

# **KEY EXTRACTS OF THE DRAFT MANAGEMENT PLAN (2017–2019)**



**Informal Consultation**

**2 September 2016**

**World Food Programme**  
Rome, Italy

## Section I: Introduction

### Reader's Guide

1. The Management Plan (2017–2019) presents a financial summary of WFP's planned programmes for the period, based on the resources it expects to have available.
2. The Plan has been prepared after taking into account the additional USD 3.8 million efficiencies in corporate savings achieved in 2016 resulting from the cost excellence initiative and the results reported in the 2015 Annual Performance Report (APR).
3. This Management Plan is based on the level of anticipated funding, which has been informed by donor discussions around operational needs that have been assessed, country by country, in conjunction with national, regional and local partners. Each country has designed a programme of activities based upon those conversations, which have then been aggregated into a Provisional Prioritized Plan of Work (PPPoW) presented in Section III of the Management Plan.
4. The Programme Support and Administrative (PSA) activities are presented as a separate budget which, for 2017 as in previous years, is set at a level not higher than the projected level of indirect support cost (ISC) income for the year. In preparing this budget, departmental heads have again reviewed their expenses critically and moved positions and funding within their departments to downsize or to remove certain priorities in order to add new ones or augment others.
5. Each of the five sections of the Management Plan opens with an introduction, which is followed by details. The Executive Summary, draft decisions and the various section introductions explain the flow and logic of the Plan. However, the detailed sections provide the context as well as the Secretariat's rationale and provisions of the Management Plan (2017–2019).

### Structure of the Document

6. The Management Plan (2017–2019) consists of the Executive Summary and Draft Decisions followed by:
  - *Section I: Introduction.* This contains the Reader's Guide and discussion of the global and political context and of WFP's management proposals.
  - *Section II: Funding Context and Resourcing Assumptions.* This analyses the factors affecting anticipated levels of resources for 2017 and explains the resourcing assumptions underlying projected income for 2016.
  - *Section III: Implementation Plan for 2017.* This is aligned with the funding forecast for 2017, which was determined at the country office level and reconciled with the projection prepared by the Government Partnerships Division. Information is provided through a number of different lenses such as by programme category or by tool. The section also contains information about trust funds managed at country offices and trust funds managed by Global Headquarters that relate to operations.
  - *Section IV: Programme Support and Administrative Budget.* This contains the proposal for the 2017 PSA budget required to support the Implementation Plan. The PSA budget is set at a level matching anticipated ISC income for the year. As in previous years, the Strategic Resource Allocation Committee (SRAC) prioritized various investment cases, particularly for areas that have been the subject of Board consideration. The section also explains the proposal to direct an additional USD 35 million to country offices with a view to increasing the value of transfers to beneficiaries by this amount.
  - *Section V: Corporate Services and Business Services; Special Accounts.* This presents the status and proposed use of the USD 82 million corporate services financing mechanism and other special accounts established by the Executive Director.<sup>1</sup>

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<sup>1</sup> Special accounts enable WFP to provide non-profit business services, improve institutional capacities and mobilize country-specific complementary resources for programmes.

7. The number of annexes is reduced because some of the information they contained has been published online.

### **Global Economic and Political Context**

8. WFP's presence in over 80 countries combined with its low level of discretionary funding – 8 percent in 2015 – create a situation where its plans can be affected by circumstances over which it has little or no control.
9. The following paragraphs outline the upheavals that are expected to deepen the challenges and requirements of 2017 in a decade already characterized by major long-term conflicts and regional spill-over effects, and increased inflexibility and unpredictability in donor funding.
10. It should also be noted that other global developments, such as the emergence of new powers in the Global South, expanding markets, changing relationships between states and markets, and technological innovation, offer new opportunities to end hunger and achieve sustainable development.

### **Climate**

11. The El Niño phenomenon that started in March 2015 ended in May 2016, but its effects continue to stress vulnerable regions. Droughts in Central America and southern Africa and in Haiti, Ethiopia, the Philippines and Papua New Guinea, for example, have increased the number of people needing assistance. WFP will continue to address these needs until the first quarter of 2017. Recovery in southern Africa will depend on favourable harvests in April and May 2017.
12. A La Niña phenomenon may materialize in August 2016 and could last until late 2017. In some areas affected by drought this is good news: Ethiopia, for example, had plentiful *belg* rains in March–April 2016 and is expected to have a good main season, as are Eritrea, Somalia and the Sudan. If the La Niña materializes there should be another favourable season in the first half of 2017, which would bring about a recovery in household food security.
13. In southern Africa, La Niña is generally associated with above-average rainfall and improved crop yields: if there are no major floods the May 2017 harvests should make a significant contribution to recovery among poor households. But eastern Kenya and Somalia could experience drought in October–December 2016 and March–May 2017, which would increase vulnerability until late 2017.

### **Political Instability and Conflict**

14. The refugee situation, terrorist attacks and conflict in the Middle East and Eastern Europe contribute to increasing political tensions. And for the first time since 1945 the number of displaced people exceeds 60 million – one in every 122 people is a refugee, or internally displaced, or seeking asylum. Voluntary return rates are at their lowest levels in three decades.
15. The war in the Syrian region has created 4.8 million refugees and displaced 7.6 million people. Conflicts in the Central African Republic, the Democratic Republic of the Congo (DRC), Nigeria and South Sudan also result in forced displacement on a scale only marginally lower than in the Middle East. High rates of malnutrition have been reported in northeastern Nigeria, where 2.2 million people are displaced and 4.3 million are expected to become food-insecure in the 2016 lean season. A further concern is the possibility that the conflict could spread and affect the region.
16. As the number of refugees increases, pressure on host countries grows. Most refugees are hosted in less-developed countries bordering the conflict zones. Turkey hosts 2.5 million registered refugees; Lebanon accommodates 209 refugees per 1,000 inhabitants, more than any other country; and Ethiopia pays most in relation to the size of its economy, with 469 refugees for every United States dollar of gross domestic product.

## **Economic Change**

17. The world economy is sluggish. The prices of oil and other commodities remain low, and many emerging economies are experiencing falls in the value of their currencies. Commodity prices are expected to increase towards the beginning of 2017, but the current lull in demand for raw materials and fuel is affecting a number of countries.
18. The FAO Food Price Index averaged 155.8 points in May 2016, 7 percent below its May 2015 level. There is little evidence that low and stable food prices will change over the next few years now that the main drivers of the 2007/08 price spike, peaking in 2011, are no longer in effect and grain stocks have been rebuilt to the point where major harvest failures would have only limited effects on world prices.
19. There are, nevertheless, significant exceptions: the El Niño-driven harvest failures in southern Africa, Ethiopia, Haiti and Indonesia and the drought and low export prices in Zambia are examples.

## **International Humanitarian Assistance**

20. In 2015 international humanitarian assistance rose for a third consecutive year to a record USD 28.0 billion, an increase of 10 percent from 2014. Of this, 78 percent came from government donors and 22 percent from private donors. Between 2011 and 2015, international humanitarian assistance from governments in the Middle East and North of Sahara region increased by nearly 500 percent to almost USD 2.4 billion. Nonetheless, the funding gap for the United Nations Consolidated Appeals Process rose to 45 percent, the largest to date. The United Nations appeal for Iraq was the best-funded at 74 percent; the appeal for The Gambia was the lowest-funded at 5 percent.

## **Organizational Context**

21. The Management Plan (2017–2019) precedes the implementation of a major redesign of WFP’s operating model through the integrated roadmap. This will impact WFP’s governance processes, planning, programme implementation, performance management and the financial framework. This approach reflects the 2030 Sustainable Development Goals (SDGs) and the requirement to ensure that “nobody is left behind”.

## **Strategic Considerations**

22. This Management Plan incorporates some of the transformations to be implemented from 2017 to contribute to the SDG 2 goal of zero hunger by engaging in partnerships with governments, United Nations organizations, the private sector and civil society.

## **Strategic Plan (2017–2021)**

23. The Strategic Plan (2017–2021) is presented a year early to enable WFP to start strategically aligning its approaches with the SDGs as soon as possible. It sets out WFP’s intentions for fulfilling its dual mandate of emergency response and long-term development. In accordance with the call for collective action at the 2015 United Nations Sustainable Development Summit, the Strategic Plan (2017–2021) enables WFP to operate effectively as a partner in working towards sustainable development.

## **Country Strategic Plans**

24. The Country Strategic Plan (CSP) operationalizes the WFP Strategic Plan at the country level by establishing a single framework for WFP’s approach and planned activities in a given country.

## **Corporate Results Framework**

25. The new CRF links the activities in the CSPs with the SDG Strategic Results. It will enable WFP to report on programme outcomes related to the Strategic Plan and on the effectiveness of its programmatic performance.

## **Financial Framework Review**

26. Each CSP will contain a Country Portfolio Budget (CPB); these are being designed in the budgeting for operational effectiveness workstream of the Financial Framework Review (FFR). The CPB will improve results-based management by focusing on the links between strategic goals and financial planning and between resources and results; it will also foster improved reporting on value for money.
27. These workstreams will enable WFP to be an effective partner in addressing the Zero Hunger Challenge in accordance with the call at the World Humanitarian Summit for more data sharing and analysis and improved planning, programming and financial processes supporting collective outcomes.

## **Management Principles**

28. The World Humanitarian Summit called for more effective use of resources and capabilities. WFP recognized the need for enhanced accountability and transparency in the Fit for Purpose initiative, which put the people it serves at the heart of everything WFP does; the initiative will end in December 2016.
29. WFP's use of resources is being enhanced through the principle of "cost excellence". This initiative focuses on:
  - analysis of global support costs and achievement of optimum value for money with regard to some overhead costs; and
  - achieving financial savings and procedural efficiencies by redesigning processes, and examining the feasibility of establishing a service centre.

## **Analysis of Global Support Costs**

30. The cost excellence initiative identified areas where WFP could redirect substantial funds to operational needs, with an emphasis on value for money in purchases of goods and services. Direct and indirect cost categories were investigated to identify savings without reducing the quality of services: these cost categories included duty travel, telecommunications and commercial consultancies. In collaboration with cost owners, opportunities for savings were identified. These will be implemented in 2016 and 2017.
31. The 2016 commitment to the Board anticipated that savings of up to USD 3 million were likely to be reflected in the PSA budget. Following the analysis, USD 3.8 million became available for reinvestment. The SRAC endorsed proposals totalling USD 3.8 million for recurring funding for priority operations: USD 1.9 million was re-directed to the country office contingency fund and USD 1.9 million to various priority areas such as the maintenance of the cash-based transfer (CBT) platform.

## **Process Transformation**

32. Efforts around cost excellence initiated with the exploration of a service centre. While analysis showed that a service centre could deliver financial benefits, these were not compelling enough to justify a physical relocation. At the same time, potential efficiency and effectiveness gains through process transformation were identified, which management will continue to pursue to help reduce the burden of transactional tasks, particularly on field offices. These process improvements involve the functional areas of finance, management services, human resources, supply chain and information technology. The scope will potentially include additional functional areas in the future. Outsourcing and inter-agency collaboration will also be explored.
33. As WFP undergoes further transformation to contribute to the achievement of Zero Hunger by 2030, WFP will build and reinforce staff capacities regarding important initiatives (e.g. CBT, SCOPE, LESS). These strengthening efforts in key areas will be pursued throughout 2017.

34. At the same time, the ongoing Cost Excellence exercise presents a unique opportunity for WFP to review current processes, redistribute resources and shift and re-profile positions in headquarters and the field, enabling WFP to do more with less.<sup>2</sup> The outcomes of these efforts will be presented to the Executive Board at the end of 2017.
35. Process re-engineering efforts will require additional financial investments. These will be quantified and formally presented to the Executive Board for approval as part of discussions on the critical corporate initiatives at its First Regular Session in February 2017.

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<sup>2</sup> See Section IV: “Programme Support and Administrative Budget” table IV.6

## Section II: Funding Context and Resourcing Assumptions

### Overview

36. This section provides an overview of the financial context and assumptions supporting WFP's 2017 revenue forecast of USD 5.2 billion, including trust fund and IRA income. The forecast is based on donor positions and trends and reconciled with local funding projections for each project in each country, which are aggregated to form the basis of the Management Plan.
37. This section also sets out related challenges with regards to inflexibility and unpredictability of funding, which undermine the efficiency of project planning and implementation.
38. Furthermore, because many of WFP's operations are emergency responses, and because the Management Plan has to be prepared six months before the beginning of the budget period, unforeseen needs will almost certainly change the pattern and volume of the anticipated funding.

### Keeping Pace with Global Trends

39. The 2030 Agenda and its 17 Sustainable Development Goals (SDGs), together with the outcomes of the WHS, point to the importance of WFP's efforts as part of the United Nations system to work towards greater coherence, transparent needs-based allocation of humanitarian funding, clarity as to the purpose to which contributions are devoted, and greater diversification of the funding base. The effectiveness of WFP's work to achieve the SDGs will be greatly enhanced if planning is based on more predictable funding that can be used in a flexible and transparent manner in order to achieve agreed outcomes.
40. Recognizing the interlinkages between humanitarian and development interventions, WFP is developing new approaches that meet the changing nature and scope of both emergency and development challenges, with the aim of reducing humanitarian needs in the long term as the SDGs are realized. In this context, one of WFP's main aims is to translate its commitment to the WHS – including the Grand Bargain – into outcomes, mindful that predictable multi-year funding will be fundamental to success, as noted in the Grand Bargain.
41. WFP is shifting from short-term project-specific interventions to long-term results and outcomes. This is at the heart of the Integrated Roadmap, which will allow WFP to demonstrate clearly how its operations offer value for money and will inform prioritization of programme needs in order to facilitate resource mobilization.
42. By early June 2016, global humanitarian financial requirements had increased from USD 18.8 billion to USD 21.6 billion.<sup>3</sup> At mid-year, however, actual funding for humanitarian assistance was USD 5.5 billion – 25 percent of requirements: this means that 35.1 million people in need of humanitarian assistance may receive nothing, and 95.4 million may receive only inadequate support.

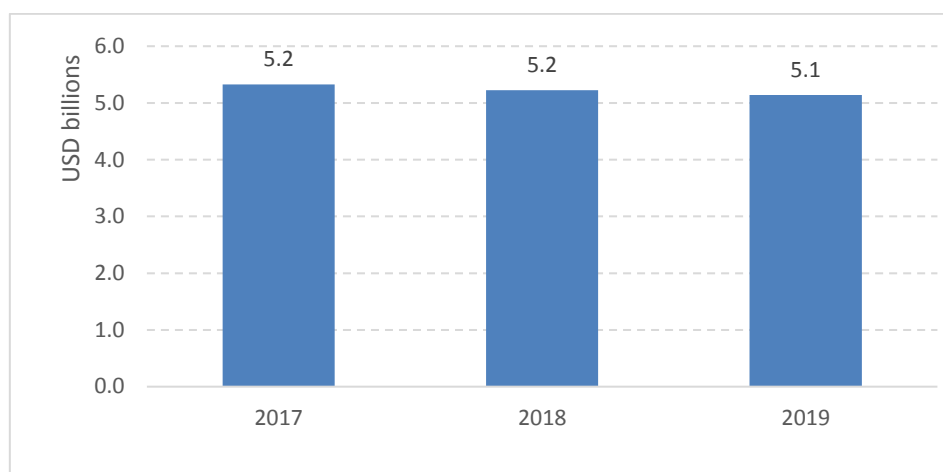
### WFP Funding Trends: 2017–2019 Forecast

43. On the basis of analysis of trends among donors, resource levels for 2016 are expected to reach USD 5.3 billion; this includes trust funds. Assuming that WFP's requirements remain at current levels, contributions are expected to remain constant for a year or two and decline towards 2019. There is no indication, however, that donors envisage any reduction in their funding allocations.

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<sup>3</sup> OCHA. *Global Humanitarian Overview 2016*. Available at: <http://www.unocha.org/2016appeal/mid-year/>

**Figure II.1: Three-year funding forecasts**



### **Effects of Currency Fluctuations on WFP Income**

44. WFP is exposed to potential losses when forecast contributions in non-USD currencies are received, because exchange rates may vary between the date of confirmation of a contribution and actual receipt of the funds.
45. During the period 2012–2014 WFP’s largest annual exposure with regard to the euro, the Canadian dollar and the British pound combined – which account for 76 percent of non-USD contributions – was 3.9 percent,<sup>4</sup> with exposure to losses for the euro alone up to 7.2 percent of annual receipts. The maximum annual exposure was approximately USD 56 million. WFP could reduce its exposure through currency hedging, but the approach is not considered to be viable as uncertainty as to the timing of receipt of pledged funds limits its effectiveness.

### **Possible Effects of “Brexit” on WFP Income**

46. In 2013 the United Kingdom became the first G7 country to meet the United Nations target of allocating 0.7 percent of annual gross national income to official development assistance. This commitment became law in 2015.
47. The United Kingdom is one of the largest direct contributors to WFP and a significant contributor to the humanitarian and development budgets of the European Union. In light of “Brexit”, the Secretariat is monitoring the situation, including the potential impact of exchange rate fluctuations.
48. While there is some uncertainty as to the timeframe and outcome of the negotiations and decisions by the Government of the United Kingdom with regard to the continued allocation of funding the forecast contribution figures presented above are not adjusted to reflect changes related to Brexit.

### **Keeping Pace with Needs – WFP Contribution Trends**

49. Despite the generosity of donors and WFP’s work to maximize the efficiency of its responses to prolonged emergencies, the need for assistance continues to grow. The assessed operational requirements for 2017 are now USD 9.0 billion, 5 percent more than the record high for 2016, with the anticipated reduced funding gap of 41 percent lower than last year’s 46-percent gap. The relative stability of needs is a result of unchanged requirements for Level 3 emergencies, which account for half of WFP’s needs.

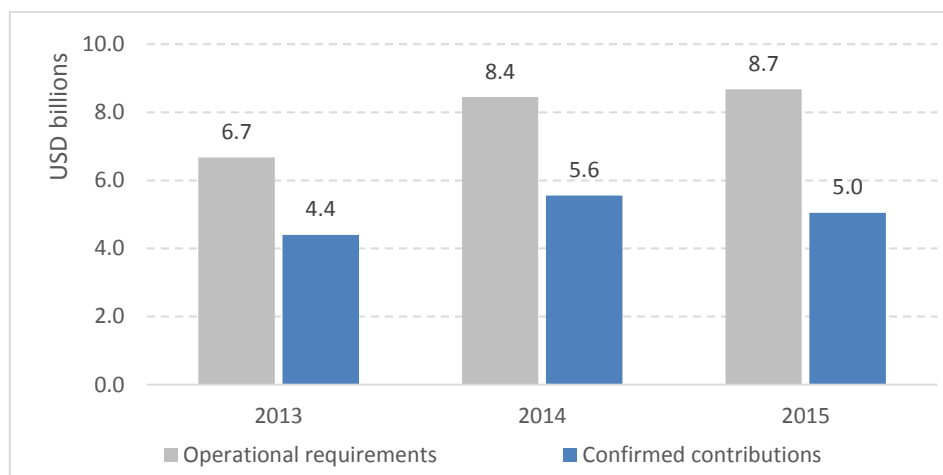
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<sup>4</sup> Of the non-USD amounts received in 2014.



