years but has now been extended on a no-cost basis for an additional year. The final year will enable increased alignment with the ongoing organizational changes, while maintaining a focus on the momentum and mainstreaming of the people agenda. The comprehensive implementation plan includes 47 activities covering five regional bureaux, and the majority of resources will be planned and implemented locally using a bottom-up approach to achieve the objectives and targets under all five deliverables of the CCI.

Key performance indicators

TABLE A.III.15: KEY PERFORMANCE INDICATORS BY DELIVERABLE ¹⁴			
Deliverable 1: Proactive management of structures and positions			
Key performance indicators	Baseline	2023 result	2025 target
Percentage of functions and country offices with a workforce action plan	26%	N/A (new)	100%
Deliverable 2: Acquisition and retention of diverse talent			
Key performance indicators	Baseline	2023 result	2025 target
Percentage of women among international professional and national staff	42%	42%	46.5%
WFP meets or exceeds standards of the United Nations disability inclusion strategy (UNDIS) entity accountability framework concerning employment	Approaching	Meeting	Meeting
Deliverable 3: Capability and capacity development			
Key performance indicators	Baseline	2023 result	2025 target
Percentage of offices that have an action plan in place to align their people management practices with WFP's people policy and its enabling initiatives	0	90%	95%
Performance and competency enhancement compliance rate	89%	77%	100%
Percentage of employees completing mandatory training on both protection from sexual exploitation and abuse and preventing and responding to abusive conduct at WFP (harassment, sexual harassment, abuse of authority and discrimination)	0	86%	95%
Deliverable 4: Development of respectful and inclusive workplaces			
Key performance indicators	Baseline	2023 result	2025 target
Percentage of offices that have implemented corporate prevention of abusive conduct (harassment, sexual harassment, abuse of authority and discrimination) and outreach tools aimed at employees	50%	127%	90%
WFP meets or exceeds the standards of the UNDIS entity accountability framework concerning accessibility	Meeting	N/A (new)	Meeting
Deliverable 5: Employee safety, health and well-being			
Key performance indicators	Baseline	2023 result	2025 target
Percentage of compliance with the WFP security management policy and accountability framework	95%	74%	95%
Percentage of field focal points for occupational safety and health trained to recognized standard	0	N/A (new)	95%

¹⁴ Due to the extension of the CCI without significant change in its scope, KPI targets remain unchanged in 2025.

2025 budget

TABLE A.III.16: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Human Resources Division	0.25	0.10	0.35	8.50
Management Services Division	0.14	0.78	0.92	2.40
Office of the Ombudsman and Mediation Services	0.08	0.10	0.18	1.00
Partnerships and Innovation Front Office	0.21	0.02	0.23	1.20
Security Division	0.24	0.03	0.27	2.00
Staffing Coordination and Capacity Service	0.08	0.22	0.30	1.00
Supply Chain and Delivery Division	-	0.22	0.22	-
Workplace and Management Front Office	0.45	0.65	1.10	8.00
Regional bureaux	4.13	1.11	5.24	29.60
Total	5.58	3.22	8.80	53.70

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

Duty of care and inclusion

Summary			
Lead department/ division	Workplace and Management Department	Funding for Board approval	USD 5.10 million
Participating division(s)	Human Resources Division, Management Services Division, Security Division, Technology Division, Workplace and Management Front Office, Wellness Service	CCI lifespan	2025–2026
Alignment with 2025 corporate priorities		Links to management results	
Duty of care (100%)		MR1: Effectiveness in emergencies (31%) MR2: People management (69%)	

Overview

76. This CCI aims to reaffirm and sharpen the organization’s commitment to duty of care, a non-waivable obligation on the part of WFP to mitigate or otherwise address the foreseeable risks that may harm or injure its employees and their eligible family members. This effort will strengthen WFP’s operational and administrative capacity and is in line with WFP’s “stay and deliver” approach, which ensures that the organization remains agile and effective in high-risk environments while upholding standards for well-being, inclusion, safety and security in the workplace.
77. In recent years, the operational environment has become increasingly complex, directly affecting WFP’s employees. The changing humanitarian landscape requires WFP to adapt and intensify its efforts to address the broader risks faced by its people in high-stress, high-risk settings. The CCI investment enhances the management of fiduciary risk by focusing on WFP’s employees, transferring risks from individuals to the organization, and strengthening accountabilities within a new framework. By investing in occupational health, safety and security, WFP aims to create a safer and more productive work environment, which will drive the organization in delivering on its mission. This approach is designed to minimize work-related injuries and illness, mitigate their severity and impact, and foster an agile, flexible and active workforce.
78. Investing in DEI and belonging in WFP yields significant returns. A diverse workforce promotes innovative solutions and enhances decision-making by bringing varied perspectives. Equity and inclusion practices increase the engagement, retention and productivity of employees, reducing operational costs. A strong sense of belonging boosts morale and commitment, influencing WFP’s effectiveness in serving global communities.
79. The investment in the DEI portfolio over the next two years will lay a strong foundation and build on WFP’s efforts since the DEI unit was established in 2021. It will also enable WFP to implement recommendations from the ongoing internal audit of DEI in WFP, ensuring continuous improvement and lasting impact in DEI initiatives. The DEI portfolio aims to benefit all employees around the world, ensuring a positive and inclusive experience for everyone. Inclusion is crucial in a global organization, and WFP is committed to advancing an inclusive and supportive environment for its diverse workforce worldwide. The priorities for year one of the CCI are based on in-depth consultations held by the lead functions with country offices and regional bureaux.

