



Update on the Financial Framework Review

*Resource Management Seminar
17 January 2017*



**World Food
Programme**

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Integrated Road Map: Saving lives. Changing lives. Feeding dreams.

Purpose of today's discussion

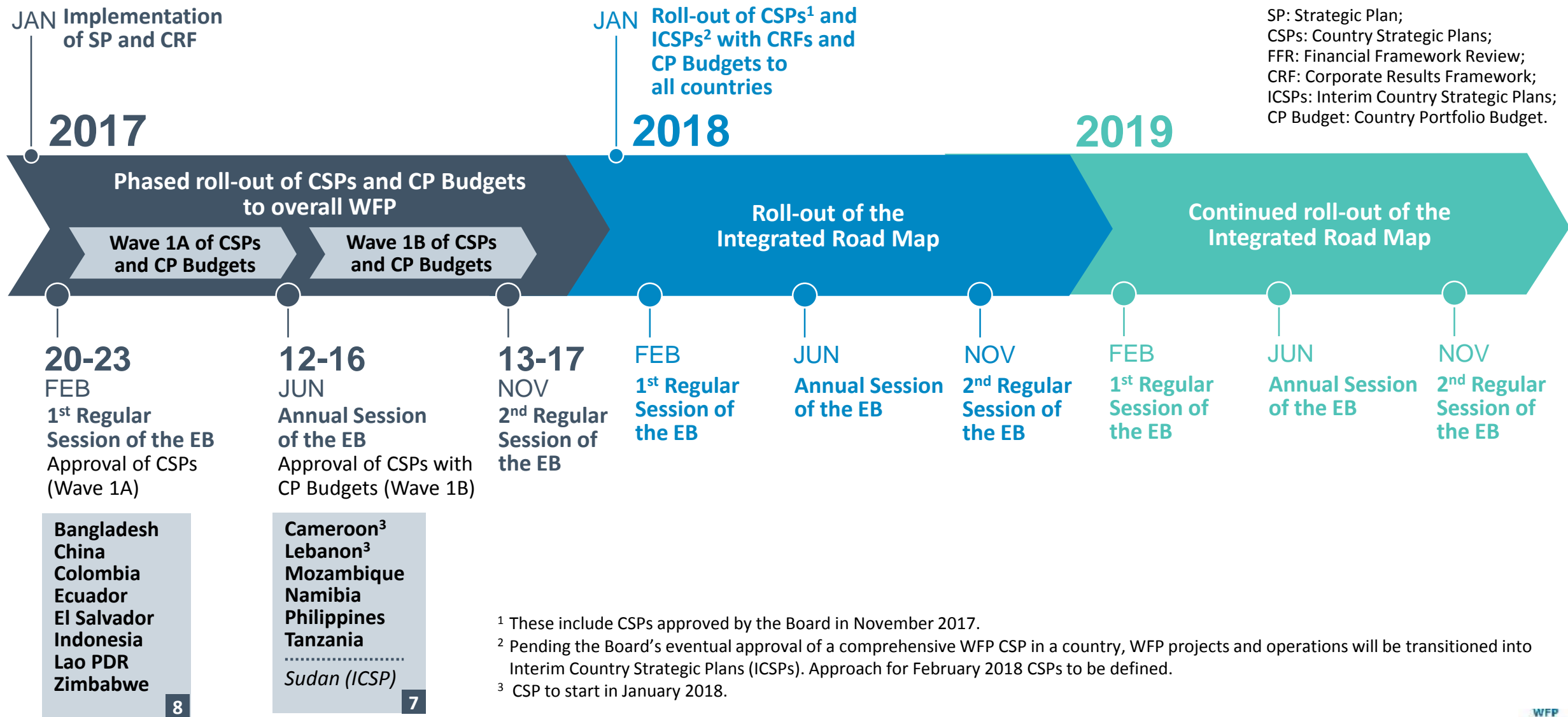
Following the approval of the Integrated Road Map (IRM) in November 2016, today's discussion will:

- Outline the implementation timeframe for the IRM for Wave 1A and Wave 1B countries in 2017;
- Provide an update on the key developments since November 2016; and
- Seek feedback on the proposed process to set the stage for more in-depth informal consultations, beginning on 30-31 January 2017.