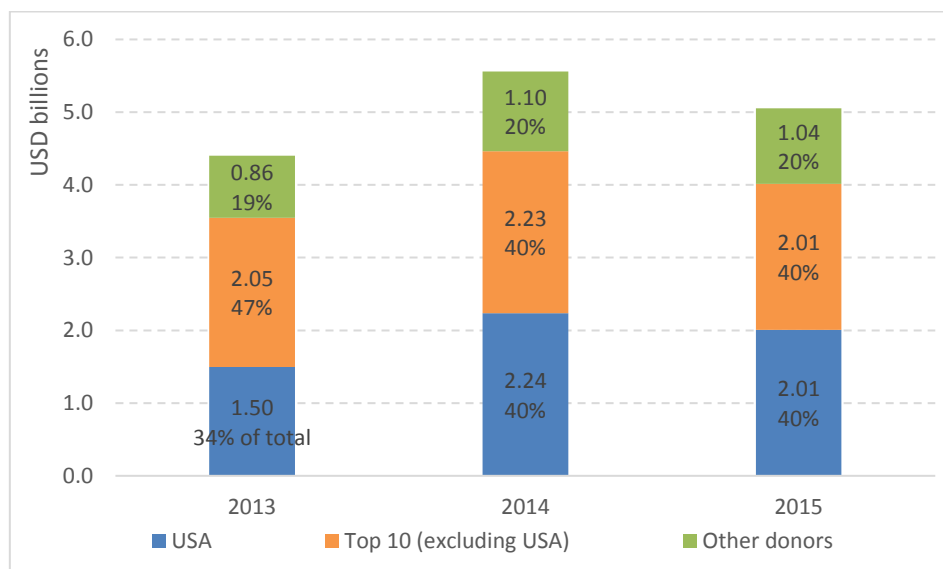
50. WFP received its second-highest annual level of confirmed contributions in 2015 – USD 4.9 billion<sup>5</sup> – thanks to the continued confidence of donors. Nevertheless the anticipated funding gap is an indication of the real challenge of achieving zero hunger: some people with assessed needs will receive little food or cash-based assistance – or none at all.

**Figure II.2: Operational requirements and confirmed contributions, 2013–2015**



51. Contributions from the top ten donors were constant in 2013–2015 at 80 percent of total confirmed contributions. Since 2014 the proportion of total contributions confirmed by WFP’s largest donor has increased from 34 percent to 40 percent. The percentage contribution of the remaining top ten donors decreased correspondingly from 47 percent to 40 percent, partly as a result of the appreciation of the US dollar in 2015.

**Figure II.3: Donors to WFP by value of contributions and percentages of total (2013–2015)**



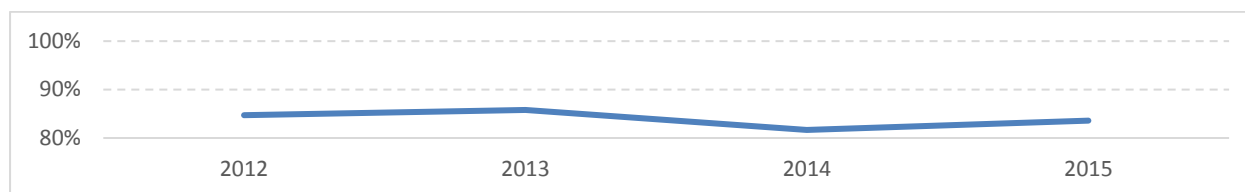
### Host Governments and Expanding the Donor Base

52. The USD 220 million provided by host governments in 2015 – the largest amount ever – reflects their growing commitment to WFP. These countries will be encouraged to become regular donors through twinning in the short term, with a view to meeting full-cost recovery from their own resources in the long term.

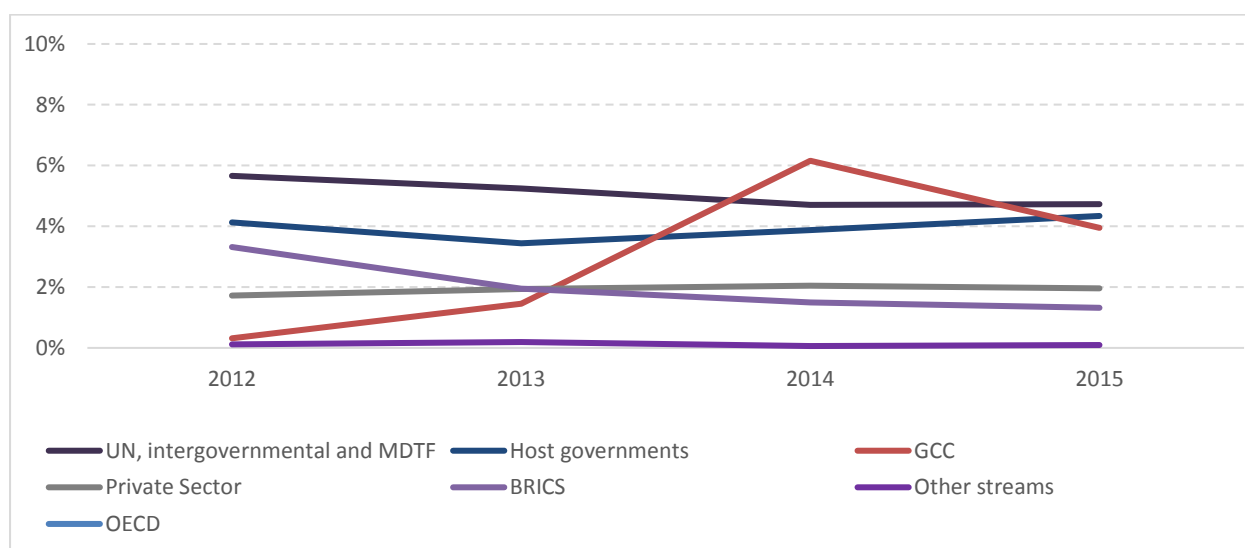
<sup>5</sup> WFP’s financial statements currently recognize contribution revenue, including multiyear contributions, when confirmed in writing.

53. The percentages of contributions in the Gulf region are shown in Figure II.4, reflecting both the effectiveness of WFP’s investment and the scale of emergencies in the region. The small decrease from 2013 to 2014 reflected regional economic and political changes.

**Figure II.4: Contribution from host governments in the Gulf region as percentage of all contributions to WFP (2012–2015)**



**Figure II.5: Contribution levels for various donors (2012–2015)**



BRICS: Brazil, Russian Federation, India, China and South Africa.

GCC: Gulf Cooperation Council.

MDTF: Multi-donor trust funds.

OECD: Organisation for Economic Co-operation and Development.

54. WFP is also pursuing innovative funding opportunities such as micro-donations to help address global food security. ShareTheMeal is an initiative of WFP and the ShareTheMeal app is the world’s first app against global hunger, enabling people to donate cash quickly and easily through their mobile phones.

### Harmonization of Private-Sector Indirect Support Cost Recovery Rate

55. As competition for private-sector funding increases, WFP has become less competitive than other United Nations agencies that have harmonized their private-sector and public-sector indirect-cost recovery rates. The Secretariat proposes aligning WFP’s ISC rate for private-sector contributions, currently 10 percent,<sup>6</sup> with the public-sector rate, which is 7 percent.
56. The impact on ISC income of a reduction in ISC rate from 10 percent to 7 percent is estimated to be less than USD 3 million. The calculation takes into account that the rate for existing multi-year private-sector contracts will continue to be 10 percent. Over the longer term, it is expected that the reduction in ISC rate would lead to an increase in private-sector contributions which would compensate for the reduction in ISC income arising from the lower rate. The reduction in ISC rate would also contribute immediately to a corresponding increase in value transfer to beneficiaries. Substantial capacity development and technical assistance provided by a number

<sup>6</sup> “Method for Determining the Indirect Support Cost Rate For WFP” (WFP/EB.2/2014/5-D/1)

of private-sector donors is also considered a unique contribution to WFP’s activities, which will be quantified in future, where possible.

### Flexible and Predictable Funding

57. Softly earmarked contributions to WFP exceeded USD 420 million in 2015, which was 8 percent of total funding. While as a percentage this was consistent with the last few years, in absolute terms it was a reduction from 2014 of USD 30 million.
58. The rise in the value of the US dollar had a significant negative effect on WFP’s softly earmarked contributions and multi-year revenue because most donors of such contributions do so in non-USD denominations. The effect was particularly noticeable in 2015: WFP would have received an additional USD 44 million in softly earmarked contributions and USD 16 million in multi-year contributions if contributions had been confirmed when the average exchange rate was similar to that of 2014.
59. To increase the predictability of funding, WFP and several donors have signed multi-year contribution arrangements and Strategic Partnership Agreements (SPAs). In 2016 WFP renewed SPAs with Ireland, New Zealand and Norway and welcomed Denmark and Iceland to the group. Multi-year contribution arrangements with Australia, Finland, Luxembourg, the Republic of Korea and the Russian Federation have continued in 2016. The SPA with Canada will be finalized in September 2016, and the United Kingdom has brought forward its SPA for one year while negotiations on a future agreement continue.

**Figure II.6: SPA donors (2012–2020)**

Donor with SPA	2012	2013	2014	2015	2016	2017	2018	2019	2020
Australia									
Canada*									
Denmark									
Finland									
Iceland*									
Ireland									
Luxembourg									
New Zealand									
Norway									
Republic of Korea									
Russian Federation									
United Kingdom									

\* To be confirmed.

Light green = past SPAs.

Dark green = current SPAs.

Yellow = being negotiated or finalized.

60. Contributions with long duration also make it possible for WFP to plan and procure food effectively and flexibly, thereby maximizing efficiency. Predictable and flexible contributions are key drivers of the Integrated Roadmap: nonetheless, the proportion of contributions with a duration of more than a year decreased from 72 percent in 2014 to 67 percent in 2015. WFP will

monitor this trend because tight timelines for contributions reduce flexibility and increase transaction costs considerably.

61. Contributions that could be used to repay advances<sup>7</sup> decreased from USD 2.4 billion in 2014 to USD 2.2 billion in 2015 – 42 percent of all contributions. Adverse effects of this trend include:
- lost opportunities for savings: food cannot be procured when costs are low, such as immediately following harvests, or pre-positioned to minimize transport costs when roads are unusable;
  - pipeline breaks for food and cash-based transfers: in long-term activities such as nutrition, initial investments are wasted if assistance cannot be continued; and
  - increased transaction costs: in the absence of assured funding, short-term – and hence less efficient – commercial and employment contracts have to be used.
62. According to the financial tracking system of the Office for the Coordination of Humanitarian Affairs (OCHA), WFP was the top recipient of OCHA funding in 2014 and 2015, receiving over 20 percent of its humanitarian aid. For most of its top donors, WFP is the partner of choice for delivering humanitarian assistance.

<b>WFP top donors</b>	<b>WFP’s ranking for this donor in 2014</b>	<b>WFP’s % of donor contributions in 2014</b>	<b>WFP’s rank for this donor in 2015</b>	<b>WFP’s % of donor contributions in 2015</b>
United States of America	1	27	2	21
United Kingdom	1	16	1	16
Germany	1	22	1	27
Canada	1	30	1	27
European Commission	1	14	1	15
Japan	2	21	2	18
Saudi Arabia	1	33	1	28

### **Immediate Response Account**

63. The IRA is an essential source of immediate funding to mitigate pipeline breaks in life-threatening situations or in sudden-onset emergency responses. The Secretariat has not been able to increase donors’ commitment to this thematic and replenishable emergency response facility, although it is a compelling option for potential donors wishing to provide softly earmarked funding in view of its lifesaving potential and the commitments of the WHS.

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<sup>7</sup> Officially referred to as Internal Project Lending (IPL).

### Section III: Provisional Prioritized Plan of Work<sup>8</sup>

64. This section presents the provisional prioritized plan of work for 2017. This aggregates the resource-based plans for each operation, with beneficiary numbers, ration sizes and the duration of assistance aligned with anticipated funding and donors' preferences. The section also outlines the potential effects of funding shortfalls. The daily ration is the unit of analysis because it enables more accurate measurement of food-assistance costs than beneficiary numbers did.
65. Operational requirements for 2017 – aggregated needs determined by WFP's food-security and nutrition assessments – amount to USD 9.0 billion, of which USD 600 million is ISC. This would provide 21.5 billion daily rations for 88 million beneficiaries through 143 projects in 77 countries; if trust funds are included there are 195 projects in 81 countries.
66. The 2017 funding forecast, which is based on expectations and donor preferences, is USD 5.2 billion. The provisional prioritized plan of work totals USD 5.4 billion, which would provide 16.5 billion daily rations for 68 million beneficiaries, of whom two thirds are women and children. The provisional prioritized plan of work figure is higher than the forecast because there is expected to be some carryover of uncommitted contributions at the beginning and end of 2017.
67. The provisional prioritized plan of work for 2017 anticipates a 41 percent shortfall in meeting the assessed requirements. This is less than the 46 percent gap in the Management Plan (2016–2018), which shows how prioritization of activities in terms of projected funds has enabled WFP to plan more accurately and achieve value for money.
68. The projected average weighted daily ration cost in the 2017 provisional prioritized plan of work is USD 0.30, very close to the USD 0.31 noted in the 2015 APR and USD 0.33 in the Management Plan (2016–2018). The lower cost is partly accounted for by increases in the planned number of beneficiaries and rations. The average masks a range of costs, however, depending on type of intervention (see Table III.2).
69. The assessed operational requirements for 2017 and 2018 in the Management Plan (see Annex III)<sup>9</sup> continue as the basis for WFP's commitment to the voice of the most vulnerable.

#### Cost and Reach of Food Assistance

70. WFP's activities will indirectly assist many more people than the planned 68 million beneficiaries of direct transfers in 2017. WFP estimates<sup>10</sup> that millions more will benefit from improved social infrastructure and community assets. In 2015, an additional 13.5 million people benefited directly from community related improvements, and a further 2 million benefited from nutrition messaging and counselling programmes. It is also expected that more than 1 million smallholder farmers will continue in programmes to enhance marketing skills.<sup>11</sup>
71. Resource-based projections indicate 10.1 million FFA tier-one beneficiaries. From 2017, WFP will progressively attempt to estimate the number of FFA tier-two beneficiaries as well. Preliminary resource-based projections indicate that an estimated 13.1 million individuals will have the potential to access to, benefit from or be protected by the assets created or rehabilitated through FFA in 2017.

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<sup>8</sup> Figures in this section include ISC and trust funds unless stated otherwise.

<sup>9</sup> To be included in final Board document.

<sup>10</sup> The estimation method includes people who will benefit from access to assets created or repaired through FFA.

<sup>11</sup> Based on figures in the 2015 APR for people assisted by WFP.

72. WFP is increasingly helping to develop the capacities of governments through technical assistance in the design of national safety-net programmes. It is difficult to determine the number of “beneficiaries of changed policies and practices”, but WFP is committed to providing examples<sup>12</sup> of its contribution to improving the lives of the world’s 795 million<sup>13</sup> undernourished people.
73. The Management Plan (2017–2019) takes into account the anticipated effects of funding projections on the content and cost of rations for direct beneficiaries of WFP’s assistance. Compared to assessed needs, each country adjusts its interventions, to develop a provisional prioritized plan based aimed at maximising value for money, minimizing negative effects on beneficiaries and meeting donors’ conditions. Programme managers must factor this information into decisions about prioritization: the options include discontinuing a range of interventions and reducing the numbers of people receiving assistance, daily ration sizes or the duration of assistance. Such prioritizations may reduce beneficiary numbers by 20 to 30 percent in some activities, but the duration of assistance is generally maintained.
74. Analysis of cost per ration varies in different programmes, but the average projected weighted cost is lowest at USD 0.2 in development programmes and highest at USD 0.4 in EMOPs. Efficient use of funds is essential in all operations, but costs in emergencies are likely to be higher than in non-emergency contexts.<sup>14</sup>
75. Table III.1 shows the cost per ration per activity by programme category.

<b>Table III.1: 2017 Average weighted cost per ration by activity*</b>	
<b>Activity</b>	<b>Cost per ration (USD)</b>
General distributions	0.24
Nutrition programmes	0.34
HIV/AIDS and tuberculosis	0.25
Food assistance for assets	0.30
School meals	0.28

\* Based on 1,000 kcal base units as in the Management Plan (2018–2018).

76. General distributions are the main activity in emergency settings, but the proportion of nutrition activities is increasing in line with WFP’s commitment to ensuring access to nutritious food all year round and particularly during crises. Some costs will increase as a result, particularly with regard to the production of specialized nutritious foods and the transport and storage systems required to ensure that they retain their micronutrient content. This change contributed to the higher cost per ration for emergencies than that in the Management Plan (2016–2018).
77. In PRROs it is expected that 72 percent of daily rations in the prioritized plan of work will be distributed through general distribution 12 percent through nutrition programmes, 8 percent through FFA activities, and 7 percent through school meals. In DEVs, school feeding accounts for 81 percent of planned daily rations, nutrition for 14 percent and HIV/AIDS and FFA and food assistance for training for 5 percent.

### **Provisional Prioritized Plan of Work**

78. The 2017 provisional prioritized plan of work amounts to USD 5.4 billion, a 16 percent increase from 2016 largely attributable to donors’ continuing commitment to the Level 3 emergency responses in the Middle East, along with the new El Niño Level 3 emergency in southern Africa. Even though overall income is projected to increase, however, some changes from the 2016 provisional prioritized plan reflect budget decreases: for example, in Iraq beneficiary numbers

<sup>12</sup> The 2015 APR noted that 30 million people benefited from WFP-supported national programmes in India and Peru.

<sup>13</sup> FAO/IFAD/WFP. 2015. *The State of Food Insecurity in the World: Meeting the 2015 International Hunger Targets: Taking Stock of Uneven Progress*. Rome. Available at: <http://www.fao.org/3/a-i4646e.pdf>

<sup>14</sup> See: WFP/EB.2/2011/5-E/1.

fell by 31 percent and in the Niger by 43 percent, due to the significant reduction in number of beneficiaries to be assisted.

79. The provisional prioritized plan of work assumes that contributions will be earmarked at the project level unless otherwise stated, which provide flexibility for prioritization at the activity level. Data are aggregated to show the effects on various aspects of WFP’s work.