Deliverables

Deliverable	2025	2026	Total
1. Effective occupational safety, health and security management	2.05	0.75	2.80
2. Inclusion and respect for dignity	1.15	1.15	2.30
Total	3.20	1.90	5.10

80. **Deliverable 1** of the CCI consists of four interlinked components:

- *The duty of care and working and living environment* workstream aims to examine all the aspects related to the duty of care of employees and to mitigate the risks that may harm employees by creating an agile, secure and healthy working environment. Through infrastructure and facilities management, the objective is to provide the right tools and skills to minimize work-related injuries and illness and mitigate their impact. Key activities include the implementation of occupational health and safety procedures to promote sustainable health and safety practices that ensure the long-term well-being of employees. The roll-out of the internal control package for management services aims to provide country offices with a powerful tool for carrying out pulse checks in areas related to duty of care, and to provide officers and management with a practical tool for monitoring duty of care indicators and outcomes.
- *The strengthening of field security functions through the digitization and innovation* workstream encompasses four areas: *monitoring personnel* includes all the activities related to the management of a unique list of security personnel, their dependants and all the solutions that will allow security officers to maintain continuous monitoring, enabling contact with and support for WFP personnel and eligible family members; *managing compliance* is aimed at creating a digital framework for integrating all security compliance processes and related information; *analysis capabilities* develop security risk management into an organizational intelligence-based approach in which decision-making processes are data-driven through a consistent security data framework; and *knowledge management* will be maintained through the consolidation of the security knowledge hub as a unique entry point for digital access to all relevant information about security and its processes. A “virtual security officer” service will be created to support country directors and other functions with security responsibilities in performing activities to the expected quality standards for security. WFP’s support for cooperating partners will have a specific focus on risk management through innovative tools for information sharing and capacity building.
- *The review and revision of the human resources manual* so as to integrate duty of care concepts into human resource policies will be one of the main focuses of the third component of deliverable 1. This will align human resource policies and manuals with the duty of care framework, incorporating DEI considerations. The review of service-related accident compensation plans and the development of an accountability framework will include a comprehensive comparative review of the compensation plan for service-related injuries, illness and death. The CCI will enable the design of the plan, the creation of an accountability framework and the integration

of security reporting into the enterprise environmental health, safety and quality software service, while promoting a culture of occupational health and safety.

- *Enhanced access to adequate health services for employees in the field* is the fourth workstream of this deliverable and will focus on improving access to health services via the well-being platform, which will involve the migration of the well-being platform to a new host and the implementation of technical developments to ensure that employees in the field have adequate health services. This deliverable will also support the sustainability of medical clinics in the field so as to enhance access to adequate health services for employees.

81. The primary objective of **deliverable 2** is to create a work environment that is in accordance with WFP's core values, free from discrimination based on any characteristics and free from sexual exploitation and abuse, sexual harassment, harassment and abuse of authority. By promoting and embedding inclusion, equity and diversity principles, WFP aims to provide equitable and equal support to its diverse workforce and the global communities it serves, leading to a stronger sense of belonging among all employees. The initiatives funded by this CCI over the next two years will assist the organization in responding to the recommendations of the 2024 internal audit of DEI. It will also support core activities that support country offices worldwide embarking on the Respect+ journey and locally driven inclusive workplace initiatives. Under this deliverable, the CCI will enable inclusive technology and ensure that IT solutions are in line with the UNDIS and corporate benchmarks.

Implementation plan

82. Each division will implement the activities linked to the relevant deliverables, with coordination, support and oversight from the Workplace Management Front Office team, assuring compliance with quarterly reporting and fund management requirements.
83. The implementation of the plan will focus on integrating activities and milestones into the duty of care framework that is currently under development, ensuring consistency with overarching objectives and standards. Engaging with global stakeholders, particularly in high-risk environments, will be crucial to the gathering of inputs and feedback and the addressing of gaps. Clear definitions of the roles and responsibilities of cross-functional stakeholders throughout WFP will ensure accountability and facilitate effective coordination and oversight.
84. The incorporation of risk management practices into the implementation plan will focus on preventing and controlling the risks associated with the duty of care, informed by insights from the development of the duty of care framework. Robust monitoring and evaluation mechanisms will be established to track progress, assess the effectiveness of activities and the use of resources, and inform the necessary adjustments, and will include the use of key risk indicators and regular reviews to ensure compliance with set standards. The implementation of a clear communication plan with regular updates for all stakeholders will ensure transparency and keep everyone informed about progress and challenges, with quarterly reporting that is concise, informative and timely. The fostering of a culture of continuous improvement and learning, where best practices are identified and gaps and challenges are promptly addressed, will contribute to the sustainable success and change needed for sharper duty of care across WFP.