Implementation timeline for the Integrated Road Map

- At the 2016 Second Regular Session of the Executive Board, **the Board approved the four components of the Integrated Road Map** – the Strategic Plan (2017-2021), the Policy on Country Strategic Plans, the Financial Framework Review and the Corporate Results Framework.
- Implementation of the Integrated Road Map is expected to be rolled out over the next two and a half years – through June 2019.
- The **Strategic Plan (2017-2021)** and the **Corporate Results Framework** are in effect as of 1 January 2017.
- Up to 14 country offices will present **Country Strategic Plans** with accompanying **pilot Country Portfolio Budgets** to the Board for approval at the 2017 First Regular Session and 2017 Annual Session. The Sudan Country Office will also present an **Interim Country Strategic Plan** for approval.

Implementation timeline for the Integrated Road Map 2017-2019



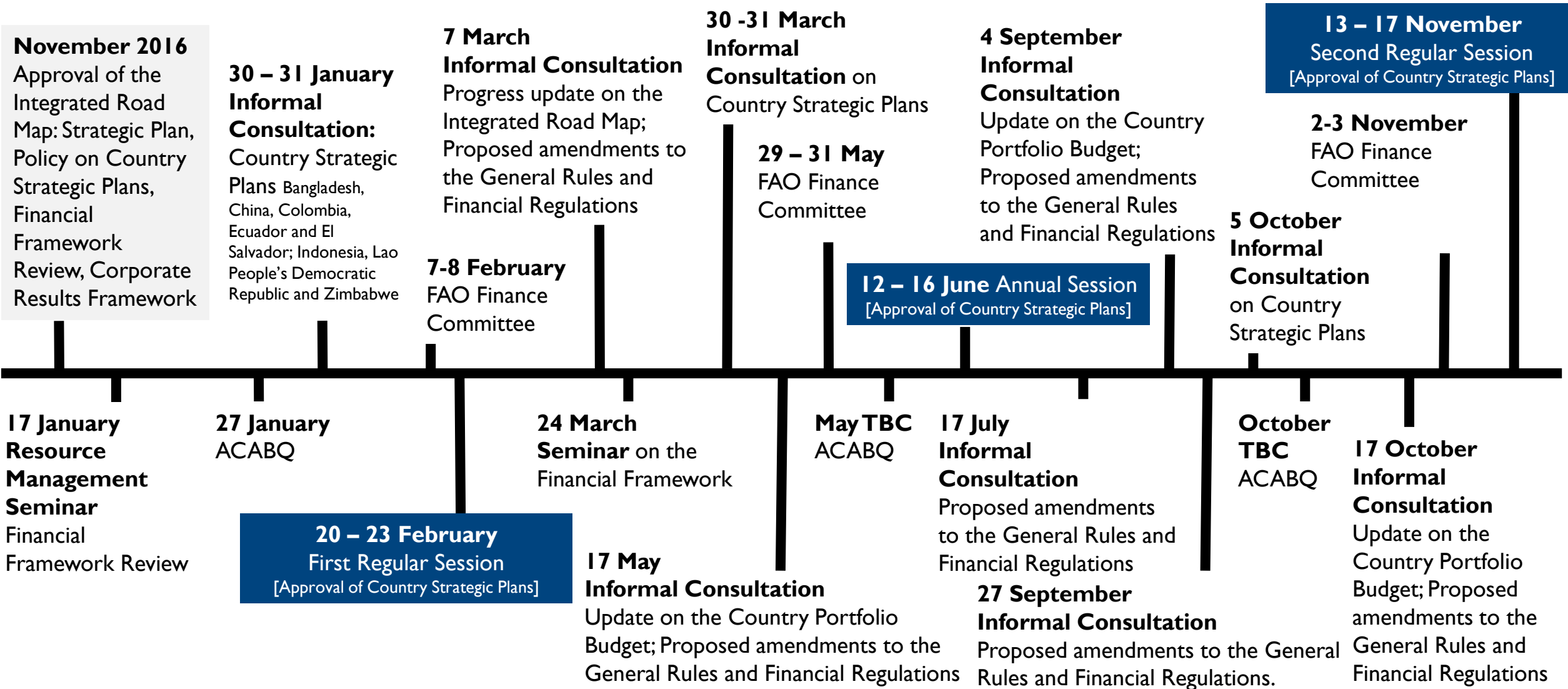
Key developments since November 2016

- **Regional Country Director meetings (November – December 2016)**
- **Global Management Meeting (December 2016)**
- **Integrated Road Map structure:** WFP has adopted a single, integrated project management office structure led by the Deputy Executive Director, serving as the IRM chair.
- **Testing of IT systems design solution** began in October 2016 and will continue to be tested in January and February 2017. The system will ‘go-live’ to support the pilot country offices from March 2017.
- **Regional IRM support missions (ongoing)**
- **Dedicated Wave 1A support missions**

Outstanding issues for discussion with the Executive Board through 2017

- Lessons learned from Wave 1A and Wave 1B pilots, including recommendations for any necessary refinements
- Changes envisaged in WFP's General Rules and Financial Regulations;
 - Proposals regarding budgetary thresholds for delegations of authority.
 - Terminology and definitions aligned to the new cost structure and thresholds;
 - Manner in which full cost recovery is achieved;
- Focus areas and alignment to donor funding lines;
- Annual planning process and the Country Operational Management Plan
- Transition arrangements for CSPs and ICSPs for 2017/2018
- Treatment of Trust Funds and Bilateral projects under Financial Regulation 5
- System readiness; organisational readiness