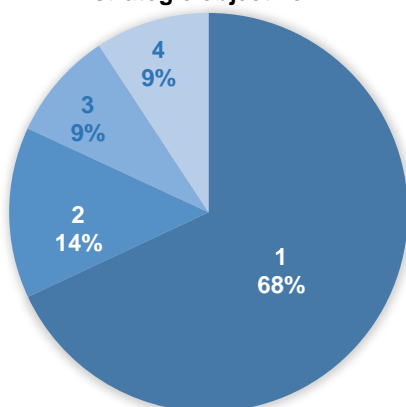
**Analysis by Strategic Objective and Activity**

80. Table III.2 shows the provisional prioritized plan of work by Strategic Objective and activity.

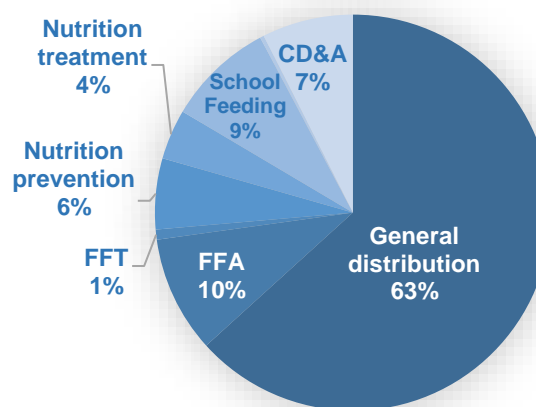
<b>Table III.2: 2017 Provisional prioritized plan of work by Strategic Objective and activity (USD million)</b>					
Activity	Strategic Objectives				
	1	2	3	4	Total
General distribution	3 146	99	151	-	<b>3 396</b>
FFA	54	280	176	4	<b>514</b>
FFT	8	16	13	7	<b>44</b>
Nutrition – prevention	137	85	21	69	<b>312</b>
Nutrition – treatment	106	23	-	91	<b>220</b>
School feeding	11	163	83	220	<b>477</b>
HIV/TB	3	2	2	11	<b>19</b>
Capacity development and augmentation	185	75	47	96	<b>403</b>
<b>Total</b>	<b>3 651</b>	<b>744</b>	<b>493</b>	<b>497</b>	<b>5 385</b>

81. Figures III.1 and III.2 show the provisional prioritized plan of work by Strategic Objective and activity for 2017 in percentage terms.

**Figure III.1**  
Provisional prioritized plan of work by strategic objective



**Figure III.2**  
Provisional prioritized plan of work by activity



82. Strategic Objective 1 accounts for the largest portion of the provisional prioritized plan of work at USD 3.7 billion – 68 percent – compared with USD 3.1 billion and 66 percent in 2016. The increase is largely related to increased requirements for the Level 3 emergencies, which account for 87 percent of the total Strategic Objective 1 amount budgeted under these operations.

83. Strategic Objective 2 accounts for USD 744 million – 14 percent – an increase of USD 243 million from 2016. Strategic Objective 3 accounts for USD 493 million – 9 percent – an increase of USD 9 million from 2016. Strategic Objective 4 accounts for USD 497 million – 9 percent – a decrease of USD 99 million from 2016.

84. Under Strategic Objective 1, general distributions account for USD 3.4 billion in the 2017 provisional prioritized plan of work, an increase of USD 700 million from the 2016 plan. This is largely because general distributions account for 79 percent of planned Level 3 emergency responses.

#### *Asset creation and livelihood support*

85. Compared with the 2016 plan, FFA accounts for USD 22 million more in this provisional prioritized plan of work, school feeding for USD 51 million more and capacity development and augmentation for USD 64 million more. Nutrition interventions – the second largest activity at USD 532 million – account for USD 48 million less than in the 2016 plan.
86. In accordance with its 2015 policy on building resilience for food security and nutrition,<sup>15</sup> WFP and its partners will address the underlying causes of food insecurity and malnutrition: FFA will continue to be central to such programmes to enable vulnerable families to meet their food needs and build up assets to minimize disaster risks and enhance livelihoods and resilience. The Rome-based agencies and other stakeholders will continue their collaboration to improve food security and nutrition in joint country-level initiatives.
87. In protracted crises and early-recovery situations, FFA will continue to be used to support food security and nutrition with a view to providing a basis for sustainable long-term resilience programming and subsequent reconstruction and rehabilitation.
88. With its partners, WFP will continue to enhance capacities for asset-creation programmes. This will be supported by the updated FFA guidance manual issued in July 2016.

#### *Nutrition*

89. Nutrition activities account for 10 percent of the total provisional prioritised plan of work. Most nutrition activities are implemented under Strategic Objectives 1 and 4. Only USD 533 million, including ISC, is expected to be funded even though 25 percent of children are chronically malnourished. There is an urgent need for a comprehensive package of nutrition interventions.
90. Other WFP programmes are being modified to enhance nutritional effects: nutrition-sensitive social-protection programmes are being developed to increase dietary diversity by providing access to fortified foods in general distributions and to utilize behaviour-change communications in CBT programmes to enhance daily diets. The cost of these interventions is not reflected in the provisional prioritized plan of work for nutrition operations.

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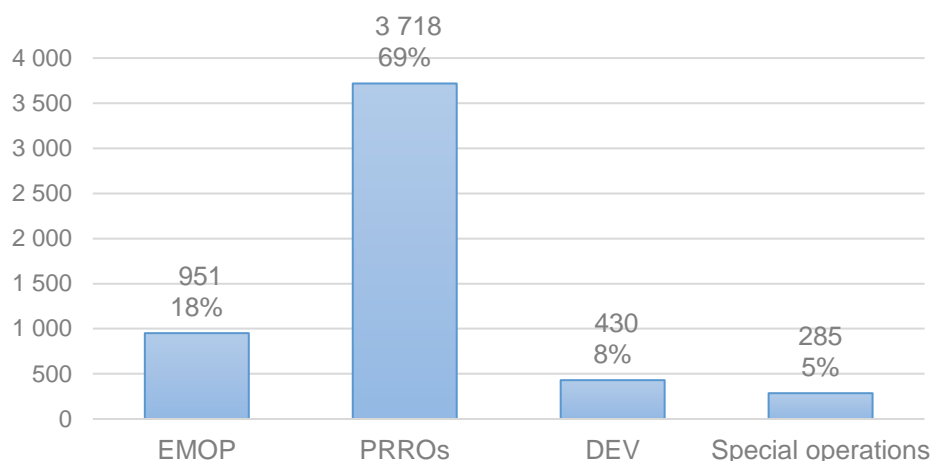
<sup>15</sup> [“Policy on building resilience for food security and nutrition” \(WFP/EB.A/2015/5-C\)](#).



### Analysis by Programme Category

91. Figure III.3 presents the provisional prioritized plan of work by programme category.

**Figure III.3: 2017 provisional prioritized plan of work by programme category (USD million)**



92. As in 2016, PRROs are the largest programme category: they account for USD 3.7 billion – 69 percent of prioritized resources – of which operations in Ethiopia, the Syrian region and the Sudan account for 30 percent. The number of PRROs is 73 percent higher than in the 2016 plan, largely because some EMOPs have been reclassified. This is also reflected in the decrease in EMOP requirements from USD 1.8 billion in 2016 to USD 951 million in 2017.
93. In the 2017 provisional prioritized plan of work, DEVs account for 8 percent of the total provisional prioritized plan of work, USD 1.2 million less than in 2016. Special operations, on the other hand, will increase by USD 34 million – 13 percent. WFP’s largest special operations continue in the Democratic Republic of the Congo, Somalia and South Sudan, which together account for 54 percent of planned special operations.

### Analysis by Type of Transfer

94. WFP currently has three modalities for delivering assistance: in-kind food, food vouchers and cash-based transfers.<sup>16</sup> Each can be used alone or in combination with the others. Table III.3 shows the provisional prioritized plan of work by type of transfer.

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<sup>16</sup> See Annex VI (to be included in final Board document).

<b>Type of transfer</b>	<b>USD million</b>	<b>%</b>
In-kind food and related DOC* and LTSH**	2 806	56
CBTs and related DOC	1 144	23
Food vouchers and related DOC	125	2
Capacity development and augmentation	339	7
DSC***	619	12
<b>Total</b>	<b>5 033</b>	<b>100</b>
ISC****	352	-
<b>Grand Total</b>	<b>5 385</b>	

\* Direct operational costs.

\*\* Landside transport, storage and handling.

\*\*\* Direct support costs.

\*\*\*\* Indirect support costs.

95. Food and related DOC and LTSH amount to USD 2.8 billion. Operations in Ethiopia, South Sudan, the Syrian region and Yemen account for 48 percent of planned food transfers.

#### *Cash-based transfers and food vouchers<sup>17</sup>*

96. CBTs, which include conditional and unconditional cash transfers and vouchers, and the related DOC account for USD 1.14 billion – 23 percent of the Plan of Work. The proportion of CBTs and food vouchers<sup>18</sup> is 11 percent greater than in the 2016 plan. Operations for Syrian refugees and Yemen are expected to be the largest users of CBTs and food vouchers, accounting for 49 percent of the provisional prioritized plan of work.
97. WFP is now using food vouchers as a stand-alone modality separate from in-kind transfers and CBTs. Their use involves cash-related business processes, and they can be easily converted to CBTs to extend beneficiaries' choices. Food vouchers and related direct costs excluding ISC amount to USD 125 million – 2 percent of the provisional prioritized plan in 2017.
98. The number of CBT beneficiaries increased from 1 million in 2009 to 9.6 million in 2015. The use of CBTs increased from 26 operations in 19 countries in 2009 to 84 operations in 54 countries in 2016.
99. Making “the best-effect use of cash-based programmes”<sup>19</sup> depends on trained staff and partners and a standard system that everyone can use. Since 2015, WFP has provided CBT training for staff in all functional areas in all regions and to some 150 staff working for external partners.
100. In accordance with its commitment in 2015, the Secretariat has deployed new CBT tools. Common delivery mechanisms were enhanced in the first half of 2016 through a global tender, which resulted in long-term agreements with financial and technical partners with a view to ensuring global reach, at scale. These partners also helped to: i) reduce CBT lead times; ii) enable changes of modality to reflect market conditions and beneficiary needs; iii) reduce delivery costs; and iv) standardize processes to reduce liability and risks. As a result, country offices can work with local counterparts to optimize CBTs as a basis for improving food security and nutrition.

<sup>17</sup> Figures in this section exclude DSC and ISC, and in certain cases LTSH.

<sup>18</sup> Food vouchers were not planned separately for 2016.

<sup>19</sup> Commitment of the World Humanitarian Summit.

101. The Syrian regional PRRO<sup>20</sup> is expected to use the largest share of CBTs in 2017 – USD 599 million: this is more than the figure in the 2016 plan but it is offset by anticipated reductions in funding and CBT activities in Iraq, Nepal and Yemen.
102. General distribution of CBTs is expected to account for USD 872 million; the second largest activity using CBTs is FFA, at USD 195 million. In terms of programme categories, the largest share of CBTs – USD 1 billion – will be delivered through PRROs.
103. CBTs comprise value vouchers and cash transfers through financial service providers. Of the planned USD 1.14 billion for CBTs, USD 0.72 billion will be provided as value voucher and USD 0.42 billion as cash transferred through financial service providers.
104. Food vouchers account<sup>21</sup> for USD 125 million – 2 percent of the 2017 Plan of Work. The Yemen EMOP will be the largest user, accounting for USD 102 million; the value of food vouchers to be delivered through EMOPs is expected to be USD 118 million.

***Capacity development and augmentation***

105. Governments are increasingly requesting technical assistance from country offices in establishing innovative approaches to improve food security and nutrition: the achievement of SDG 2 depends largely on WFP's capacities in this respect. Resources must therefore be allocated to the enhancement of national capacities and engagement with governments to scale activities up to achieve zero hunger.
106. Capacity development and augmentation accounts for 7 percent of the provisional prioritized plan of work. The Democratic Republic of the Congo, South Sudan and Somalia account for 41 percent of this modality.

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<sup>20</sup> The Syrian Arab Republic and five neighbouring countries.

<sup>21</sup> Food vouchers were included with cash vouchers in the Management Plan (2016–2018).

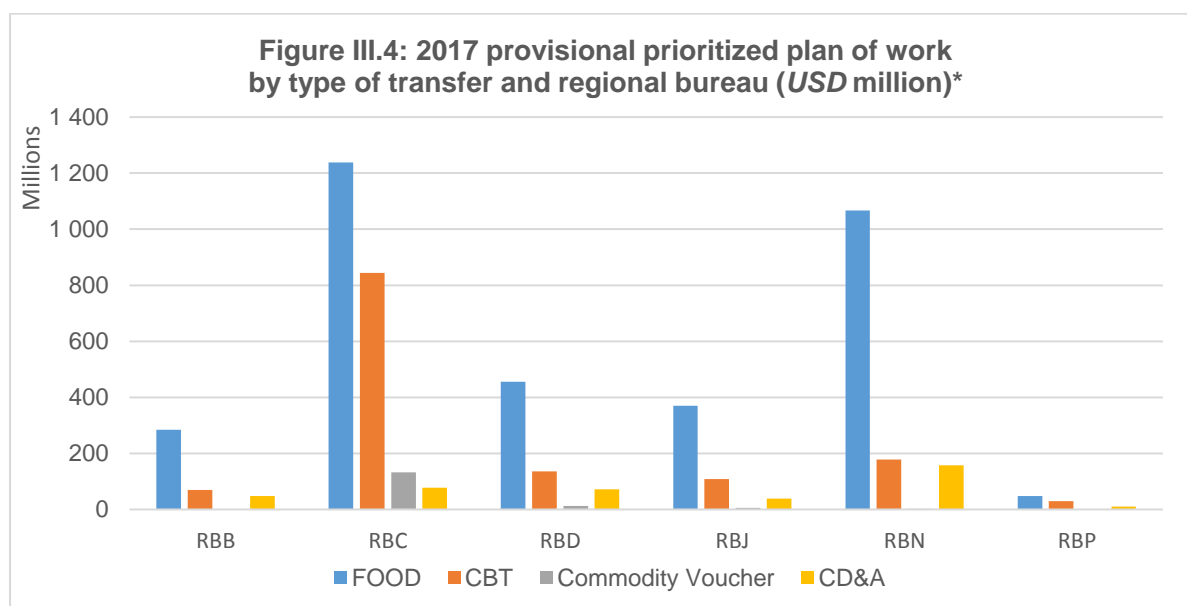
107. Table III.4 shows the provisional prioritized plan of work by activity and type of transfer.

<b>Table III.4: 2017 provisional prioritized plan of work by activity and type of transfer (USD million)*</b>				
<b>Activity</b>	<b>Food and related DOC</b>	<b>CBT and related DOC</b>	<b>Food vouchers and related DOC</b>	<b>Capacity development and augmentation</b>
General distribution	1 845	872	118	-
FFA	200	195	4	-
FFT	10	23	0	-
Nutrition – prevention	238	8	2	-
Nutrition – treatment	167	0	-	-
School feeding	331	45	1	-
HIV/AIDS and tuberculosis	14	0	0	-
Capacity development and augmentation	-	-	-	339
<b>Total</b>	<b>2 806</b>	<b>1 144</b>	<b>125</b>	<b>339</b>

\* Excluding DSC and ISC.

108. CBTs and food vouchers will be distributed mainly through general distributions and FFA; nutrition and school feeding activities will mainly use food transfers.

109. Figure III.4 shows the provisional prioritized plan of work by type of transfer and regional bureau.



\* Including DSC and ISC, but excluding trust funds.

110. The greatest use of in-kind food, CBTs and food vouchers – accounting for 43 percent of the provisional prioritized plan of work – is in the Cairo Regional Bureau. CBTs, the second largest transfer modality, account for 25 percent of the total provisional prioritized plan of Work: this reflects WFP’s investment in tools that enable country offices to adopt modalities according to beneficiary needs. The East and Central Africa region has the largest share of capacity development and augmentation and the second highest share for all modalities.

## **Analysis by Thematic Area**

111. The 2030 Agenda will be implemented at the country level. WFP will work with national stakeholders and United Nations country teams to determine the best ways to support national strategies for achieving zero hunger: this will involve making links and aligning with Countries' strategies for sustainable development. The core of the Strategic Plan (2017–2021) will be the country strategic planning approach, whereby strategic reviews are followed up by Country Strategic Plans (CSPs).
112. The objectives are to: i) support countries in their progress towards zero hunger; ii) operationalize the Strategic Plan (2017–2021) at the country level, including emergency responses; and iii) maximize the coherence and effectiveness of WFP's assistance and partnerships to address food insecurity and malnutrition. WFP will expect its partners to adhere to its core principles and fulfil its expectations of transparency and accountability.
113. Selected thematic areas that will shape WFP's operations in 2017 include emergency and transition programming, food security and nutrition analysis, social protection and safety nets, climate and disaster risk reduction, linking smallholders with markets, South–South and triangular cooperation, nutrition, gender, and monitoring and evaluation.

### ***Emergency and transition programming***

114. In response to evaluations, audits and policy reviews, WFP will enhance its programmes in emergency and transition settings, giving particular attention to six interrelated, areas: protection, accountability to affected populations, forced displacement, urbanization, humanitarian access and peacebuilding. Guidance will be developed, and Country Directors, Deputy Country Directors, Heads of Programme and emerging programme leaders will be trained through the Investing in Programme Excellence Learning Journey. A sustainable support system for country offices will be developed.
115. Protection and accountability to affected populations will be integrated into WFP's work through field support, guidance and preparations for an evaluation of the protection policy. A joint project on principled humanitarian access with the field security, supply chain, and emergency preparedness and support response divisions will support country offices in complex operational environments.
116. Following approval of the peacebuilding policy<sup>22</sup>, Headquarters divisions will support country offices in conflict-sensitive programming. WFP will continue to partner with UNHCR in promoting refugees' self-reliance on the basis of pilots in Chad, South Sudan and Uganda. WFP will also update its policy and guidance for programming in urban settings.

### ***Food security and joint assessments***

117. WFP will continue to use needs assessments, market assessments and economic analysis to prioritize its assistance. Its consolidated approach to reporting on food-security indicators is an example of recent improvements in terms of standardization and comparability among countries. WFP is also studying the multiplier effects of humanitarian assistance on local economies, revising its market analysis system to support market-based responses and exploring the inter-operability of its price database with FAO and the Famine Early Warning System Network (FEWS NET).

### ***Assessments***

118. Regional bureaux and country offices will, with Headquarters support and in the spirit of the World Humanitarian Summit, expand food-security surveys, emergency food security assessments, joint assessments with UNHCR, crop and food security assessments with FAO and inter-agency post-disaster needs assessments and multi-sector initial rapid assessments.