Key performance indicators

TABLE A.III.18: KEY PERFORMANCE INDICATORS BY DELIVERABLE			
Deliverable 1: Effective occupational safety, health and security management			
Key performance indicators	Baseline	2025 target	2026 target
Number of occupational health and safety risk assessments conducted in field locations (Management Services Division)	-	15	15
Monitoring of personnel: Number of days to prepare and complete a headcount exercise (Security Division)	14	2	1
Management of compliance: Percentage of country offices fully compliant with KPI and framework of accountability compliance tool processes (Security Division)	20%	70%	90%
Analysis of capabilities: Automatization of recurrent reporting (Security Division)	0	4	8
Knowledge management: Average annual number of times each Security Division user accesses the knowledge hub (Security Division)	0	6	12
Average number of days to complete requests for compensation plan benefits and requests for reasonable accommodation (Human Resources Division)	TBC	15	TBC
Number of days to complete requests for United Nations Joint Staff Pension Fund benefits (Human Resources Division)	TBC	10	TBC
Percentage of offices covered by global rosters (Human Resources Division)	TBC	80%	TBC
Number of employees reached through activity initiatives (Human Resources Division)	TBC	1 000	TBC
Completion of system integration (Wellness Service)	0	1	0
Deliverable 2: Inclusion and respect for dignity			
Key performance indicators	Baseline	2025 target	2026 target
DEI strategy: Completion, approval and implementation of the WFP inclusion strategy (Workplace and Management Front Office)	0	1	1
Self-identification: Percentage of employees who self-identify in diversity categories, with data monitored and reported quarterly (Workplace and Management Front Office)	60%	25%	45%
Number of workplace culture initiatives supported through training, facilitation and coordination (Workplace and Management Front Office)	0	50	

2025 budget

TABLE A.III.19: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Human Resources Division	0.14	0.12	0.26	1.30
Management Services Division	0.16	0.43	0.59	2.00
Security Division	0.72	0.22	0.94	5.00
Technology Division	0.04	-	0.04	0.80
Wellness Service	0.04	0.17	0.21	1.00
Workplace and Management Front Office	0.60	0.57	1.17	6.00
Total	1.70	1.50	3.20	16.10

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

Digital integration and modernization

Summary			
Lead department/ division	Technology Division	Funding for Board approval	USD 11.00 million
Participating division(s)	Chief Financial Officer Division, Human Resources Division, Supply Chain and Delivery Division, Management Services Division, regional bureaux/ country offices ¹⁵	CCI lifespan	2025–2026
Alignment with 2025 corporate priorities		Link to management results	
Realizing the benefits of reform initiatives (100%)		MR6: Leverage technology (100%)	

Overview

85. The main objective of this CCI is to modernize and integrate WFP's IT and digital infrastructure so as to enhance its operational efficiency and align it with strategic goals. This comprehensive effort focuses on upgrading enterprise resource planning systems, consolidating payroll systems, advancing the data architecture and integrating AI.
86. The enterprise resource planning upgrade is essential for WFP in order to avoid the end-of-life of its current SAP system in 2027. The proposed upgrade mitigates several corporate risks by ensuring that financial management systems are up-to-date, secure and scalable, thus preventing the loss of critical business functions. The desired future target corporate IT architecture will be established, aligning business processes with the required technology and developing robust data and AI governance frameworks to align data management with WFP's operational environments, simplify access to data and create the conditions for improved data quality throughout the organization. Cost efficiencies from the consolidation of hardware and software, faster deployment of data products and organizational improvements will improve processes throughout WFP. The "one payroll road map" component of the CCI aims to integrate the three separate payroll systems currently used by WFP into a single unified system. With the completion of WFP's AI strategy, the development and roll-out of a modern data platform with critical AI capabilities will begin, focusing on the use of data and AI to scale and transform operations for WFP staff and partners, in line with the corporate data literacy competency framework.

¹⁵ The involvement of the Human Resources Division, the Supply Chain and Delivery Division, the Management Services Division, regional bureaux and country offices will commence in 2026 on finalization of the initial upgrade of the enterprise resource planning system.