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<sup>22</sup> WFP/EB.2/2013/4-A/Rev.1

119. WFP will strengthen its participation in the Food Security Information Network, which is extending its partnerships with FAO, IFAD, the International Food Policy Research Institute (IFPRI, FEWS-NET and regional institutions such as the Inter-Governmental Authority on Development and the Permanent Inter-State Committee on Drought Control in the Sahel to optimize food and nutrition security analysis. WFP will continue to host the secretariat of the Food Security Information Network, which produces guidance on resilience measurement, food and nutrition security indicators and market price measurement, and will support national and regional capacity development in collaboration with FAO and FEWS-NET.

#### *Food security monitoring*

120. WFP's mobile vulnerability analysis and mapping (mVAM) project is testing remote data collection by means of voice calls, interactive voice responses and SMS to collect information in real-time on gender-disaggregated household, nutrition and market-related food-security indicators. Bulletins are published after each round of data collection to provide up-to-date information for decision-making, planning and appeals processes.
121. The mVAM tool is scalable: 100,000 mVAM questionnaires were collected in 2015 in 20 countries, a seven-fold increase from 2014; this included the emergencies in Iraq, South Sudan, the Syrian region and Yemen.
122. Lessons learned are informing the expansion of the project to new countries: mVAM is experimenting with internet surveys and messaging tools such as the Free Basics service offered by Facebook, and new indicators are being collected. A website will soon be available from which up-to-date information can be downloaded free to smartphones.
123. Seasonal agricultural performance and its effects on food supply and incomes will continue to be monitored through VAM, which is enhancing its remote-sensing and geographic information system (GIS) capacities. WFP is developing country-specific seasonal monitoring products with map animations and videos, and the El Niño analysis that alerts WFP to forward-purchase requirements has been upgraded. Other innovative approaches include WFP's Cambodia Land and Environment Atlas and Resource project, WFP/IFAD collaboration on climate, GIS and analytical services and collaboration with the European Space Agency and Sentinel-L satellite platforms to increase the resolution of remotely-sensed imagery.

#### *Social protection and safety nets*

124. WFP will provide more technical advisory services with a view to enhancing country-level capacities for designing, implementing and evaluating food security and nutrition-sensitive social protection programmes, and will continue to support the development of hunger-related safety nets and differentiated approaches to assist populations vulnerable to food and nutrition insecurity. WFP will supply expertise in CBTs, supply chain efficiency, risk management and nutrition-sensitive value chains to countries requesting it, using standby partners and external experts to deliver technical assistance as required. It will continue to work with partners in the Social Protection Interagency Coordination Board (SPIAC-B) and support governments in achieving SDG targets.
125. WFP will enhance national social-protection systems with a view to supporting humanitarian responses: the aim is to use CBTs to complement national systems where possible, particularly during and after crises.
126. WFP will promote transitions to national school meal programmes, and will continue to provide technical assistance for governments. It will continue to support home grown-school feeding models with links to local food producers and smallholder farmers, and will promote the roll-out of the School Feeding Systems Approach for Better Education Results, which tracks progress towards national programme ownership. WFP will enhance its analyses of the effectiveness and efficiency of school-feeding programmes, support governments in cost/benefit assessments of school meals programmes to show the extent to which they promote access to education, even during emergencies, and support national development.

### *The Three-Pronged Approach*

127. The three-pronged approach provides the foundation for integrated long-term programming that puts people and their livelihoods at the centre of planning and connects humanitarian and development stakeholders. The tool will be used to build partnerships, align WFP's activities with those of governments and other stakeholders, and to identify solutions relevant to local contexts.

### *Climate and disaster risk reduction programmes*

128. WFP's food and nutrition assistance will continue to support resilience to shocks, disaster risk mitigation and adaptation to climate change. In line with the Strategic Plan (2017–2021) and SDG 2, WFP will present its climate change policy for Board approval at the 2016 Second Regular Session along with an action plan. This will focus on collaboration with partners in support of governments, and analysis of the effects of climate change on food security with a view to informing policies and plans and building capacities for creating tools to address the increased risks from climate disasters and longer-term climate change.
129. WFP's plans include further scaling up of the R4 Rural Resilience Initiative, which enhances food security through a combination of community risk reduction, micro insurance for assets, livelihood diversification and financial services inclusion. The first evaluation of R4 showed that insured farmers saved 100 percent more than uninsured farmers, bought more cattle and invested more in seeds, fertilizer and productive assets. Women, who often head the poorest households, are achieving the largest gains in productivity.
130. WFP will also operationalize the Food Security Climate Resilience Facility (FoodSECuRE), which supports resilience to climate shocks through advance preparedness, predictable financing when a shock occurs and recovery. WFP implemented the facility in several countries ahead of the recent El Niño.
131. WFP and the African Risk Capacity (ARC) are evaluating ways of extending coverage through the ARC-Replica scheme to more countries with a view to establishing efficient approaches to climate-risk insurance and developing capacities to implement national response plans. This work is aligned with the G7 Climate Insurance Initiative.
132. WFP and its government, United Nations, NGO and private-sector partners are expanding climate services in Malawi, Senegal and the United Republic of Tanzania: this involves the provision of climate-related information and tools to enable governments and communities to increase their resilience. In line with SDG 7, WFP is supporting the integration of safe access to clean and affordable energy initiatives into national programmes.

### *Scaling up and mainstreaming market access for smallholder farmers*

133. Purchase for Progress (P4P), which links smallholder farmers with agricultural markets, was piloted in 20 countries and is now being mainstreamed. Technical guidance has been prepared for country offices, governments and other stakeholders covering capacity building and smallholder-friendly procurement. The aim is to procure at least 10 percent of annual food purchases from smallholder farmers in line with the CSP approach.
134. The P4P programme will be coordinated with other WFP approaches – post-harvest loss accounting, the “patient procurement” platform, attention to food quality and safety, among other things – with a view to making smallholder farmers more competitive, improving their livelihoods and addressing food insecurity and malnutrition to achieve zero hunger by 2030. This will be part of WFP's contribution to the transformation of food systems.

### ***South–South and triangular cooperation***

135. The South–South and triangular cooperation approaches are becoming increasingly relevant to WFP’s work in supporting country-led progress towards SDG 2. WFP has accordingly increased its support in recent years with a view to mobilizing the expertise and resources of developing countries to achieve zero hunger: 60 percent of country offices are supporting their host governments in this way, and WFP has been recognized as one of the three most dynamic. United Nations partners in triangular cooperation. Such cooperation also expands WFP’s outreach and advocacy with developing countries and triangular cooperation partners.
136. WFP’s policy on South–South and triangular cooperation, which was approved at the Board’s 2015 Annual Session, supports the approach as complementary to North–South cooperation.

### ***Monitoring and reporting***

137. Monitoring and reporting are essential to WFP’s performance management. WFP’s corporate monitoring strategy (2015–2017) guides monitoring and reviews, with a dedicated implementation plan and budget, to achieve sustainable improvements to monitoring. From 2017, WFP’s monitoring will be aligned with the CRF, the Strategic Plan (2017–2019) the SDGs and WFP’s revised financial framework so that performance can be assessed by linking resources with planned and achieved results.
138. Investments in information technology have helped optimize monitoring and reporting. COMET<sup>23</sup> provides for sound monitoring of operations to support decision-making and reporting and to optimize programme design and management. In 2017 COMET will be aligned with the Strategic Plan (2017–2019) and with WINGS – modified for the new financial framework – with a view to enhancing decision-making and maximizing accountability.
139. In the first quarter of 2016 a CBT monitoring toolkit was developed on the basis of lessons learned to contribute to expansion of the use of CBTs and to provide evidence-based information. It was made mandatory on 1 July 2016 for all country offices implementing CBTs.

### ***Accelerating Gender Mainstreaming***

140. WFP is committed to exceeding standards of the United Nations System-Wide Action Plan for Gender Equality and the Empowerment of Women (UN SWAP). WFP promotes gender equality and women’s empowerment in its programmes and is increasing its work with the Rome-based agencies and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). WFP is co-chair of the Inter-Agency Standing Committee Gender Reference Group and a member of the GenCap steering committee.
141. The resources allocated to gender-related activities in WFP’s provisional prioritized programme of work are estimated at 13 percent, an increase of 1 percent from 2016. WFP’s goal is 15 percent of operational requirements by 2020.
142. The 2015–2020 gender policy will ensure that gender equality and women’s empowerment are integrated into all activities, and that the differing food security and nutrition needs of women, men, girls and boys are addressed equitably. Gender considerations will be mainstreamed into the programme cycle from initial needs assessments to final evaluations.
143. Gender-sensitive activities include: i) measures to increase girls’ access to primary education with a view to achieving gender parity and promoting equal rights and opportunities; ii) seasonal livelihood programming to align multi-sector projects with the needs and priorities of women and men; iii) augmentation of gender expertise in regional and country offices; and iv) capacity development in gender for the staff of WFP and its partners.
144. Resource requirements include provision for addressing gender-related protection issues, particularly gender-based violence, and supporting inter-agency responses to HIV and AIDS.

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<sup>23</sup> Country Office Tool for Managing (programme operations) Effectively



## Trust Funds

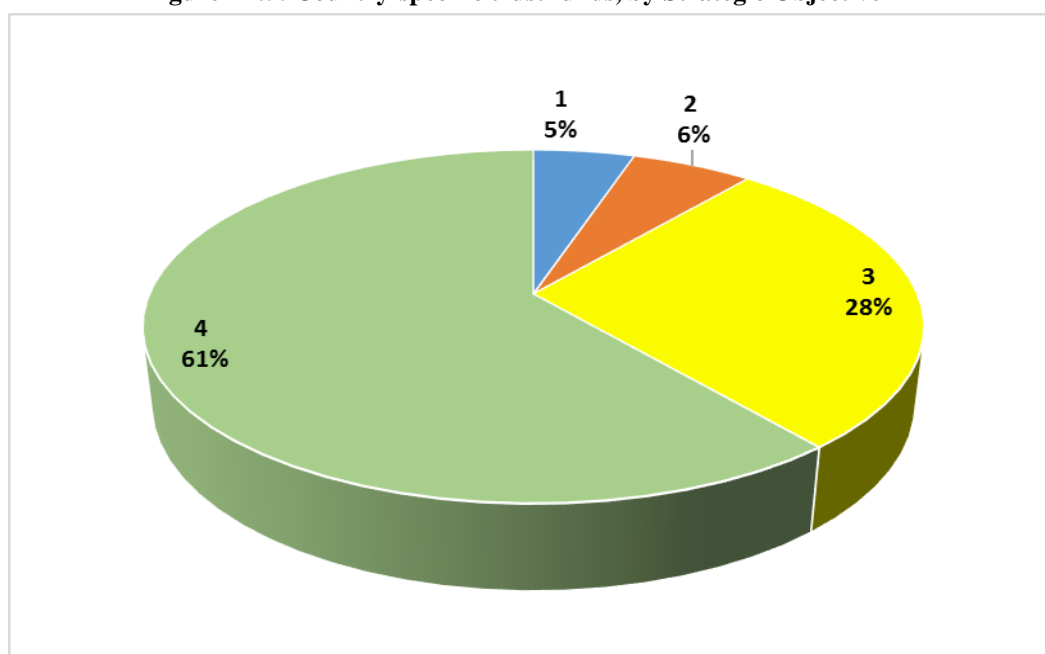
### Country-specific trust funds

145. Country-specific trust funds assist governments with the management and implementation of programmes aligned with WFP’s Strategic Objectives and provide extra-budgetary resources for programmes consistent with WFP’s country strategy. The main donors to country-specific trust funds are host governments, though governments of other countries and private foundations also contribute.
146. Country-specific trust funds for 2017 are forecast at USD 95.2 million, a 2 percent decrease from 2016. Table III.5 shows country-specific trust funds by region.

Table III.5: 2017 Trust funds by regional bureau (USD million)		
Regional bureau	Trust funds	
Bangkok	21.4	23%
Cairo	7.7	8%
Dakar	3.5	4%
Johannesburg	21.2	22%
Nairobi	13.5	14%
Panama City	27.8	29%
<b>Total</b>	<b>95.2</b>	<b>100%</b>

147. A decrease of USD 5.9 million – 6 percent less than in 2016 – is forecast for trust fund activities. The main user continues to be the Panama City regional bureau, but its share has declined as a result of reduced activity in Ecuador and Honduras. Other regional bureaux are expected to increase their trust fund activities 2017.

Figure III.5: Country-specific trust funds, by Strategic Objective



148. Figure III.5 shows that the share for Strategic Objective 4 remains unchanged, and that the 5 percent reduction in Strategic Objective 3 activities is matched by small increases in Strategic Objectives 1 and 2. Activities under Strategic Objective 3 will support the distribution of locally produced diet supplements and enhance local capacities to implement food-security and nutrition programmes. Activities related to Strategic Objective 1 will support food security analysis and

the development of capacities for monitoring and emergency preparedness and response. Activities under Strategic Objective 2 will support community development, for example through asset creation.

**Corporate trust funds related to field activities**

149. Corporate trust fund activities in country offices will account for USD 21.4 million in 2017, mainly through P4P, Renewed Efforts Against Child Hunger and Undernutrition (REACH), the Children’s Investment Fund Foundation and climate resilience activities.

**Implementation Plan**

150. The implementation plan for each region – see Table III.6 – combines the provisional prioritized plan of work, with country-specific and corporate trust funds supporting activities at the country or regional level. WFP foresees an implementation plan of USD 5.5 billion for 2017 – USD 5.4 billion for the provisional prioritized plan of work and USD 117 million for trust funds.

<b>Table III.6: Regional implementation plan (USD million)*</b>			
<b>Regional bureau</b>	<b>Provisional prioritized plan of work</b>	<b>Trust funds</b>	<b>Total</b>
Bangkok	401	21.4	<b>422.4</b>
Cairo	2 292	7.7	<b>2 299.7</b>
Dakar	676	3.5	<b>679.5</b>
Johannesburg	524	21.2	<b>545.2</b>
Nairobi	1 403	13.5	<b>1 416.5</b>
Panama City	88	27.8	<b>115.8</b>
<b>Subtotal</b>	<b>5 385</b>	<b>95.2</b>	<b>5 480.2</b>
Corporate trust funds related to field activities	n/a	21.4	<b>21.4</b>
<b>Total</b>	<b>5 385</b>	<b>116.6</b>	<b>5 501.6</b>

\* Figures include ISC.

## **Section IV: Programme Support and Administrative Budget**

### **Overview**

151. This section presents the proposed 2017 PSA budget of USD 335.4 million. It includes a USD 10 million budget increase – 3.4 percent – for global headquarters (GHQ). In addition, reflecting the Secretariat’s unremitting commitment to restructuring its budgets in order to meet the evolving priorities of the organization the proposal articulates a further 5 percent shift (or “churn”) in the underlying headquarters’ budget allocations.
152. The additional GHQ resources, as well as the 5% churn, are proposed for the highest priority PSA areas based on commitments - mostly in the programme support area - already made to the Board, and for other areas focusing on increased effectiveness or efficiencies.
153. An adjustment of USD 35.1 million is proposed to provide substitute funding for direct support costs incurred by operations but disbursed centrally. In anticipation of the design and implementation of the new Financial Framework, which will allow WFP’s cost structure to be harmonized with other United Nations Agencies, this adjustment will allow better cost and performance comparisons with other agencies.
154. There is no request for a PSA Equalization Account allocation for Critical Corporate Initiatives (CCIs),<sup>24</sup> for which a paper will be presented at the Board’s 2017 First Regular Session following its review of the Strategic Plan (2017–2021), the Country Strategic Plan (CSP), the Corporate Results Framework (CRF), and Financial Framework Review (FFR), and upon the completion of a Fit for Purpose Review. A preliminary estimate for CCIs of USD 15 million would leave the PSA Equalization Account balance above the five-month target established in 2015.

### **Purpose of the PSA Budget**

155. The PSA budget provides funding for support costs that cannot be directly attributed to individual operations. It is funded by ISC recoveries from contributions at a rate approved annually by the Board in accordance with the full-cost recovery policy.
156. Each year a departmental budget review is carried out, revising the regular PSA budget to ensure it is aligned with WFP’s organizational priorities. These budgets are reviewed and endorsed by the Strategic Resource Allocation Committee (SRAC).
157. There are many demands on the PSA budget because it supports changing operational needs and the implementation of policy commitments made to the Board. The budget can be complemented through CCIs funded from the PSA Equalization Account, or through donors providing resources for institutional strengthening initiatives through corporate trust funds.

### **Performance-Informed Budgeting and Value for Money**

158. The WFP value-for-money concept is to get the best results for our beneficiaries by using our resources in a way that achieves an optimum balance of effectiveness, efficiency and economy. Guidance is in place to support the approach in operational decision-making and monitoring and the sharing of good practices. The policy helps WFP to demonstrate its effectiveness.
159. All requests for PSA allocations must therefore indicate how the proposed activities will contribute to WFP’s efficiency and must be prioritized for submission to the SRAC, which will recommend most critical or beneficial cases to the Executive Director. Funding proposals without a strong value-for-money case are unlikely to be approved. Units that receive funding must report on the contribution of the activities to WFP’s efficiency, to the SRAC.

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<sup>24</sup> WFP/EB.A/2015/6-C/1. The criteria are that a proposal is: i) one-off; ii) not covered by regular PSA; iii) not related to a project; iv) in need of predictable funding; v) unlikely to generate sufficient additional investment from donors; and vi) focused on organizational change.

## The 2017–2019 Programme Support and Administrative Budget

### Main Increases

160. The recommended PSA budget for 2017 is based on a planned income level of USD 5.2 billion, 6 percent higher than the 2016 Management Plan estimate, which would yield ISC income of USD 335.4 million. The increase in allocations to global headquarters is capped at USD 10 million, or 3.4 percent.
161. Adhering to the principle of “living within our means”, an operations-based PSA adjustment of USD 35.1 million is proposed to bring utilization to USD 335.4 million, in line with estimated 2017 ISC income. This adjustment would provide substitute funding for DSC incurred by operations but disbursed centrally. The objective is to make WFP’s funding of such costs comparable with other agencies and to maximize the value of transfers to beneficiaries.
162. The outcome of the regular PSA budget process is shown in Table IV.1.

<b>2016 base</b>		<b>290.3</b>
Adjustment for Headquarters and Regional Bureaux		
➤ Decrease in SPCs net of statutory increases	-3.0	
➤ Increases to implement policies approved by the Board	6.0	
➤ CBTs and SCOPE	6.1	
➤ Other priorities	0.9	
<b>Subtotal</b>		<b>10.0</b>
Technical adjustment for centralized DSC		35.1
<b>2017 proposed PSA</b>		<b>335.4</b>

### Technical adjustment for centralized costs for country offices

163. Some agencies with core voluntary, or assessed, contributions use these general contributions to fund direct project support costs and other costs incurred in country offices. WFP, as a completely voluntarily funded agency must specify each donor contributions used to fund DSC.
164. The key principle in moving costs that are currently funded as direct support costs under the PSA budget is substitution of, and not additional, funding: this does not affect the underlying costs, but it does affect the costs reported against specific donors’ contributions. Funding centrally-administered DSC through the PSA anticipates the FFR by increasing the value and transparency of transfers to beneficiaries, minimizing DSC costs in relation to contributions and promoting greater funding comparability among agencies<sup>25</sup>.
165. WFP proposes that the costs in Table IV.2 be moved to the PSA budget. The cost of these services, which are attributable to country operations but not managed by them, have been administered centrally in order to exploit efficiencies gained from larger economies of scale.
166. These services will continue to support operations and incur costs in proportion to activity levels, but they will appear in the “Programme support: regional bureaux and country offices” appropriation line; DSC allocations will be reduced accordingly, releasing an equivalent amount for value transfers to beneficiaries.
167. Because most of these costs are charged as a function of the size of operations in terms of staff numbers or tonnage, there should be no cross-subsidization among countries or projects.