Deliverables

TABLE A.III.20: BUDGET BY DELIVERABLE, 2025-2026 (USD million)			
Deliverable	2025	2026	Total
1. Enterprise resource planning upgrade	4.80	2.00	6.80
2. Data architecture	0.90	-	0.90
3. One payroll road map	0.30	0.50	0.80
4. Artificial intelligence	1.80	0.70	2.50
Total	7.80	3.20	11.00

87. Work under **deliverable 1** will focus on upgrading the corporate enterprise resource planning system to ensure its continued support and future-proofing until 2040 and to gain access to new technologies and functionalities. The new user experience and enhanced integration with reporting platforms is expected to improve financial management and reduce reconciliation efforts. In addition, the introduction of a new financial database will result in simplified finance and reporting capabilities, streamlining operations and improving overall efficiency.
88. The upgrade enhances data protection and regulatory compliance, reducing the risk of security breaches. By incorporating advanced analytics, AI capabilities and mobile applications, it also addresses the inefficiencies caused by outdated technology. Overall, the enterprise resource planning upgrade ensures compliance with regulatory requirements and provides a modern, secure, scalable and efficient enterprise resource planning solution.
89. The objective of **deliverable 2** is to define the IT and digital architecture that can best deliver cohesive, modern enterprise systems for use throughout WFP, enabling a scalable, interoperable, secure and future-ready digital landscape rooted on the WFP strategy. This blueprint, linking business processes, data systems and technology to actionable road maps for change, is vital to the execution of WFP's business strategy.
90. The development of robust frameworks for data and AI governance that align data management with WFP's operational environment will simplify access to data and create the conditions for data quality improvements across the organization. The deliverable will establish a strong foundation for ensuring that all decisions related to data architecture and data are aligned with sustainability principles, from system design to data collection, to governance. By reducing "silos" and using a fit-for-purpose enterprise planning architecture, WFP will achieve economies of scale, reduce costs and be better able to adapt to changing environments.
91. The integration of multiple payroll systems into one corporate payroll system is a complex undertaking that requires a thorough technical analysis and "discovery" process, which is the objective of **deliverable 3** of the CCI. The discovery aims to integrate three separate payroll systems into one unified system. The discovery team will analyse the current processes and systems, map the processes to be introduced, evaluate possible solutions and recommend the most appropriate, with estimates of the related time and cost.
92. **Deliverable 4** sets WFP's vision and road map for harnessing AI to augment staff capabilities, drive innovation and enhance operational efficiency through the execution of WFP's global AI strategy. By integrating AI into the work of country offices, WFP can achieve localized and context-specific applications, driving operational efficiencies, improving risk

management and enhancing responsiveness to crises. Ultimately, AI will empower operations in the field to deliver aid more effectively and efficiently, ensuring that assistance reaches the most vulnerable people and communities promptly. The strengthening of WFP's data-related competencies, AI, innovation and strategic foresight will enable better anticipation of, response to and mitigation of evolving food security and humanitarian crises.

Implementation plan

93. WFP will utilize its internal expertise and outsourced services to implement the upgrade of the enterprise resource planning system, including any necessary training and certification of personnel. Integration with other existing corporate systems in various functions, such as procurement, human resources and partnerships, will be another important component of the implementation plan, requiring cross-functional collaboration. To ensure a smooth transition, an automated process for testing and comparing the old and new EPR systems will be conducted. The new system will also be tested and piloted by a small group of users to identify potential issues before the global roll-out.
94. Key activities in the establishment of a WFP-wide IT and digital infrastructure include mapping the business capabilities and high-level "value streams"¹⁶ of key WFP functions, which involves the identification and documentation of core business capabilities and major value streams across the organization. This will provide a foundation for the development of an understanding of key business processes and how they deliver value to internal and external stakeholders. The project team will examine the data requirements related to those business capabilities and value streams, identify key data entities, their relationships and the flows of data among systems and processes. This will enable the creation of data models and flow diagrams that visualize the current and desired future state of data management. An inventory of existing applications will be made, with an evaluation of their alignment with business capabilities, value streams and data needs.
95. A new application architecture will be proposed based on the analysis of business capabilities, data needs and current applications and incorporating relevant technology innovations and industry best practices, with an emphasis on modular, scalable designs that support business agility and data-driven decision-making. Actionable road maps will then be developed, with phased implementation plans for each key functional area outlining the steps in the transition from the current to the new architecture. Initiatives will be prioritized based on their value to WFP, technical feasibility and interdependencies.
96. The technical analysis and discovery process for the integration of payroll processes will involve investigating current needs and "pain points" with a view to redesigning the business processes and technology stack so as to integrate payroll processing for all contract types into one single payroll, consolidating the 23,000 contracts processed by country offices, regional bureaux and headquarters. The integrated payroll system will streamline the payroll process, reducing the amount of time required for all contract types.
97. Key activities under deliverable 4 include the building and roll-out of a modern data platform with AI capabilities; the development and launch of data and AI governance frameworks through implementation of the AI and data governance policies, processes, standards, guidance and change management; the co-design and delivery of AI use cases focused on scaling, inter-agency impact and the transformation of country office and regional bureau

¹⁶ A value stream is a core pillar of business architecture, alongside business capabilities, and represents an end-to-end collection of activities that create value for stakeholders, helping the organization to understand and visualize how value is delivered throughout the enterprise, and enabling better alignment of strategic objectives with tactical demands.

operations; and the creation and roll-out of e-learning courses in the AI and data learning paths for WFP staff and partners.