<sup>25</sup> Further refinements may be required as a result of lessons to be learned during the pilot in 2017.

<b>Table IV.2: Centralized Costs for Country Offices (USD million)</b>	
UNDSS and WFP Security Emergency Fund	13.8
Employee wellness	0.7
IT per capita	18.6
Decentralized evaluations	2.0
<b>Technical adjustment for centralized costs</b>	<b>35.1</b>

168. The mandatory UNDSS costs and WFP's Security Emergency Fund costs – currently USD 18.8 million – have in the last three years been funded from a combination of staff position costs (SPCs) and direct charges to projects. Of these costs, USD 5 million are charged to Headquarters and regional bureau budgets through SPCs; this will remain unchanged. The remaining USD 13.8 million is charged to country office operations. The proposal is that the security portion of country office SPCs and amounts directly related to projects will be budgeted and funded under the PSA.
169. In accordance with the Management Plan (2016–2018), a levy on staff costs was made through the SPCs to fund wellness services. It is proposed that the levy for country offices will also be budgeted and funded by the PSA, but there will be no change in the levy for Headquarters and the regional bureaux.
170. The IT per capita charge initiated in 2013 covers the cost of software licenses, VSAT, and other connectivity costs on the basis of the number of IT accounts utilized by a budget holder. The 2017 budgeted cost per account is USD 1,654: this is based on an estimated budget of USD 23.5 million for 2017, of which USD 18.6 million is related to country offices. WFP will continue to levy the per capita charge from budget holders, but it will be funded from the PSA for project staff in country offices.
171. There has hitherto been a per-country charge for evaluations of single operations, but from 2017 all country offices must include funding for decentralized evaluations in their project budgets. In accordance with the evaluation policy, a contingency fund will be set up to contribute to evaluation costs in country offices where there are resource constraints.

#### **Use of the PSA Base**

172. The 2017 review of departmental PSA budgets considered the level and type of services contributing to the annual implementation plan, with a focus on decommissioning outmoded activities to release resources for new functions needed to implement the changes in WFP. Every Headquarters department was required to reallocate or increase efficiencies by at least 5 percent of its base budget.
173. Within the offices and divisions reporting directly to the Office of the Executive Director (OED), key areas of prioritization included Gender (GEN), Evaluation (OEV), and Legal (LEG) as well as the programme review and approval process. Resources have been re-prioritized to the Gender Office for implementation of regional gender implementation strategies, the gender marker code and gender awareness and training initiatives, for all activities within the implementation plan.
174. Within the context of prioritising the effective provision of services from LEG, resources have been shifted to strengthen senior management and oversight functions across all LEG activities and branches. Special attention was also given to enhancing the existing provision of evaluation services in OEV, including the establishment of a dedicated help-desk and technical enhancements to the evaluation intranet, as initial steps in meeting commitments made to the Board<sup>26</sup>, as well as to accommodate the impact of the various components of the new roadmap.

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<sup>26</sup> WFP/EB.2/2015/4-A/Rev.1.

175. The offices reporting directly to the Deputy Executive Director will focus on multi-stakeholder processes shaping the sustainable development and humanitarian agendas, and follow up on the partnership commitments of the World Humanitarian Summit, the Global Migration Summit, the United Nations Conference on Housing and Sustainable Urban Development and the Quadrennial Comprehensive Policy Review (QCPR).
176. The Resource Management Department will shift more resources to SCOPE, to management and internal controls related to CBTs and to implementation of the CRF. This will involve re-prioritization of 8 percent of the IT division's PSA budget and 6 percent of the Budget and Programming Division budget.
177. The IT division (RMT) will prioritize digital transformation and architecture, CBT (SCOPE) and IT-enabled innovations through streamlining of telephone management and service desk support. Resources previously used for COMPAS are being moved to support LESS, with staff to be re-allocated as required.
178. In the Finance and Treasury Division (RMF), funds will be shifted from policy work to donor reporting; other areas to receive additional resources include CBTs, staffing coordination and gender activities.
179. The Management Services Division (RMM) will focus on streamlining of electronic processes to replace paper archiving and, in view of the increase in security incidents in Europe, on security at Headquarters. Other funds will be shifted to focus on environmental sustainability in line with the SDGs.
180. In the Performance Management and Monitoring Division (RMP), additional funding will be allocated to the CRF; work on INTERFAIS will be de-prioritised from 2017. The Wellness Division (RMW) will invest additional resources in a staff counsellor position to support field-based staff and will rationalize medical costs by moving a Headquarters-based staff member to a regional bureau.
181. Operations Services leads a number of critical organizational change processes and key corporate focus area initiatives as well as the formulation or update of a number of important policies that will determine and frame how WFP engages with broader global dialogues and processes currently underway.
182. The Supply Chain Division (OSC) will embed support for CBT, while continuing to lead in the optimization of humanitarian supply chains and logistics; a new field-support service will be provided for the regional bureaux and country offices. A new governance unit will support these processes to ensure that evolving operational demands are met and that efficient and cost-effective deliveries are maintained.
183. Through Purchase for Progress (P4P), WFP supports the smallholder farmers who provide the bulk of agricultural production in many countries and hence contribute to the achievement of Zero Hunger. A D2 coordinator for food systems strategy, policy and support and a D1 P4P global coordinator have been formalized within the existing budget.
184. In view of the scale of WFP's interventions in current emergencies, the Nutrition Division is re-directing staff to reinforce work on nutrition in emergencies.
185. The Partnership, Governance and Advocacy Department (PG) will maintain the efficiencies implemented in 2016 and seek to enhance WFP's partnerships with traditional donors. Its budget review focused on reallocation of resources to corporate priorities including flexibility in funding and efficient use of resources, and inter-agency and inter-governmental partnerships.
186. WFP's Berlin office supports the partnership with Germany: following the London conference "Supporting Syria and the Region" in February 2016, Germany's support for WFP has significantly increased. With the establishment of the Centre of Excellence in China, WFP has decided that PSA funding will be directed exclusively to fundraising.
187. Further efficiencies are being achieved through co-locating Private Sector and PG staff based in New York with the WFP NY office. The Ceremonial Protocol function has been transferred from

RMM to the PGB Division to streamline its processes and conform with other United Nations Agencies.

188. Over and above the “churn” activities described above, the 2017 PSA budget reflects USD 3.8 million in savings through “cost excellence”, exceeding the USD 3 million target anticipated in the 2016 Management Plan. These savings have been reprogrammed into the PSA budget from 2016 and carried forward to 2017. Savings in travel expenses across all budget holders and IT services have been reallocated: USD 1.9 million to country offices, USD 750,000 to SCOPE, and other funds to Gender, Innovation and Ethics and to WFP’s Career Development Centre.

#### **Decrease in Staff-Related Costs Net of Statutory Cost Increases – USD 3.0 million**

189. WFP uses standard rates to budget and account for SPCs; these are re-calculated each year to reflect: i) the actual costs of employing a staff member in each grade and location; ii) anticipated exchange rates for Euro expenditure for Rome-based staff; and iii) provisions for other staff-related benefits and allowances.
190. The SPCs for 2017 are based on 2015 actual costs adjusted for inflation, after-service costs and, at Headquarters, currency exchange rates; they include charges for security, staff wellness and termination indemnities.
191. The SPCs have fallen because estimated after-service costs have been reduced, largely as a result of the decrease in the USD/EUR exchange rate since 2015 and post adjustments related to foreign exchange rates.
192. For 2017, WFP hedged its Euro staff costs at Euro 1 = USD 1.13; the 2016 rate was USD 1.12. This resulted in a USD 1 million increase in Headquarters-based staff costs, which is offset by the USD 4 million cost reduction in other components.
193. The SPCs are also likely to be reduced as a result of International Civil Service Commission (ICSC) changes, especially those affecting hardship and mobility allowances and education grants. The changes will particularly affect country offices and the standard position costs will reflect these changes as the ICSC provisions are progressively implemented.

#### **Increases to Implement Board Approved Policies – USD 6.0 million**

194. The Secretariat proposes that USD 6.0 million of the PSA increase be allocated to implementation of policies approved by the Board,<sup>27</sup> as set out below.

##### ***Evaluation Policy (USD 2.45 million)***

195. WFP’s Evaluation Policy, approved in November 2015 by the Executive Board, reaffirmed WFP’s commitment to international evaluation principles and sets the normative framework for WFP. In line with this model, which combines centralized evaluations with demand-led decentralized evaluations, it is proposed to increase support for OEV in the form of Regional Evaluation Officers to support decentralized evaluations.
196. The allocation of a further USD 800,000 to OEV for 2017 builds on the PSA increase in 2016 and supports changes to centralized evaluation to meet the norms approved by the Board.

##### ***Gender Strategy (USD 880,000)***

197. The additional investment in Gender will ensure stronger institutional commitment and leadership for Gender Equality and Women’s empowerment programmes. National Gender Advisers in the regional bureaux will support regional strategies, help to mainstream gender into programmes and operations, and provide training and capacity building. They will also assist with future evaluations of WFP’s gender policy.

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<sup>27</sup> WFP/EB.2/2015/4-A/Rev.1.

### ***People Strategy – WFP as a Learning Organization (USD 2.62 million)***

198. With significant changes in the external humanitarian and development landscape, WFP needs a more progressive integrated approach to learning activities in order to develop, equip and empower staff to respond to the demands of today’s challenges as well as prepare them for the future strategic direction of the organization. This investment will lead to a world-class learning curriculum and assessment system. The investment also mainstreams the Career Development Centre as a cornerstone for developing WFP’s future leaders.

### ***Cash-Based Transfers and SCOPE (USD 6.1 million)***

199. Cash Based Transfers are forming a larger and more strategic segment of the organization’s portfolio, requiring increased investments in order to consolidate and mainstream support into the PSA budget. The proposed investment is broken into two components – corporate support for the scale up of CBT capacity, and support to SCOPE, the corporate beneficiary management database.

#### ***CBTs***

200. This PSA investment supports the mainstreaming of oversight, technical support and maintenance of CBT systems, processes and tools. Consolidation of core systems will enable greater data analysis to support the application of cash based solutions which will be valuable to operational teams, governments, partners and donors. A second goal is to consolidate WFP’s position as an experienced global and core CBT partner, thereby enabling collaboration with more partners to achieve economies of scale.

#### ***SCOPE***

201. WFP’s beneficiary and transfer management platform (SCOPE) is a major enabler in WFP’s work. This investment will support changes needed to address emerging programmatic requirements in operations and national safety-net systems. Further investments will also enhance internal controls and guidance to ensure that maintenance capacity is available at the regional bureaux and Headquarters.

#### **Box IV.1: Supporting CBTs**

Support for WFP’s increasing use of CBTs needs to be stabilized and the various funding streams consolidated. In 2015, part of the PSA increase was allocated to mainstreaming functions related to CBTs such as SCOPE.

WFP has used a combination of PSA Equalization Account funding and donor funding to support the development of policies, processes and capacities related to CBTs: these needs will continue into 2017, and additional funding will be sought.

Ongoing support costs in the areas of programming, assessment, legal, supply chain, finance and ICT need to be mainstreamed into the PSA budget. A portion of these costs are being covered by the “churn” in finance, supply chain and ICT, but additional investment is required to support implementation in Headquarters and the regional bureaux as cash-enabled programming exceeds the current 23 percent of WFP’s implementation plan.

### ***Other Increases (USD 940,000)***

#### ***Partnership Resource Centre***

202. The partnership resource centre supports staff, particularly in the field, on how to develop and maintain effective partnerships, and is a key tool for implementing the corporate partnership strategy. It provides guidance on assessing potential partners, lessons learned from successful partnerships, evaluation tools and a central database of information about partners.

#### ***Emergency Preparedness***

203. WFP’s Operations Centre (OPSCEN) acts as an information sharing and global coordination hub. It provides a common overview of WFP operations, with the purpose of ensuring consistency of information for decision-making, particularly in emergencies. In emergencies it provides a picture of events affecting the contexts in which WFP is operating and supports inter-agency information sharing and coordination.



## PSA Equalization Account and Critical Corporate Initiatives

204. The PSA Equalization Account is used: i) to cover differences between ISC income and approved PSA expenditure; ii) to underwrite the risk of decreases in ISC income or underfunding of the PSA budget; iii) for CCIs; and iv) to maximize WFP’s reserves. In accordance with the Board’s decision at its 2015 Annual Session,<sup>28</sup> the Secretariat has maintained the target level of the PSA Equalization Account at five months of PSA expenditure with a “floor” of two months.
205. Some initiatives, such as the revamp of the Enterprise Resource Planning system (WINGS) following the completion of the design phase of the FFR, cannot be funded through the limited internal financial capacity of the organization. Instead, they depend upon periodic allocations from the accumulated balances on the PSA Equalization Account (PSAEA) approved by the Executive Board and significant supplementary investments from those donors who recognise the importance of funding institutional strengthening.
206. The Secretariat is cognizant of the need to adequately consider and respond to the exceptional number of proposals being submitted to the Board at its Second Regular Session in 2016, and to take stock of the Fit for Purpose Review, which will be completed for the First Regular Session in 2017. Accordingly, the Secretariat is proposing to postpone consideration of Critical Corporate Initiatives to EB.1/2017, following the Board’s formal endorsement of the initiatives comprising the integrated roadmap, and will ensure that there is opportunity for prior informal consultation before the documentation is finalized for EB.1/2017.
207. Any proposals to be submitted for the Board’s approval will be consistent with the principles of prudent financial management endorsed by the Board in 2015.<sup>28</sup> A preliminary and tentative estimate of USD 15 million is foreseen for the total 2017 CCI proposals, which would leave the PSA Equalization Account balance above the 5-month target established in 2015. In determining the final allocations, the Secretariat will prioritize investments arising from the approval of the Integrated Roadmap, further investments needed for Cost Excellence, and implementation of Board approved policies such as Evaluation and Gender.
208. The PSA Equalization Account projected opening balance for 2017 is USD 169.9 million, significantly above the USD 142.6 million closing balance in the Management Plan (2016–2018) as a result of a USD 400 million increase in forecast contributions for 2016 above the projected USD 4.9 billion in the management plan 2016–2018.
209. The 2017 funding forecast of USD 5.2 billion will generate ISC income of USD 335.4 million (see Table IV.3). Based on tentative level of CCI investments of USD 15 million, the projected closing balance of USD 154.9 million is equivalent to five-and-a-half months of PSA expenditure.

Projected opening balance at 1 January 2017	169.9
2017 ISC revenue based on USD 5.2 billion revenue	335.4
2017 PSA expenditure	(335.4)
2017 CCIs (preliminary and tentative)	(15.0)
Projected closing balance at 31 December 2017	154.9

<sup>28</sup> WFP/EB.A/2015/6-C/1.

## Indirect Support Cost Rate

210. WFP/EB.A/2006/6-C/1 described a method for setting the ISC rate for the next financial period. The derived rate for 2016 is calculated as shown in Table IV.4.

<b>Table IV.4: ISC Calculation (USD/%)</b>	
<b>2015 baseline</b>	<b>6.28</b>
Increase for higher indirect expenditures for 2016	+1.22
Decrease for higher funding forecast	-0.51
Decrease for higher PSA Equalization Account balance	-0.62
<b>Derived ISC rate for 2016</b>	<b>6.37</b>

211. The FFR includes consideration of harmonizing WFP's cost structures, including what is funded by ISC, with other United Nations agencies.
212. WFP's voluntarily funded business model makes it susceptible to fluctuations in ISC income. The PSA Equalization Account provides a safety net to adjust the PSA cost structure and a healthy PSA Equalization Account balance, which WFP currently enjoys, is particularly important at this juncture. The Secretariat therefore recommends that the current 7 percent ISC rate be maintained for 2017.

## 2018–2019 PSA Outlook

213. As outlined in Section II, income forecasts for 2018 and 2019 are unlikely to exceed the USD 5.2 billion forecast for 2017. WFP will ensure that PSA resources are optimized to meet changing needs and ensure maximum value for money through cost containment in line with the principle of "living within our means". The base budget will continue to be supplemented through prioritized CCIs and funding provided by donors for institutional strengthening
214. As a result of the key functional changes expected through 2018 due to the financial framework, it is anticipated that the structure of WFP may need to be adjusted. However, these changes will be in the 2018 Management Plan.

## Orientation of the PSA Budget by Management Result Dimension

215. Table IV.5 presents the elements of the PSA budget against the five MRDs of the 2014–2017 MRF. Because the new CRF is being developed alongside the Management Plan, this analysis may be updated once the new CRF is agreed.

<b>Table IV.5: Analysis of PSA budget by MRD (USD thousands)</b>					
	<b>PSA</b>	<b>PSA increase, Headquarters and regional bureaux</b>	<b>PSA technical adjustment*</b>	<b>Total PSA</b>	<b>%</b>
People	54 384	2 621	700	57 685	17
Partnerships	27 143	440	-	27 583	8
Processes and systems	79 680	6 100	18 600	104 380	31
Programmes	37 687	3 839	2 000	43 526	13
Accountability and Funding	88 409	-	13 800	102 209	30
<b>Total</b>	<b>287 283</b>	<b>13 000</b>	<b>35 100</b>	<b>335 383</b>	<b>100</b>

\*The provision under PSA technical adjustment is offset by reductions in funding from donor contributions for country office DSC and other costs.

## **People**

216. The allocation for the People dimension, which reflects an increase of 13.4 percent from 2016 before the technical adjustments, focuses on: i) enhancement of staff capabilities and individual performance management with a view to developing a skilled and flexible workforce with a reserve of talent managed by capable leaders; and ii) the Career Development Centre. The dimension covers all senior staff costs, reflecting their role in promoting a culture of commitment, communication and accountability.

## **Partnerships**

217. The Partnership dimension, which accounts for 9.2 percent of PSA investments before the technical adjustments, reflects WFP's intention to build partnerships with governments, regional organizations, other United Nations agencies and academic institutions to provide food assistance and build resilience. It includes support for the Board in its governance role and coordination with United Nations agencies and cluster leaders. Additional funding has been allocated to mainstream WFP's Partnership Resource Centre.

## **Processes and Systems**

218. The allocation to the Processes and Systems dimension, an increase of 2.8 percent from 2016 before technical adjustment, is intended to ensure that optimum food assistance is provided at the right time, in the right place and in the most cost-efficient and effective way. This requires: i) sound project designs that meet WFP's quality standards; ii) cost-effective food assistance delivery mechanisms supported by efficient systems and timely monitoring; and iii) systems for learning, sharing and innovation.
219. The largest new investment supports CBTs. The shift IT per capita costs for country offices into the PSA budget accounts for the amount in the PSA technical adjustment column.

## **Programmes**

220. The allocation to the Programmes dimension accounts for 13.8 percent of PSA investments before the technical adjustments promotes innovative and evidence-based interventions to address food and nutrition needs, build national capacities and ensure that programmes are aligned with policy. It covers WFP's ability to: i) respond appropriately to existing situations and to complex emergencies; ii) align programmes with national and local priorities; iii) mainstream innovative approaches, communicate results and advocate hunger solutions; and iv) publicize the WFP brand and generate support.
221. The amount in the PSA technical adjustment column reflects the proposed allocation to the regional bureaux to support the gender policy and evaluations.

## **Accountability and Funding**

222. The allocation to the Accountability and Funding dimension, an increase of 10.6 percent from 2016 before technical adjustment, generates funding for operations and maintains high standards of governance, internal control, stewardship and accountability. The objective is to ensure that resources are flexible, predictable and timely, and transparently accounted for at Headquarters and in the regional bureaux and country offices.
223. The amount in the PSA technical adjustment column is for UNDSS costs and WFP's Security Emergency Fund.

## Summary of 2017 Regular PSA Budget by Appropriation Line

224. In accordance with Financial Regulation 9.3, the regular PSA budget has three appropriation lines: i) programme support at the regional bureaux and country offices; ii) programme support at Headquarters; and iii) management and administration.
225. Table IV.6 shows the regular PSA budget by appropriation line from 2015 to 2017. The total cost column reflects staff and non-staff costs; the total post count includes national staff. The appropriation lines remain as they were in the previous Management Plan. Additional details are provided in Annex I.<sup>29</sup>

	2015 expenditures			2016 estimated			2017 projected		
	Post count		Total cost	Post count		Total cost	Post count		Total cost
	Prof.	Total		Prof.	Total		Prof.	Total	
Programme support – regional bureaux and country offices	244	825	99.1	263	840	108.7	276	858	145.4
Programme support – Headquarters	152	237	51.9	152	238	47.8	181	267	54.3
Management and administration	293	551	129.6	305	563	133.8	313	566	135.7
Cost excellence re-engineering*							(20)	(20)	
<b>Total</b>	<b>689</b>	<b>1 613</b>	<b>280.7</b>	<b>720</b>	<b>1641</b>	<b>290.3</b>	<b>750</b>	<b>1 671</b>	<b>335.4</b>

\* The cost excellence exercise will redistribute resources and shift and re-profile positions in headquarters and the field.

### Central Appropriations

226. Central appropriations cover statutory requirements and other centrally controlled appropriations, which are budgeted under management and administration. These appropriations are expected to be higher than the 2016 level (see Table IV.7). The most significant change from 2016 is the increases in recruitment fees, insurance fees including a new cyber-crime insurance policy, services from other agencies and other statutory costs. The global staff survey and asset management survey are costs incurred every two years, and so were not included in the 2016 budget.

<sup>29</sup> To be included in final Board document.

<b>Table IV.7: Statutory requirements and other central appropriations</b>		
	<b>Approved 2016</b>	<b>Proposal 2017</b>
Reassignment costs	3 000 000	3 000 000
Insurance fees	1 384 900	1 624 900
JIU	931 000	900 000
ICSC	602 534	620 000
External audit	440 000	400 000
Chief Executives Board	290 000	280 000
Emergency medical evacuation	170 000	170 000
Audit committee	194 000	194 000
Services from other agencies	2 066 057	2 630 995
Inter-agency support	1 358 973	1 345 597
Resident Coordinator contribution	1 413 500	1 413 510
Global management meeting	265 000	265 000
Global staff survey	0	165 000
Other	869 150	1 208 750
<b>Total</b>	<b>12 985 114</b>	<b>14 217 752</b>

### **Institutional Improvements**

227. Corporate trust fund activities promote innovations in operations, systems and processes, and support institutional improvements and capacity-development initiatives.
228. Experience shows that some donors are willing to fund activities that support innovation and changes in the way WFP works. The development of processes for scaling up CBT programmes in country offices and enhancing performance and risk management are examples of new approaches piloted with non-PSA resources. In some cases change is easily funded because donors are willing to support activities, but in others WFP seeks funding for prioritized needs.
229. The Management Plan integrates information on actual and potential investments in the PSA budget process. Investment cases for activities that cannot be funded through the regular PSA budget are prioritized for allocations of PSA, CCI or trust fund resources. In line with the criteria approved by the Board, initiatives that may attract sufficient additional investment from donors receive lower priority for funding through PSA to ensure that its resources are directed to areas of greatest need.
230. For 2017, 60 investment cases totalling USD 57 million were submitted for PSA funding, and 45 investment cases totalling USD 72 million were submitted for funding from extra-budgetary sources.
231. The allocations set out above resulted in the prioritization of 13 investment cases for funding in the regular PSA budget through the PSA increase. The remaining 92 investment cases, totalling USD 115 million, constitute an inventory of corporate trust funds that may be considered by the SRAC with a view to recommending multilateral donor funding.

232. Table IV.8 summarizes the inventory of corporate trust funds by MRD for 2017 on the basis of documented investment cases. The Processes and Systems and Programmes dimensions account for 83 percent of the total.

<b>Table IV.8: 2017 Corporate Trust Funds by MRD</b>		
	<i>USD million</i>	<i>%</i>
People	11.8	10
Partnerships	3.4	3
Processes and Systems	52.5	46
Programmes	43.2	37
Accountability and Funding	4.1	4
<b>Total</b>	<b>115.1</b>	<b>100</b>

233. Resources for the People dimension will be used to train staff in technical capacities for working with governments, programming and financial skills. This MRD includes investments for further development of the people strategy in relation to corporate requirements and supply chains.
234. The proposals for Processes and Systems support the refinement of CBT tools such as SCOPE, supply chain management, procurement and performance management, and the innovation centre.
235. Investments in the Programmes dimension will be used to implement the CSP and protection policies and to build WFP's capacities in nutrition, early-warning analysis and mapping for emergency preparedness, climate-related resilience and disaster risk reduction.
236. The allocations for the Partnerships and Accountability and Funding dimensions will reinforce inter-agency partnerships, particularly for emergencies, and cluster management; they will also support the FFR. A detailed investment case for FFR is being finalised. Updated figures for the accountability and funding MRD will be included in the final Management Plan document.

### **PSA Gender Marker**

237. WFP is committed to exceeding the 15 UN-SWAP performance indicators by the end of 2017. The business-owner structure established in 2014 has been effective in cross-functional collaborations, sharing of best practices and capacity building. WFP is piloting UN-SWAP 2.0, which will be a United Nations requirement from January 2018.
238. Implementation of regional strategies and country office action plans in 2017 will mainstream gender equality and women's empowerment into all activities. As part of the USD 3.8 million reallocated in 2016 from cost excellence savings, USD 400,000 was allocated on a recurring basis to the Gender Office for capacity development, the creation of a gender toolkit, roll-out of the WFP Gender Transformation Programme and the Gender Results Network.
239. The recurring investment for 2017 of USD 880,000 will support the regional bureaux, complemented with project and extra budgetary resources. WFP will consider CCI funding from the PSAEA to finance one-time investments in policy and programme development and capacity-building.
240. WFP continues to refine its gender-responsive budgeting procedures. For 2017, USD 7.4 million is incorporated in the PSA budget, an increase of 40 percent from 2015 resulting partly from divisional budget allocations for gender and diversity. Additional extra-budgetary resources of USD 2.8 million for other activities are at least partly dedicated to gender.

### **Hedging**

241. At its 2008 Annual Session the Board approved a policy for hedging the Euro component of PSA expenses incurred at Headquarters to increase PSA funding stability. The Secretariat has accordingly made a forward purchase of the Euro amounts required for the 2017 PSA budget at an average rate of EUR 1 = USD 1.13; the 2016 average foreign exchange forward rate was EUR 1 = USD 1.12.

## **Section V: Corporate Services and Business Services; Special Accounts**

### **Overview**

242. WFP is committed to maximum efficiency and economy of scale in its operations, and uses its comparative strengths in service provision to support other United Nations agencies, thereby enabling savings in terms of time and costs – which benefit partners and ultimately people in need. WFP provides: i) corporate services that provide direct support to WFP units; and ii) business services provided at lower cost than if they were sourced externally.
243. Services are provided on a full-cost recovery basis. Special accounts are the best means of managing the process because they are not time-bound and hence allow balances to be carried over to a subsequent financial period.<sup>30</sup> A special account provides funding for a service on the basis of agreed repayments, subject to a ceiling on the maximum value of the account. Managers must ensure that: i) all expenditures and receipts are recorded in the account; and ii) the account does not exceed its maximum agreed value.
244. The value of transactions in special accounts for 2016 is estimated to be USD 452 million. This includes all income from sales of services and cost recovery.

### **Corporate Services**

245. The corporate services financing mechanism adopted in 2014 enables WFP to support business units through: i) the Global Vehicle Leasing Programme (GVLP); ii) the Capital Budgeting Facility (CBF); and iii) fee-for-service activities.
246. The 2016 ceiling for these services was increased in the Management Plan (2016–2018) from USD 70 million to USD 82 million. No change is proposed for 2017.

#### ***Global Vehicle Leasing Programme: ceiling USD 22 million***

247. The GVLP leases vehicles to country offices. Value for money is ensured by central management of the procurement and preparation of vehicles and by guaranteeing that vehicles are equipped with appropriate features for the locations in which they will operate. Leasing fees are included in project budgets to ensure that GVLP recovers its investment.
248. In 2016, GVLP has reduced the amount borrowed from the Working Capital Financing Facility by USD 5.5 million. This reduction will be followed with a downwards revision in leasing fees being charged to WFP programmes.

#### ***Capital Budgeting Facility: ceiling USD 40 million***

249. The CBF was established in the Management Plan (2014–2016) as a revolving facility enabling WFP to implement multi-year projects to generate savings. It provides advance capital that must be repaid by the projects or other funding sources over an agreed timescale.
250. The CBF was set up with a ceiling of USD 20 million, initially to support the development and roll-out of the Logistics Execution Support System (LESS). A self-financing investment of USD 35.1 million, LESS is generating its own repayment of the capital outlay since 2015 from a tonnage-based LTSH rate that reflects average efficiency savings identified by an external reviewer. WFP anticipates that LESS will be implemented in 83 countries by the end of 2016, completing the global roll out. The last country to begin using LESS should be Yemen, in October 2016; repayment of the CBF advance is expected to be completed by December 2018.

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<sup>30</sup> Financial Regulation 5.1: A Special Account may be established by the Executive Director for purposes consistent with the policies, aims and activities of WFP. Special accounts manage special contributions or funds earmarked for programme, corporate or cost-recovery purposes, or to support long-term activities.

251. In the Management Plan (2015–2017) the Board approved expansion of the CBF, initially to USD 28 million and subsequently to USD 40 million from 2016 to provide USD 20 million in loans to finance improvements to field premises where WFP foresees that a long-term presence will improve returns on investments, provide better security and improve operational efficiency.
252. In 2016, 13 countries were invited to submit applications for CBF financing. Nine proposals were submitted totalling USD 22.4 million, and USD 8.5 million was allocated to:
- i) building a humanitarian logistics base in Djibouti to reduce logistics costs in Ethiopia, Somalia, South Sudan and Yemen; USD 3 million was allocated in 2015 and a further USD 2.4 million in 2016;
  - ii) constructing a new country office in Nepal, supplementing other funding streams that provide the main financing;
  - iii) energy-efficiency projects for 12 WFP premises in Chad, Ethiopia, Liberia, the Sudan and South Sudan: USD 2.3 million was approved for these projects, which are in progress;
  - iv) a new country office in Mali, for which USD 1.5 million was approved; and
  - v) a new country office building in South Sudan to replace prefabricated units in the existing compound in Juba, for which USD 1.5 million was allocated.
253. A CBF cash-flow projection based on forecast expenditure and loan repayments shows that the available financing should be increasing by the end of 2016 to provide resources for the next round of allocations in mid-2017.

***Fee-for-service activities: ceiling USD 20 million***

254. The fee-for-service mechanism can advance up to USD 20 million for information technology (IT), security and evaluations of single operations. The advances will not exceed the ceiling, but the volume of business transacted each year exceeds USD 20 million because advances and recoveries are made throughout the year.
255. A per-capita IT cost-recovery scheme was introduced in 2013. Capital costs are not covered; recurring costs must meet the following criteria: i) the IT service must be delivered to WFP as a whole; and ii) the service must use central contracts and payments must be applicable to all participants.
256. The Security Emergency Fund covers the costs of security and safety equipment and training when project DSC is insufficient; this enables country offices to meet MOSS requirements. WFP also participates in the United Nations Security Management System (UNSMS) and shares the costs of United Nations Department for Safety and Security (UNDSS) services. Field-related costs are distributed by UNDSS among participating agencies under an agreed formula and recovered directly from projects and from standard staff costs.
257. The Office of Evaluation receives a small advance to support its evaluations of individual operations. Costs are recovered from the projects concerned.
258. Cost recovery for these fee-for-service activities has been managed centrally: Headquarters units and country offices are requested to pay their share of the various costs, and each must identify funding to repay the advances. This approach will be unchanged for global Headquarters units in 2017, but country offices will no longer need to earmark direct support funding. Instead, country office costs for the services will be paid out of the PSA budget<sup>31</sup>; DSC funding requirements will be reduced by a corresponding amount.

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<sup>31</sup> See Section IV: Programme Support and Administrative Budget, paragraphs 12-18



259. Table V.1 shows the estimated level of activity in corporate services special accounts for 2017.

<b>Table V.1: Corporate services special accounts in 2017 (USD million)</b>					
	<b>Advance financing ceiling</b>		<b>Estimated expenditures</b>		<b>%</b>
<b>GVLP</b>	-	<b>22</b>	-	<b>14.0</b>	<b>22</b>
<b>CBF</b>	-	-	-	-	
LESS	20	-	3.5	-	-
Improved premises	20	-	6.5	-	-
<b>Total CBF</b>		<b>40</b>		<b>10.0</b>	<b>16</b>
<b>Fee-for-service activities</b>					
IT services	-	-	20	-	-
Security	-	-	19	-	-
Evaluation	-	-	-	-	
<b>Total Fee-for-Service</b>		<b>20</b>		<b>39.0</b>	<b>62</b>
<b>Total</b>		<b>82</b>		<b>63.0</b>	<b>100</b>

### **Wellness Programme Fund**

260. In May 2015, the Executive Board approved the creation of a Wellness Programme Fund for improving employee wellness at duty stations with limited funding from country operations. The Fund was established through the transfer of USD 10 million from the PSA Equalisation Account.

261. Proposals for funding are prioritized on the basis of how they address the five pillars of the WFP 2015–2019 Wellness Strategy: 1) Medical and Mental Health; 2) Psychosocial health; 3) Work/living conditions; 4) Safety; and 5) Workforce Stewardship. Additionally, in order to make the SAWP sustainable, programmes prioritized are those that include a cost recovery mechanism.

262. Since its inception, the Fund has approved 11 requests for funding including:

- upgrades of accommodations in Chad, Ethiopia, Somalia, and South Sudan, acting as pilots for new standards of living conditions in field accommodation and related improvement mechanisms and maintenance plans which would become WFP best practice for other countries;
- partial funding for Staff Counsellors in RBJ and RBP, to facilitate access to internal psycho-social support for WFP staff;
- financial support for RBP Zika virus prevention programmes, to cover the costs of fumigation of staff houses in Panama region and the purchase of insect repellent for Bureau staff which meets WHO standards;
- funding for the Ethiopia Somali Region Roving Medical Teams to provide primary healthcare in the field, and for the South Sudan Employee Vaccination Campaign to vaccinate all employees in WFP South Sudan offices with the recommended by WHO.

263. Of the USD 10 million dollars originally allocated, USD 7.3 million have been committed to Staff Wellness initiatives.

## **Business Services**

264. Other special accounts provide business services within WFP and for partners on a full cost recovery basis. The estimated volume of transactions is USD 389 million, of which 65 percent is accounted for through the Aviation Special Account, with other activities including the United Nations Humanitarian Response Depot (UNHRD), self-insurance, gender mainstreaming and CBT services for partners.
265. WFP Aviation Service has both internal and external customers. WFP does not own any aircraft but contracts them as required – up to 70 on any given day. Its staff manage the United Nations Humanitarian Air Service (UNHAS), which transports humanitarian workers and light cargo to locations that are inaccessible by other means and often insecure. The Aviation Service also provides freight services for relief operations and other humanitarian organizations and passenger services not covered by UNHAS; in extreme situations airdrops of life-saving food can be arranged.
266. The Aviation Special Account manages the income from these services and enables the Aviation Service to respond promptly to emergencies. Apart from the supply of fixed-wing and rotary-wing aircraft, the account is used to promote an aviation safety culture and perform quality assurance reviews to ensure compliance with safety standards.
267. The Special Account for Cash Based Transfers enables WFP to extend the use of the CBT delivery platform for the benefit of humanitarian partners (governments, NGOs, other United Nations agencies), while ensuring that WFP effectively manages and reports back to the partners on the utilization of their funds. The services provided under the special account consist of:
- i) Core services – services that are directly related to the use of the CBT delivery platforms, including assistance in performing beneficiary registration and distribution cycles, managing the CBT transfer fund for beneficiaries, and reconciliation and payment of service providers; and
  - ii) Additional services – services include monitoring and evaluation, assessment and selection of retailers, and customised reporting.
268. The Special Account for Cash Based Transfers promotes cooperation among humanitarian partners, and contributes to the wider UN effort of “Delivering as One” and the Sustainable Development Goal 17. It is also expected to achieve cost efficiency gains across the humanitarian sector through lower administrative and service provider costs.
269. The UNHRD procures, stores and transports relief items and ready-to-eat foods for emergency preparedness and response operations, providing standard and specific services for 75 United Nations agencies, governmental organizations and NGOs. It is funded by donor contributions and cost recovery for services.
270. The Self-Insurance Special Account established in 1993 enables WFP to purchase insurance for food and goods in transit. WFP is able to negotiate premiums significantly below market levels and to minimize negative economic effects on projects resulting from food losses.
271. In 2017 the Gender Special Account will focus on accelerating gender mainstreaming by supporting the implementation of the Gender Action Plan through capacity development, pilots and research initiatives and the implementation of UN SWAP. Increased support will be provided for implementing regional gender strategies and country-level action plans and enhancing the Gender Results Network.