Key performance indicators

TABLE A.III.21: KEY PERFORMANCE INDICATORS BY DELIVERABLE			
Deliverable 1: Enterprise resource planning upgrade			
Key performance indicators ¹⁷	Baseline	2025 target	2026 target
User adoption rate within six months of implementation	n/a	n/a	100%
Reduction of average processing time for critical business processes	n/a	n/a	>20%
Average user satisfaction rating within the first year of implementation	n/a	n/a	4.5 (out of 5)
Deliverable 2: Data architecture			
Key performance indicators	Baseline	2025 target	2026 target
Number of approved business solutions created by non-IT staff using simplified programming tools that comply with the standards for enterprise architectural ¹⁸	n/a	5	-
Number of new IT solutions utilizing the new data architecture and/or modern data platform	n/a	10	-
Deliverable 3: One payroll road map			
Key performance indicator	Baseline	2025 target	2026 target
Finalization of the road map for the payroll integration plan	n/a	100%	
Deliverable 4: Artificial intelligence			
Key performance indicator	Baseline	2025 target	2026 target
Percentage of AI use case pilots scaled up into global solutions	n/a	25%	100%

¹⁷ Baseline KPIs are not available as the upgrade will replace the current platform with a new one. For 2025, the KPI is not measurable as the project starts in that year, and the release of the upgraded platform is planned for 2026. Measurement against the KPIs will therefore start in 2026, when it will be necessary to demonstrate that the upgrade has made significant improvements to the current platform.

¹⁸ This metric tracks the number of approved business solutions created by non-IT staff in challenging working environments using programming tools that require little to no traditional coding knowledge, and compliant with the standards for enterprise architecture.

2025 budget

TABLE A.III.22: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025 ¹⁹				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Technology Division	1.20	6.10	7.30	14.00
Chief Financial Officer Division	0.20	0.30	0.50	3.00
Total	1.40	6.40	7.80	17.00

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

¹⁹ In 2025, the majority of non-employee costs are linked to licenses, hardware and contracts with vendors and service providers, while the share of employee costs is expected to increase in 2026.

Corporate process optimization

Summary			
Lead department/division	Deputy Executive Director and Chief Operating Officer Department	Funding for Board approval	No new funding is required
Participating division(s)	Supply Chain and Delivery Division, Management Services Division	CCI lifespan	2024-2025
Alignment with 2025 corporate priorities		Link to management results	
Realizing the benefits of reform initiatives (100%)		MR6: Leverage technology (100%)	

Overview

98. The corporate process optimization initiative aims to improve the efficiency and effectiveness of business processes through the integration, automation and streamlining of enabling processes that leverage global efficiencies. The CCI will also strengthen controls and reduce risks through greater standardization, automation and integration of corporate processes.
99. The main deliverable of the CCI is the optimization of end-to-end procurement which will improve the way in which procurement services are requested and provided in WFP. It will allow the organization to deploy a corporate end-to-end procurement solution that is responsive to current needs and scalable for the future.
100. WFP's procurement processes are burdened by outdated manual steps, resulting in inefficiencies and delays. The current system consumes valuable staff time on transactional tasks rather than strategic priorities, leading to extended lead times for the procurement of essential goods. The proposed digital solution aims to transform procurement by automating those steps, freeing up staff to work on market research, planning and collaboration. By embracing digital tools, WFP can unlock data-driven decision-making, enhance planning and leverage market insights for cost savings. Powered by automation, analytics and AI, the end-to-end procurement system will streamline operations, ensure compliance and improve overall efficiency. This centralized platform will foster global collaboration, reduce duplication and, ultimately, deliver greater value for money.

Main achievements in 2024

101. The "source-to-contract" and "supplier relationship management" modules for "smart sourcing" have been designed, tested and piloted. The achievement of this milestone will empower WFP to transform procurement and revolutionize operations through automation, eliminating manual tasks and bottlenecks so that efforts can be refocused on strategic initiatives that have a direct impact on the organization's mission. It will drive efficiency and savings by realizing measurable cost reductions through the streamlining of processes, the centralization of information on suppliers and the optimization of resource allocation. The leveraging of real-time data and intuitive dashboards to gain actionable insights into spending, supplier performance and contract compliance, ultimately driving greater value, will enhance decision-making.

102. Under the deliverable related to the global travel solution, the travel strategy was published in July 2024 and the policy review road map has been defined based on a comprehensive map of “pain points”. Most of the procurement processes related to the digitization of global service management, including requests for proposals and assessments of the proposals received, have been completed, leading to the preparation of long-term agreements with qualified vendors.
103. As of 30 June 2024, 40 percent of the CCI’s total budget for 2024–2025 had been utilized.

Deliverables

TABLE A.III.23: BUDGET BY DELIVERABLE, 2025 (USD million)	
Deliverable	2025 total
1. End-to-end procurement optimization	8.60
2. Global travel solution (to be completed in 2024)	-
3. Global service management digitization (to be completed in 2024)	-
4. Enabling activities to support implementation (to be completed in 2024)	-
Total	8.60
Less: carryover from 2024	(8.60)
2025 requested funding	-

104. In 2025, the initiative will focus on **deliverable 1** only, which includes empowering the WFP staff involved in any stage of the procurement process by equipping them with data-driven insights that improve their decision-making, encouraging their participation in the development of procurement rules and enhancing their productivity through digital tools and skills development. The goal is to create a more informed, engaged and efficient workforce that contributes to a streamlined procurement system.
105. Efforts to optimize the procurement process itself will continue and will involve the development of a user-friendly digital platform for simplified ordering and personalized recommendations, and the management of procurement activities at the global and local scales. This approach aims to create a cohesive, efficient environment where economies of scale are leveraged, risks are managed and consistent service delivery is ensured, while maximizing value for money. Delivering a user-friendly experience with streamlined workflows that enhance productivity, collaboration and satisfaction throughout WFP will empower users and foster collaboration. The achievements of these objectives will also allow the strengthening of compliance and the mitigation of risks by ensuring adherence to procurement policies and regulations, minimizing errors, fraud and non-compliance to protect WFP’s reputation.

Implementation plan

106. The implementation plan for the CCI is aligned with the global roll-out and refinement of the implementation plan for the digitization of WFP’s procurement. In the first half of 2025, the team aims to complete the global roll-out of the source-to-contract and supplier relationship management modules to all remaining country offices and regional bureaux and to launch a pilot programme for the “purchase-to-receipt” module in selected locations.

107. During the second half of the year, efforts will focus on continuous performance monitoring, the gathering of feedback from users and the implementation of improvements to all modules. The pilot of the purchase-to-receipt module will be extended to additional offices based on initial results. Specialized training sessions will be offered to specific user groups with a view to maximizing the use of the platform. The CCI team will prioritize the needs of and feedback from procurement staff and stakeholders throughout the process, and will roll out modules incrementally so as to manage risk and allow adjustments based on lessons learned. Investments will be made in comprehensive training and communication to ensure smooth adoption and maximum user engagement.
108. Key success factors for the achievement of the objectives of the CCI include visible and active support from senior leadership, the fostering of strong cross-functional collaboration and the use of data from the platform to measure progress, identify bottlenecks and inform continuous improvements.

Key performance indicators

TABLE A.III.24: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 1: End-to-end procurement optimization		
Key performance indicators	Baseline	2025 target
Percentage of WFP offices provided with access to the five core procurement analytics (expenditure under management, cost savings, contract coverage, supplier segmentation, and business expenditure by category)	10%	50%
Percentage of WFP procurement expenditure for which the global procurement function has visibility on the contracting process (global risk and compliance analytics)	25%	60%
Percentage of cost saving achieved owing to better visibility of expenditures, access to market intelligence and improved supplier on-boarding processes	N/A	1.5% of expenditure
Percentage of overall WFP procurement expenditure undertaken by business units (rather than the procurement function) through a new online, user-friendly self-service system	25%	40%
Percentage of "global" procurement categories ²⁰ that are managed globally	14%	80%
Deliverable 2: Global travel solution (to be completed in 2024)		
Key performance indicators	Baseline	2024 target
Development of the next WFP travel strategy (for 2024–2028)	N/A	100%
Number of travel policies revised and fine-tuned	N/A	7
Launch of request for proposals to identify new travel management company	N/A	100%

²⁰ "Global procurement categories" are sets of similar goods or services from across WFP that have common procurement needs and whose supply markets are either global or regional.

TABLE A.III.24: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 3: Global service management digitization (to be completed in 2024)		
Key performance indicator	Baseline	2024 target
Number of selected services for digitizing management services support piloted	N/A	1
Deliverable 4: Enabling activities to support implementation (to be completed in 2024)		
Key performance indicators	Baseline	2024 target
Implementation coordinated, including definition of overall milestones, identification of interdependencies and escalation and resolution of issues	-	Fully achieved
Results framework defined and used to measure impact of solutions	-	Framework defined

2025 budget

TABLE A.III.25: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Supply Chain and Delivery Division	0.95	7.65	8.60	8.00
Total	0.95	7.65	8.60	8.00

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.