## **Outlook for Special Accounts, 2018**

272. Special accounts are expected to remain at the same level in 2018, though business volumes will change if unforeseen requirements emerge or demand decreases.

## Office of Evaluation's Work Plan 2017–2019

### Introduction

1. This annex sets out the Office of Evaluation's (OEV) proposed programme of work for 2017–2019. It is the first that has been fully planned in the framework of WFP's new evaluation function, framed by: the WFP Evaluation Policy (2016–2021),<sup>1</sup> Evaluation Charter<sup>2</sup> and Corporate Evaluation Strategy.<sup>3</sup> Together, these documents establish a new vision, strategic direction, normative and accountability framework, institutional arrangements and implementation plan for embedding evaluation in a phased approach across the organization through expansion of the centralized evaluation function and augmenting it with a demand-led decentralized evaluation.
2. This new evaluation function reflects WFP leadership's determination and ambition - expressed in international commitments and organizational strategy and reform processes - to meet global expectations for independent evaluation to support accountability for results, organizational learning and evidence based decision-making across the organization in the Agenda 2030 era; and take into account the commitments and outcomes of the 2016 World Humanitarian Summit.
3. This means that planning and resourcing for the evaluation function is also embedded across the organization. OEV's Work Plan is one part of a larger whole. But given OEV's responsibility for overseeing and reporting on progress on the entire evaluation function, this year's OEV Work Plan begins with the estimated corporate resources required for the evaluation function, set by the Evaluation Policy. OEV's Work Plan as a part of this follows.

### Evaluation Function Overall Requirements

4. The three-year frame of this work plan (2017–2019) advances the phased approach to resourcing and implementation, agreed by WFP Management and the Executive Board<sup>4</sup> and laid out in the Corporate Evaluation Strategy. Over time, some activities required to establish the augmented evaluation function will phase out, leaving room for others to start. In particular, human and financial resources needed in OEV to establish the decentralized evaluation function are expected to decrease from 2018, as the new Regional Evaluation Officers take up their role fully, thus enabling OEV to lead a more rapid increase in centralized evaluations as envisaged by the Policy's coverage norms, and aligned with evaluation requirements implied by corporate developments such as the Country Strategic Planning approach.
5. The 2017 deliverables and perspectives for 2018–2019 described below are based on the strategic priorities set by the Evaluation Policy, aligned with the direction of WFP's [draft] Strategic Plan 2017–2021 and the other elements of the Road Map to Zero Hunger.<sup>5</sup> The choices also embed the evolution in OEV's focus outward from the well-established centralized evaluation function to leading, guiding and overseeing the demand-led decentralized evaluation function.

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<sup>1</sup> WFP/EB.2/2015/4-A/Rev.1.

<sup>2</sup> Issued by the Executive Director, May 2016.

<sup>3</sup> Endorsed by the Executive Management Group, April 2016.

<sup>4</sup> Response to the Recommendations of the Summary Report of the Peer Review of the Evaluation Function at the World Food Programme, WFP/EB.2/2014/6-D/Rev.1.

<sup>5</sup> To be presented for approval at EB.2/2016.

<b>Table A.1: Estimated resourcing requirements for the overall evaluation function (as at July 2016)</b>					
<b>Main elements</b>	<b>Funding source</b>	<b>USD million</b>			
		<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<i>Outside OEV</i>					
Regional Evaluation Officers	PSA	-	*1.66	1.55	1.55
Contingency Evaluation Fund (CEF) <sup>6</sup>	Multilateral	-	1.50	1.50	1.50
Decentralized Evaluations (approximate) **	Project funds	-	4.50	5.40	5.40
<i>Outside OEV Sub-Total</i>					
OEV work plan	PSA	***9.0	8.60	9.85	11.00
	Multilateral (CEF)	-	0.50	0.50	0.50
<i>OEV - Sub-Total</i>					
<b>Grand Total</b>		<b>9.0</b>	<b>16.76</b>	<b>18.80</b>	<b>19.95</b>
as % of WFP contributions income (USD 5 billion)		0.18%	0.33%	0.38%	0.40%
as % of WFP contributions income (USD 4 billion)		0.23%	0.42%	0.47%	0.50%

\* Includes operating costs allocated for 2017, which should be carried forward also to 2018 and 2019.

\*\* Based on provisional information from Regional Bureaux and associated projections.

\*\*\* For 2016 only, includes some project funds for the Operation Evaluations series (not available in 2017).

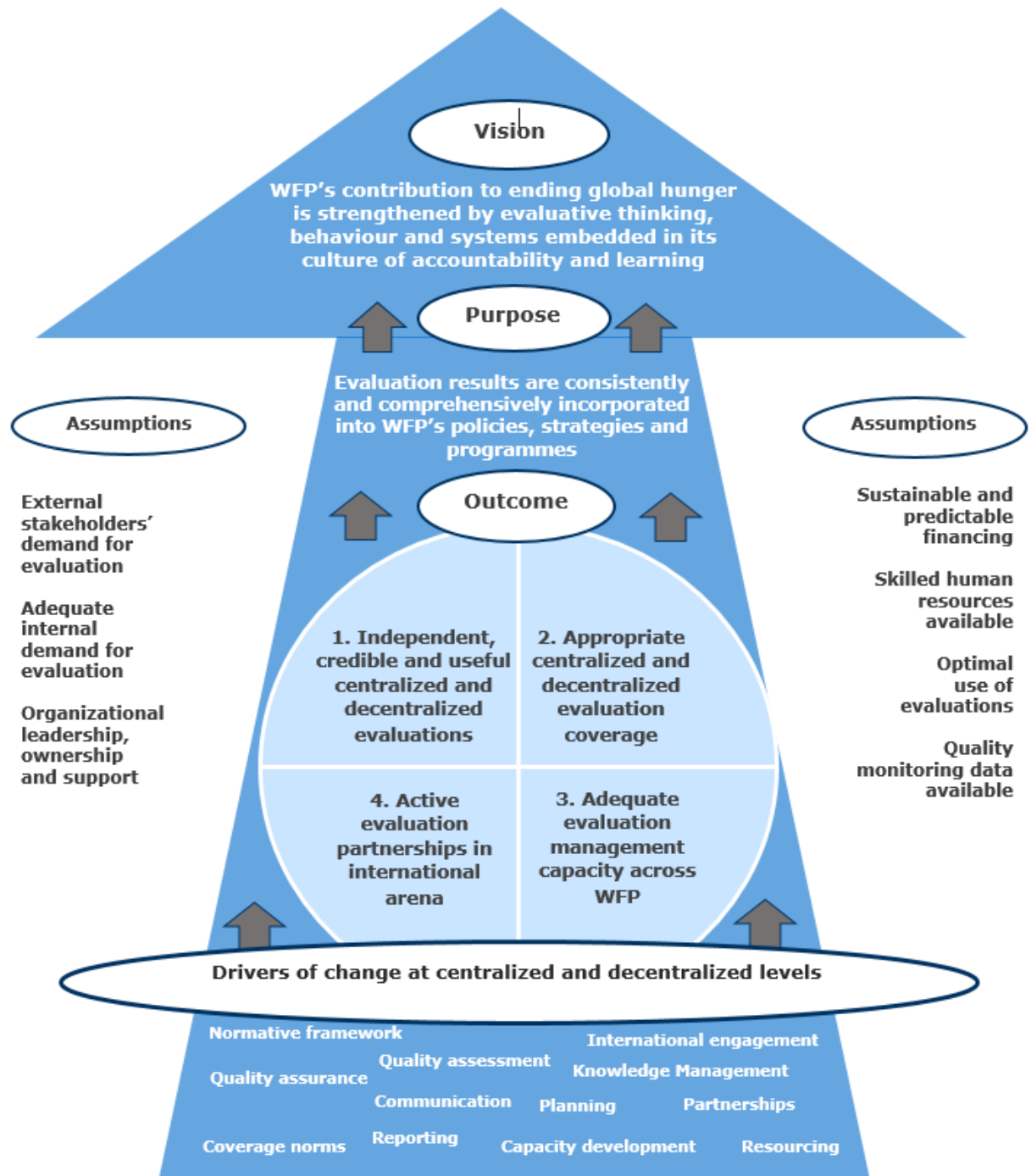
#### **OEV'S Work Plan 2017–2019: Summary**

6. For the first time, OEV's detailed activity plans are defined in line with the purpose and four intended outcomes of the Evaluation Policy, illustrated in Figure 1 below.
7. The OEV outlook for 2018–2019 is provisional and may need adjustment in future OEV Work Plans to take account of the final WFP Strategic Plan and related elements, the new United Nations Quadrennial Comprehensive Policy Review and the availability of resources for evaluation.

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<sup>6</sup> The Contingency Evaluation Fund is intended to fund: 1) contingency support to Country Offices, which have planned and budgeted for an evaluation, but are facing genuine resource constraints (USD 1.5 Million replenishable); and 2) part of OEV's managed services to support decentralized evaluations (e.g. capacity development and quality support) (USD 500,000 annual)

Figure A.1: Theory of Change, WFP Evaluation Policy (2016–2021)



8. In summary, in 2017, OEV will:
- A. Generate independent evidence for accountability and learning through a balanced programme of complex **centralized evaluations**, selected in line with the Policy's phased approach to application of coverage norms; priority evidence and learning needs and absorptive capacity; and resource availability. The temporary central evaluation series of single operation evaluations<sup>7</sup> will be finalized and closed.

<sup>7</sup> Last evaluations commissioned in 2016 and paid from 2016 budget.

- B. Roll out the new **decentralized evaluation** guidance and quality support system, adjusted in line with a review of the pilot decentralized evaluations that tested these tools in 2016. In collaboration with Regional Directors and Human Resources Division, on-board and coach Regional Evaluation Advisers, and roll out a multi-year evaluation capacity development programme across WFP.
- C. Apply and embed the institutional arrangements and systems for the **overall evaluation function** set by the Evaluation Charter and continue follow-through of the phased approach to implementation of the Evaluation Policy.
- D. Promote and facilitate the embedding of use of evaluation evidence in WFP’s **learning and accountability culture** by supporting greater access and **use of evaluation** in policy and programme design and approval.
- E. Engage centrally in strategically relevant **evaluation partnerships and networks** in the international arena at global level and especially on evaluation of humanitarian action; and advise on regional and national evaluation partnerships and networks.
- F. Complete and apply the **information and reporting systems** to enable oversight of the entire evaluation function, centralized and decentralized.<sup>8</sup>

### Resources for OEV’s Work Plan 2017

- 9. The total resources required by OEV for 2017 to ensure balanced progress on each of the four inter-dependent outcomes of WFP’s Evaluation Policy, phased in line with the Corporate Evaluation Strategy, was costed at **USD9.1 million** (See Table A.1 above). The total resources available to OEV from all sources for the 2017 work plan are USD 7.4 million (see Table A.2).

<b>Table A.2: Resources available to OEV for 2017 work plan</b>			
<b>Main elements</b>	<b>Funding source</b>	<b>2017 USD million</b>	<b>Comparison 2016 USD million</b>
OEV core work plan	PSA Base	6.1*	6.1
OEV core work plan	PSA IC	0.8	-
Contingency Evaluation Fund	Multilateral	0.5	-
<i>Single Operations Evaluations</i>	<i>Project Sources</i>	<i>n/a</i>	<i>2.84</i>
<b>Total</b>		<b>7.4</b>	<b>8.94</b>

\* Reduced from USD 6.2 million in compulsory corporate reduction.

- 10. **PSA:** Within OEV’s **PSA** budget of USD6.9 million, the total established staff budget is USD 2.53 million (compared to USD2.4 million in 2016 and USD2.5 million in 2015). The non-staff budget is therefore USD 4.37 million. This compares to USD 3.7 million in 2016 and USD 3.6 million in 2015.
- 11. The reduction in OEV’s **total** resource availability (PSA and other sources) compared to 2016 is due to the ending of the temporary series of single Operations Evaluations. Funded mainly from project sources, this series accounted for USD2.84 million (2016) of OEV’s budget. From the start of 2017, evaluation of operations will be covered through the decentralized evaluation function (with the exception of L3 Emergency Responses, see below). OEV’s role in this regard shifts from “implementer” to “enabler” and safeguarding the normative framework.

<sup>8</sup> Subject to no significant delays in implementation of the FFR.

12. In view of the gap between the “needs-based budget” of USD 9.1 million and the available resources of USD7.4 million, this work plan prioritizes the activities that are strategic foundation stones for sustainably achieving the Evaluation Policy goals in future. Fundamental recurring costs for OEV to deliver the minimum required activities in its new role under the augmented evaluation function are built into this work plan. This includes securing the minimum staff capacity - with the requisite technical evaluation skills and institutional awareness of WFP and its context - essential to deliver this ambitious programme.
13. Additional one-off PSA costs (such as the cost of hiring consultant evaluators to conduct individual complex centralized evaluations), totalling USD 1.7 million, will be requested in a supplementary request under WFP’s Critical Corporate Initiative call (indicated in Table 3 below). If this funding is not available in 2017, progress towards meeting the evaluation coverage norms for centralized evaluation will be slower than planned and will require a boost in investment in Years 3 to 5 of the life of the Evaluation Policy. The main factors driving this requirement remain:
  - the backlog of evaluations due under the agreed cycle of evaluation of WFP policies;
  - the need to gradually increase coverage of country portfolio evaluations to meet WFP’s coverage norms.
14. The work plan outlook for 2018 and 2019 assumes this larger step forward will be taken towards the Evaluation Policy target of 0.8 percent of WFP contributions income being dedicated to evaluation – both centralized and decentralized<sup>9</sup> – by the end of the life of the Evaluation Policy (2021) from all sources in line with the Corporate Evaluation Strategy’s agreed resourcing arrangements.<sup>10</sup>
15. For its part, OEV seeks maximum efficiency gains in evaluation management and value-added from partnership arrangements, while maintaining quality. Efficiencies and economies have been achieved by:
  - i) conducting evaluations jointly or in partnership wherever possible, so that costs are shared (examples below). This strategy offers a double-win, as joint evaluations are increasingly important to measuring progress towards the SDG goals from combined efforts under Agenda 2030 as well as a now-established practice for inter-agency evaluations of system-wide Level 3 responses;
  - ii) out-sourcing activities, where this creates cost savings, while maintaining quality standards (e.g. quality support mechanism for decentralized evaluations);
  - iii) use of Long-Term Agreements with a wide range of evaluation service providers<sup>11</sup>;
  - iv) creating synergies between evaluations by conducting them in series and producing syntheses to enhance their contribution to knowledge.
16. Table 3 provides an overview of OEV’s Plan for centralized evaluations in 2017 and provisional outlook for 2018 and 2019. Twenty core centralized evaluations will be underway in 2017, including 10 continued from 2016<sup>12</sup> and 10 new starts.<sup>13</sup> In addition 5 Operation Evaluations started in 2016 will complete and round off that series. The rationale and details of these deliverables are in Section A below.

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<sup>9</sup> Recognizing that decentralized evaluations will be funded under budgets of other units, not OEV.

<sup>10</sup> Under the Country Strategic Plan Policy and Financial Framework Review, in the medium term, all country portfolio evaluations should be resourced from country budgets (“implementation funds”), though managed by OEV.

<sup>11</sup> LTA’s provide multiple advantages, including administrative efficiency gains.

<sup>12</sup> Including the series of 4 Impact Evaluations of Moderate and Acute Malnutrition under a 2-year evaluation partnership, concluding in 2017.

<sup>13</sup> In 2016, 4 completions were planned, 7 new starts and continuation of the 4 MAM impact evaluations. Five new starts of Operations Evaluations were also planned.

## 2017 OEV Deliverables and 2018–2019 Outlook

### A. *Centralized Evaluations (Policy Outcome 2)*

17. OEV's centrally-managed evaluations inform all stakeholders of the relevance, effectiveness, impact and sustainability of WFP's policies, strategies, operations and activities, and the efficiency of their implementation. There are two strands, namely: (i) evaluations of policies, global strategies and programmes, humanitarian emergency (Level 3) responses, country portfolios, and the impact of WFP activities; and (ii) the temporary single operations evaluations series using an out-sourced management model.
18. The programme of evaluations for 2017–2019 has been selected and prioritized to maximise relevance to WFP's dynamic policy and programming context and thus optimize OEV's role in supporting WFP's accountability and learning to strengthen WFP's contribution to ending global hunger. It is designed to generate timely and pertinent evidence for decision making, as outlined below.
19. The norm for **evaluation of WFP's policies** is set by the WFP Policy Formulation document agreed by the Board in 2011.<sup>14</sup> Application of this approach for all policies approved **after 2011** requires evaluation four to six years after start of implementation to contribute evaluation evidence and learning into WFP's policy cycle. Consistent with this and resource availability, in 2017 evaluations of the **WFP Corporate Partnership Strategy (2014–2017)**<sup>15</sup> will be completed and the evaluation of WFP's **Capacity Development Policy** (2009), completed in late 2016, will be presented to EB.1/2017.
20. Table 3's outlook for policy evaluations in 2018 indicates evaluations of the Update to WFP's Safety Nets Policy (2012), Revised School Feeding Policy (2013), Policy on Peace Building in Transition Settings (2013); and, in 2019, the HIV/AIDS Policy.<sup>16</sup>
21. For policies approved **more than six years ago**, evaluation either of the Policy itself, or of the theme addressed by the policy is considered, based on the criterion of continuing relevance to WFP's work, or potential to contribute to new policy development. In 2017, OEV will continue a due evaluation of the **Humanitarian Protection Policy (2012)**, coupled with an evaluation of **WFP's Role in Humanitarian Action**, which covers three such older policies: Humanitarian Principles (2004), Humanitarian Access and its Implications for WFP (2006); and WFP's role in the humanitarian assistance system (2010). These two are being designed in synergy in 2016, taking into account the outcomes of World Humanitarian Summit (May 2016) and WFP's latest position on the issues.
22. **Strategic evaluations** are forward-looking and focus on strategies, systemic or emerging corporate issues and/or programmes and initiatives with global or regional coverage. OEV's previous plans have been updated. The selected topics, take account of the advice of the Evaluability Assessment<sup>17</sup> of WFP's Strategic Plan (completed early in 2016), issues emerging from the subsequent discussions on WFP's Strategic Plan 2017–2021 and WFP's six focus areas for continued organizational strengthening.<sup>18</sup>
23. Under an overall theme of "*Supporting Agenda 2030: innovations in the humanitarian and development assistance nexus*", a multi-year series of evaluations will begin in 2017. The series will assess key aspects of the organizational changes undertaken in association with WFP's Strategic Plan 2014–2017 to increase WFP's efficiency and effectiveness and respond to the rapid

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<sup>14</sup> WFP/EB.A/2011/5-B.

<sup>15</sup> This document is part of WFP's Policy Compendium.

<sup>16</sup> This was postponed from earlier plans for 2017, following the 2016 Policy Update.

<sup>17</sup> Evaluability assessments assess the extent to which reliable and credible evaluation is possible, considering: clarity and rationality of design (objectives, targets and indicators); demand from stakeholders; adequacy of indicators and relevant data, and provides advice on how limitations can be overcome/reduced.

<sup>18</sup> Described in 'Strategic Utilization of WFP's PSA Equalization Account', WFP/EB.A/2015/6-D/1, and WFP's Management Plan 2016–2018, Critical Corporate Initiatives.



changes in WFP’s internal and external context. The first in the series will be a Strategic Evaluation on **Managing Organizational Change**. This will be a follow-up to the 2011 evaluation of ‘How Country Offices adapt to change’ and will assess the impact of the recent phase of change on organizational effectiveness. Also beginning in 2017, an evaluation of **WFP’s Innovations in Constrained Environments** will explore WFP’s experience to date with innovative approaches in difficult to access areas, such as Syria, Somalia, and countries affected by the Ebola virus. Taking account of WHS commitments to harnessing the potential of new technology, the evaluation will assess the results and performance of technological and institutional innovations such as remote and mobile vulnerability assessment, third party monitoring, feedback mechanisms, new partnerships and platforms for CBT.

24. Responding to the compelling confluence of global discourse, need and opportunities for knowledge/evidence generation, OEV has re-activated earlier plans for a strategic evaluation of **Resilience** in 2017, rather than wait until a Policy Evaluation of the 2015 Policy on Building Resilience for Food Security and Nutrition becomes due in 2019. The key influencing factors are:
  - the WHS agenda for change, emphasising ending needs instead of meeting needs with its implications for preparedness, prevention and resilience-building;
  - current debates and concern on the volume of protracted crises, where humanitarian and development needs inter-act; and
  - the volume of WFP initiatives, with potentially rich sources of learning, inter alia: the Africa Risk initiative (Ethiopia); ‘seeds for change’ in West Africa; the roll out of regional resilience strategies (in the Sahel and in Latin America); and Purchase by Africans for Africans (PAA).
25. In 2018 and 2019, further strategic evaluations in the series are foreseen - of the Country Strategic Plan pilots, WFP’s use of Trust Funds and WFP performance management in the SDG era.
26. The Evaluation Policy entails an evolution in types of evaluation at country level. Complementing decentralized evaluation coverage of individual operations or parts thereof, centralized **Country Portfolio Evaluations** will continue as an accountability instrument and a learning tool, providing evidence of strategic positioning performance and results of all WFP operations and activities over a 3–5 year period. A “pipeline” of systematically selected eligible countries<sup>19</sup> has been developed and prioritised. The final criterion determining evaluation planning is “timeliness” to contribute evidence into preparation of a Country Strategic Plan and United Nations Development Assistance Framework or United Nations Sustainable Development Framework (UNSDF). With dialogue on introduction of Country Strategic Plans still ongoing, OEV’s CPE planning is flexible, and countries named in Table 3 are indicative.
27. Under the Evaluation Policy 2016–2021, WFP aims to increase coverage progressively to 8 or 9 CPE’s annually. With resource constraints in 2017, priority is given to starting two CPE’s (countries to be confirmed) and to completing a CPE in the Republic of South Sudan, begun in 2016. The CPE of Sri Lanka, completed in late 2016, will be presented to EB.1/2017. For the first time, a joint CPE with Offices of Evaluation of the Rome-based Agencies will also begin, aiming to assess collective contributions to national food security needs and goals.
28. Evaluations of **Humanitarian Emergency Level 3 Response** will continue with the two-pronged approach: all Level 3 responses will be evaluated either by an IAHE, embedded in the IASC Humanitarian Programme Cycle requirements, or by OEV in a separate evaluation of WFP’s response. Since Level 3 emergencies are by definition unpredictable, plans have been made to accommodate one of each type of evaluation in 2017. Decisions on which are made on a case by case basis. Emergency responses below Level 3 will also be considered, where resources permit and where complementary with planned DE’s.

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<sup>19</sup> Based on criteria such as portfolio size; programming profile; regional balance; and presence of recent or on-going evaluation coverage, especially by Operation Evaluations or inter-agency humanitarian evaluation (IAHE).

29. The multi-country series of **impact evaluations** of moderate acute malnutrition, initiated in 2015, will complete in 2017, culminating with a synthesis report. Building on its previous experience with three series of impact evaluations,<sup>20</sup> OEV is working in a strategic global partnership with the International Initiative for Impact Evaluation (3ie) for this series.<sup>21</sup> This enables increased coverage by partnering with additional specialized expertise for management of credible, quality impact evaluations, meeting the particular methodological challenges of humanitarian contexts and of this topic in particular. It also offers enhanced learning opportunities.
30. Finally, as mentioned above, the last in the temporary **series of single operations evaluations**, managed by OEV since 2013, will complete and the series be wound up with a final synthesis report. In 2017, 5 operations evaluations, begun and financed in 2016, will be completed. From 2017, the majority of operational evaluations are expected to be covered by the decentralized evaluation function. OEV will support regional bureaux in the application of the coverage norms laid out in the Evaluation Policy to inform decentralized evaluation planning, taking into account country-level coverage by CPE's and evaluations of Level 3 emergency responses.

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<sup>20</sup> On school feeding, food assistance in protracted refugee situations and food for assets.

<sup>21</sup> Part of a wider multi-institutional humanitarian impact evaluation series.

**Table A.3: Centralized evaluation plan 2017 and outlook 2018 and 2019**

Type	2017	2018	2019
<b>Policy</b>	<p><i>Continued from 2016:</i></p> <ul style="list-style-type: none"> <li>Capacity Development (1/17)</li> <li>Corporate Partnerships Strategy (A/17)</li> <li>WFP's Role in Humanitarian Action (2/17)</li> <li>Protection (2/17)</li> </ul> <p><i>New starts:</i></p> <p>None</p>	<p><i>Continued from 2017:</i></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Safety Nets Update</li> <li>Revised School Feeding</li> <li>Peace Building in Transition Settings</li> </ul>	<p><i>Continued from 2018:</i></p> <ul style="list-style-type: none"> <li>Safety Nets Update</li> <li>Revised School Feeding</li> <li>Peace Building in Transition Settings</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>HIV/AIDS</li> <li>3 others (tbd)</li> </ul>
<b>Strategic</b>	<p><i>Continued from 2016:</i></p> <p>None</p> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Managing Organizational Change</li> <li>Innovations in Constrained Environments</li> <li>Resilience</li> </ul>	<p><i>Continued from 2017:</i></p> <ul style="list-style-type: none"> <li>Managing Organizational Change</li> <li>Resilience</li> <li>Innovations in Constrained Environments</li> </ul> <p><i>New starts:*</i></p> <ul style="list-style-type: none"> <li>Country Strategic Plan Pilots</li> <li>WFP's Use of Trust Funds</li> </ul>	<p><i>Continued from 2018:</i></p> <ul style="list-style-type: none"> <li>Country Strategic Plan Pilots</li> <li>WFP's Use of Trust Funds</li> </ul> <p><i>New Starts:</i></p> <ul style="list-style-type: none"> <li>WFP Performance Management in the SDG era</li> </ul>
<b>Country portfolio</b>	<p><i>Continued from 2016:</i></p> <ul style="list-style-type: none"> <li>Sri Lanka (1/17)</li> <li>S.Sudan (2/17)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Joint RBA (country tbd)</li> <li>Country 2 (tbc)</li> <li>Country 3 (tbc)</li> <li>Country 4 (CCI)</li> <li>Country 5 (CCI)</li> </ul>	<p><i>Continued from 2017</i></p> <p>tbd</p> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Country 1</li> <li>Country 2</li> <li>Country 3</li> <li>Country 4</li> <li>Country 5</li> <li>Country 6</li> <li>Country 7</li> </ul>	<p><i>Continued from 2018</i></p> <p>tbd</p> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Country 1</li> <li>Country 2</li> <li>Country 3</li> <li>Country 4</li> <li>Country 5</li> <li>Country 6</li> <li>Country 7</li> <li>Country 8</li> <li>Country 9</li> </ul>
<b>Humanitarian Emergency L3 Response</b>	<p><i>Continued from 2016:</i></p> <ul style="list-style-type: none"> <li>WFP's Ebola Crisis Response: (1/17)</li> <li>IAHE Iraq</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>WFP Response (country tbd)</li> </ul>	<p><i>Continued from 2017:</i></p> <p>Tbd</p> <p><i>New starts:</i></p> <p>Tbd by context: assume 2 (IAHE x 1; WFP L3 x 1)</p>	<p><i>Continued from 2018:</i></p> <p>Tbd</p> <p><i>New starts:</i></p> <p>Tbd by context: assume 2 (IAHE x 1; WFP L3 x 1)</p>
<b>Impact evaluations</b>	<p><i>Continued from 2016:</i></p> <p>MAM: Chad, Mali, Niger, Sudan (2/17)</p>	<p><i>New starts:</i></p> <p>New IE series started</p>	<p><i>New starts:</i></p> <p>New IE series continues (tbd)</p>
<b>Single Operations (excluding L3)</b>	<p><i>Continued from 2016:</i></p> <p>Completion of series (5)</p>		
<b>Evaluation syntheses</b>	<ul style="list-style-type: none"> <li>Annual Evaluation Report – expanded 2016 (A/17)</li> <li>Single-operation evaluations 2016/17 (2/17)</li> <li>IE MAM series (2/17)</li> </ul>	<ul style="list-style-type: none"> <li>Annual Evaluation Report 2017 (A/18)</li> <li>To be decided</li> </ul>	<ul style="list-style-type: none"> <li>Annual Evaluation Report 2018 (A/19)</li> <li>Series relevant to WFP Strategic Plan</li> </ul>

\* If CCI funding is available, as mentioned in para.13, one of these Strategic Evaluations would be brought forward to begin in 2017

**B. Decentralized Evaluation Function (Outcomes 1–4)**

31. In line with the new Evaluation Policy and Corporate Evaluation Strategy, priorities for 2017 will be to:
- i) review and roll out the final guidance and decentralized evaluation quality assurance system for decentralised evaluation, based on the 2016 pilots;
  - ii) expand in parallel OEV's internal decentralized evaluation help-desk and external quality support system for advice on planning, selection, design and review of draft TOR, inception and evaluation reports;
  - iii) provide technical induction for 6 new Regional Evaluation Officers, along with continuous support, coaching and connection with OEV as their professional 'home base' and technical reporting line;
  - iv) test, adjust and manage a comprehensive learning journey on decentralised evaluation, and embed evaluation modules in other corporate learning initiatives;
  - v) establish and maintain an evaluation hot-line, as one of the safeguards of independence and impartiality of decentralized evaluations;
  - vi) in collaboration with RMB, provide Secretariat support to the newly established Contingency Evaluation Fund (described above);
  - vii) advise RMP and Regional Bureaux on establishment of the system for tracking and following up Management Responses to decentralized evaluations;
  - viii) develop guidance for and support colleagues when engaging in regional and national evaluation networks and associated initiatives; and
  - ix) conduct a "proof of concept" review of the Decentralized Evaluation system.

**C. Overall Evaluation Function (Outcomes 1–4)**

32. The Evaluation Charter details the institutional arrangements and systems required to embed evaluative thinking and behaviour across WFP. Although triggered by needs arising from the building of a credible, quality decentralized evaluation function, the institutional arrangements and several of the systems apply to centralized evaluation too. They offer enhancement of WFP's entire evaluation function in pursuit of the Evaluation Policy goals.
33. In 2017, OEV will:
- i) continue to pro-actively communicate with staff about the Evaluation Policy and Corporate Evaluation Strategy, including through consolidation of the recently formed WFP Evaluation Community of Practice;
  - ii) act as Secretariat to the newly established Evaluation Function Steering Group;
  - iii) begin application of a new Post-Hoc Quality Assessment system, conducted by external specialists. It will be applied to all evaluations, centralized and decentralized;
  - iv) support identification of sustainable financing mechanisms for decentralized and centralized evaluations, in line with the directions set by WFP's Strategic Plan and Road Map to Zero Hunger, notably the Financial Framework Review and (forthcoming) Country Strategic Plan Policy;
  - v) in collaboration with HR's e-recruitment initiative, maintain the database of evaluator expertise established in 2016, and augment the supply of evaluation expertise for DE and CE, through new Long-Term Agreements with an expanded and diversified group of evaluation service providers;
  - vi) update the centralized Evaluation Quality Assurance System (EQAS) in line with the Evaluation Policy and recent best practice; and
  - vii) develop a system to support complementarity of planning (a) of centralized and demand-led decentralized evaluations; and (b) of evaluation with other WFP oversight and learning instruments.

**D. Promoting Use of Evaluation Evidence & Communications**  
*(Policy Purpose and Cross-Cutting)*

34. WFP's evaluation policy reaffirms the importance of ensuring that evaluations are useful to decision-makers and stakeholders by stimulating learning from and use of evaluation to improve policies, strategies, programmes and operational decision-making considering the resource limitations and the need for phased development of the function towards the Policy's outcomes, in 2017, priorities will be:
- i) continue to support the systematic use of evaluation evidence for programme, policy, planning and implementation through consideration of evaluation evidence and recommendations in WFP's Strategic Programme Review Process;
  - ii) continue to conduct learning workshops during the evaluation process, as appropriate and where resources permit;
  - iii) finalise and fully populate WFP's upgraded Evaluation Intranet and Internet pages for more effective sharing of evaluation information and evidence, and to increase accessibility of evidence from all WFP evaluations (centralized and decentralized) to internal and external users;
  - iv) advise on updates/renewal of WFP's programme planning and monitoring templates to ensure appropriate embedding of evaluation;
  - v) broaden the range of communications tools to stimulate interest in and communication of evidence, testing them on centralized evaluations.
  - vi) continue to plan and conduct centralized evaluations for maximum relevance to WFP's decision-making and evidence needs.

**E. Engagement in the International Evaluation System (Outcome 4)**

35. OEV will continue its engagement in the international evaluation system, focusing on where it can add greatest value and of most relevance to WFP's work. Following the exceptional opportunities offered by the WHS, the 2015 SDGs and the International Year of Evaluation, in 2017 OEV will focus on following through on commitments made:
- i) Continue to participate in the Inter Agency Humanitarian Evaluation arrangement under the IASC Humanitarian Programme Cycle and ensure appropriate coverage under the post-WHS review.
  - ii) Actively participate in the United Nations Evaluation Group's (UNEG) work to ensure that evaluation informs United Nations system-wide initiatives and emerging demands, including through the Independent System-Wide Evaluation mechanism, and the United Nations System-Wide Action Plan on Gender Equality. OEV will co-convene with UNHCR UNEG's work on enhancing evaluation of Humanitarian Principles and other efforts to strengthen humanitarian evaluation in the United Nations system.
  - iii) Continue to enhance collaboration among Evaluation Offices of the Rome-based Agencies, building on the 2015 joint seminar on preparing to evaluate Sustainable Development Goal 2; conduct a joint Country Portfolio Evaluation and jointly advise on the decentralised evaluation of the Committee on Food Security; and, joint learning and capacity-building initiatives.
  - iv) Contribute to UNEG's work on strengthening decentralized evaluation, professionalization, knowledge management and use of evaluation, partnerships and national evaluation capacities.
  - v) Continue to contribute to and collaborate with other international professional networks.<sup>22</sup>

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<sup>22</sup> e.g. ALNAP - the Active Learning Network for Accountability and Performance in Humanitarian Action, on which OEV serves as a Steering Group Member; and professional evaluation associations, such as the American and European Evaluation Associations, and the International Development Evaluation Association (IDEAS).

- vi) Continue to represent WFP in the Steering Committee for the International Initiative for Impact Evaluation (3ie) thematic window on humanitarian evaluation and participate in an inter-agency learning event in early 2017.

**F. Evaluation Function Reporting (Cross-cutting all Outcomes)**

- 36. Taking into account relevant developments in the Corporate Results Framework and Financial Framework Review, OEV will complete establishment of the associated information and reporting systems for WFP's central and decentralized evaluation function in line with the Evaluation Policy.
- 37. Building on the core Key Performance Indicators developed in 2016 within the six groupings embedded in the Evaluation Policy, progressive extension of management information will be built through updated and extended **information and reporting systems**. The priority activities for 2017 will be:
  - i) collecting data on the core indicators, available from existing information and reporting systems, and reporting on these in a re-designed AER 2016 (EB.A/17);
  - ii) progressive introduction of additional KPIs to meet management information needs as WFP's systems are enhanced, as part of the Financial Framework Review; and
  - iii) complete drafting guidance for data collection on all KPIs;
- 38. Complete the construction of a purpose-built web-based platform and dashboard for decentralized and centralized evaluation with appropriate connectivity with other corporate platforms and systems.

## List of Acronyms Used in the Document

APR	Annual Performance Plan
ARC	African Risk Capacity
CBF	Capital Budgeting Facility
CBT	cash-based transfer
CCIs	Critical Corporate Initiatives
CEF	Contingency Evaluation Fund
CPB	Country Portfolio Budget
CRF	Corporate Results Framework
CSP	Country Strategic Plan
DRC	Democratic Republic of the Congo
EQAS	Evaluation Quality Assurance System
FEWS NET	Famine Early Warning System Network
FFR	Financial Framework Review
FoodSECuRE	Food Security Climate Resilience Facility
GEN	Gender
GHQ	global headquarters
GIS	geographic information system
GVLDP	Global Vehicle Leasing Programme
IDEAS	International Development Evaluation Association
IFPRI	International Food Policy Research Institute
IT	information technology
LESS	Logistics Execution Support System
mVAM	mobile vulnerability analysis and mapping
OCHA	Office for the Coordination of Humanitarian Affairs
OEV	Office of Evaluation
OPSCEN	WFP's Operations Centre
OSC	Supply Chain Division
P4P	Purchase for Progress
PG	Partnership, Governance and Advocacy Department
PPPoW	Provisional Prioritized Plan of Work
QCPR	Quadrennial Comprehensive Policy Review
REACH	Renewed Efforts Against Child Hunger and Undernutrition
RMF	Finance and Treasury Division
RMM	Management Services Division
RMP	Performance Management and Monitoring Division
RMW	Wellness Division
SDG	Sustainable Development Goal

SPA	Strategic Partnership Agreement
SPCs	staff position costs
SPIAC-B	Social Protection Interagency Coordination Board
SRAC	Strategic Resource Allocation Committee
UN SWAP	United Nations System-Wide Action Plan for Gender Equality and the Empowerment of Women
UNDSS	United Nations Department for Safety and Security
UNEG	United Nations Evaluation Group
UNHAS	United Nations Humanitarian Air Service
UNHRD	United Nations Humanitarian Response Depot
UNSMS	United Nations Security Management System
UNSDF	United Nations Sustainable Development Framework
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women