United Nations Sustainable Development Group efficiency road map

Summary			
Lead department/ division	Management Services Division	Funding for Board approval	USD 1.10 million
Participating division(s)	N/A	CCI lifespan	2023-2025
Alignment with 2025 corporate priorities		Links to management results	
Realizing the benefits of reform initiatives (100%)		MR3: Engage in effective partnerships (51%) MR7: Leverage innovation (49%)	

Overview

109. The United Nations Business Innovations Group is continuing its efforts to deliver on the overarching efficiency targets established by the Secretary-General in 2017 and is committed to achieving the USD 310 million in annual savings called for, through a range of inter-agency, agency and bilateral initiatives.
110. Approval is sought for the extension of the CCI for an additional year to enable management to support the Secretary-General's reform initiatives. The proposed investment will ensure that WFP has the capacity to prepare for and respond to inter-agency reform efforts – leading where appropriate – and to develop its position and potential contributions regarding the reform. The proposed investment includes activities related to the key targets set by the Secretary-General for the achievement of USD 310 million per year in efficiencies.

Progress to date

111. *Common premises:* WFP has surpassed the target of having 50 percent of its offices in common premises, set in the resolution adopted by the General Assembly in 2018,²¹ with 53 percent of its office premises located in common premises as of June 2024.²² Support is provided to major common premises projects in Bangladesh, the Democratic Republic of the Congo, Egypt, Malawi, Panama and Senegal for identifying space requirements, revising business cases, drafting and reviewing memoranda of understanding and carrying out space planning.
112. *Business operations strategy:* As part of work to encourage efficiency gains through the adoption of business operations strategies by United Nations country teams, training workshops have been held for “technical champions” of the strategies in country offices; by the end of September 2023, workshops had been held in all WFP regions. The 2024 annual review of the business operations strategy concluded in April. Support was provided to regional bureaux for validating 2023 data and to country offices for technical assistance.
113. *Common back offices:* Five country offices – Brazil, Jordan, Kenya, Senegal and the United Republic of Tanzania – have received support for the implementation of inter-agency plans for rolling out common back offices. In the United Republic of Tanzania, where WFP has been identified as the hosting entity of all common back office services, support was provided to the country office in preparing the upcoming launch of the common back office,

²¹ United Nations. 2018. *Repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of the operational activities for development of the United Nations system* (A/RES/72/279).

²² This figure should be considered provisional as the data validation exercise will be conducted as usual at the end of the year during the IPSAS exercise.

including in designing the office and its phased roll-out, developing a proposal and business case and drafting the memorandum of understanding. In Kenya, support was provided to the country office for preparing the proposal to host common back office logistics services. WFP was also actively engaged in inter-agency discussions on improving the common back office process for a new wave of countries.

114. *Global shared services*: Four global shared services in WFP's portfolio were prioritized for roll-out to enhance efficiency, in line with the United Nations reform targets of the Secretary-General. These services were the United Nations Booking Hub for mobility, accommodation and medical services, and the United Nations fleet, in collaboration with the Office of the United Nations High Commissioner for Refugees. Support was provided for the development of business cases for these services, which were subsequently shared with the inter-agency teams with a view to gathering support for their scale-up. In 2024, support has been extended to cover the preparation of business cases for two additional services: the United Nations road safety academy and United Nations asset disposal.
115. *United Nations booking hub*: As of June 2024, more than 940 office locations in 106 countries were covered by the mobility services of the United Nations Booking Hub, with more than 8,200 vehicles (following the addition of 250 vehicles in the first half of 2024) and 850,000 passengers served in the first half of 2024 alone.
116. *Global payment solution* – WFP has developed a technology designed to consolidate all the payment requests from both headquarters and field offices that are processed by the global payment solution team. This technology also provides advanced KPI tracking and reporting capabilities. The service centre, inaugurated in Budapest at the end of 2023, is currently delivering services to headquarters, the Regional Bureau for the Middle East, Northern Africa and Eastern Europe and five country offices – Chad, Kenya, Libya, Tunisia and the United Republic of Tanzania. The technology is expected to be stabilized throughout 2024, with a gradual global roll-out planned for subsequent years. Funding for 2025 has been included in the PSA budget.
117. As of 30 June 2024, 42 percent of the CCI's total budget for 2023–2025 had been utilized.

Deliverables

Deliverable	2025 total
1. United Nations Sustainable Development Group activities	0.90
2. United Nations Booking Hub	0.20
3. Service delivery and financing model for shared services	1.00
Total	2.10
Less: carryover from 2024	(1.00)
2025 requested funding	1.10

118. Building on the achievements of previous years, in 2025 the CCI will focus on three deliverables. **Deliverable 1**, on United Nations Sustainable Development Group activities, covers the specific areas of the United Nations development system reform to which WFP has committed to contributing, in some cases taking a leading role. These activities include moving additional offices into United Nations common premises,

continuing to expand and report on the business operations strategy, participating in the establishment of common back offices and further expanding WFP's global shared services.

119. In the common premises workstream, WFP will increase its presence in shared facilities and enhance knowledge of the initiatives of the United Nations development system reform among country office staff by implementing a hybrid work model, aimed at enhancing the efficiency of space use and consolidating multiple agencies within existing premises. WFP will also continue to support country offices throughout the business operations strategy process, building their capacity through technical support and training. Efforts will continue to support country offices in the design and implementation of the common back office inter-agency roll-out plan. This support will be maintained in the five pilot countries and expanded throughout the roll-out to wave 2 countries, with WFP serving as either a service provider or a service recipient. Additional efficiency gains in 2025 and beyond will be ensured by advancing the roll-out of additional services, such as the road safety academy and global asset disposal, as part of WFP's global shared services portfolio. WFP will also prioritize targeted outreach efforts, including global webinars, to enhance awareness and facilitate the expansion of its services.
120. Under **deliverable 2**, on the United Nations Booking Hub, WFP will drive further efficiencies by providing and scaling up carpooling and ridesharing services through United Nations mobility services for the entire humanitarian community, maximizing vehicle utilization, cost reductions and savings in carbon dioxide emissions.
121. A new **deliverable 3** is aimed at consolidating WFP's internal service delivery through the establishment of a shared services model and centralized services delivery, including a financing model, which will provide opportunities for WFP to consolidate, systematize and streamline processes across operations. The centralization and management of services from a single entry point, through shared services, will reduce the dispersion of services, fostering benefits and efficiencies throughout WFP while providing an opportunity for enhancing service delivery. In defining the new service delivery model, the objective is to map and assess current service delivery processes, policies and tools; define a new operating model, including a related financing and costing model, aligned with policies, standards and guidelines; and develop an implementation and roll-out plan, including a change management approach if needed, assessing the risks and developing a mitigation plan.

Implementation plan

122. The following are the key activities and milestones in the implementation of the CCI:
- *Business operations strategy*: Position WFP to lead the implementation of business operations strategy 2.0 in coordination with the United Nations Development Coordination Office, resulting in efficiency gains and higher-quality services, including common services with high impact.
 - *Common back office*: Support the implementation of the United Nations reform efficiency road map in adopting and operationalizing common back-office structures by:
 - representing WFP in all inter-agency groups involved in common back offices – such as the common back office task team, reference group, etc. – and regularly liaising with country offices and headquarters teams in a secretariat role;
 - continuing to support country offices in wave 1 countries of the common back office roll-out in operationalizing common back offices; and

- onboarding and preparing country office staff in wave 2 countries to start the common back office process.
- *Global shared services*: Support the coordination of work on the development and scale-up of global shared services.
- *United Nations Booking Hub*: Augment country offices' capacity to initiate and lead inter-agency fleet sharing. Use webinars, training sessions, demonstrations, meetings, etc. to strengthen country offices' capabilities in building, operationalizing and automating passenger mobility and carpooling services through the United Nations Booking Hub by:
 - providing project implementation support for the major United Nations house projects in Egypt and Senegal; and
 - evaluating the impact of co-location and its possible implementation in additional countries.
- *Service delivery model for shared services*: The first objective will be to define the new operating and financing model and pilot the services that are within the scope of the model.

Key performance indicators

TABLE A.III.27: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 1: United Nations Sustainable Development Group activities		
Deliverable 1a: Common premises		
Key performance indicators	Baseline	2025 target
Percentage of WFP country offices sharing common premises with other United Nations entities	48	55%
Percentage of WFP country offices receiving requested support	50	100%
Percentage of country offices receiving training in United Nations development system reform	50	100%
Deliverable 1b: Business operations strategy		
Key performance indicator	Baseline	2025 target
Percentage of country offices where greater than or equal to USD 1 million of potential savings have been reviewed through the business operations strategy annual review exercise		100%
Deliverable 1c: Common back office		
Key performance indicator	Baseline	2025 target
Number of countries with the UNSDG efficiency road map rolled out	3 countries	TBD ²³
Deliverable 1d: Global shared services		
Key performance indicator	Baseline	2025 target
Number of global shared services scaled up and provided externally to WFP	4	5

²³ Target subject to a review of the roadmap by the United Nations Development Coordination Office.

TABLE A.III.27: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 2: United Nations Booking Hub		
Key performance indicators	Baseline	2025 target
Number of missions supporting the start-up of carpooling arrangements	4 (yearly)	6 (yearly)
Number of WFP country offices with carpooling agreements signed	15 (cumulative)	44 (cumulative)
Deliverable 3: Service delivery and financing model for shared services		
Key performance indicator	Baseline	2025 target
Number of services for centralization piloted	0	1

2025 budget

TABLE A.III.28: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING FULL-TIME EQUIVALENT STAFFING REQUIREMENTS, 2025				
Division	Employee costs (USD million)	Non-employee costs (USD million)	Total (USD million)	Positions (FTE)*
Management Services Division	0.80	1.30	2.10	8.50
Total	0.80	1.30	2.10	8.50

* Positions include the FTE number of employees, including consultants, and take into account internal temporary duty assignments from regional bureaux and country offices.