- Timeline and process for submission for Wave 1B countries and early authority for EB.1/2018 Country Strategic Plans

2017 Informal Consultations on the Integrated Road Map



2017 Incremental Budget for the Integrated Road Map

Prioritized implementation activities for the Integrated Road Map are estimated to total **USD 30.4 million**.¹

2017 INCREMENTAL BUDGET FOR THE INTEGRATED ROAD MAP (USD million)	
	Incremental requirements
Integrated Road Map Structure	1.48
Other Costs for CSP and FFR	9.04
Information Technology Costs	8.35
Field Support	8.98
Other HQ investments	2.56
TOTAL	30.4

¹ The total Integrated Road Map investment for 2017 is estimated to be USD 45.36 million. Management has identified USD 14.94 million in existing resources, which includes USD 14.74 million in reprioritized staff capacity, that will be dedicated to the Integrated Road Map implementation.

2017 Incremental Budget for the Integrated Road Map

Information Technology costs

The table below provides an indicative breakdown of the proposed **USD 8.35 million** investment for IT development costs for configuring WINGS - SAP system to adapt the new financial framework and related processes.

PROPOSED INVESTMENT FOR INFORMATION TECHNOLOGY SOLUTION FOR THE IMPLEMENTATION OF THE INTEGRATED ROAD MAP (USD million)	
WINGS	5.64
COMET	1.40
Budget Planning Tool	0.90
Portal Development	0.40
TOTAL	8.35

Reprioritisation of Existing Resources to support implementation of the Integrated Road Map

- Key principles:
 - The main principle of the prioritisation exercise is predicated on the new model of conducting WFP's day-to-day business with the Integrated Road Map at the core, necessitating its implementation by fully utilizing existing resources.
 - A key element of the prioritisation exercise was that it would not impact WFP's ability to serve those in need on a timely basis nor would it impact WFP's operational capacity to respond to emergencies. WFP's stewardship to manage donor partner resources would continue to be upheld and maintained.
- After the exercise, **USD 22.2 million** of internal funding (from existing allocated resources) was identified.

2017 Critical Corporate Initiative Investment for the IRM

To fully fund the Integrated Road Map as a critical corporate initiative in 2017, **USD 8.2 million** is required from the PSA Equalization Account.

PROPOSED 2017 CRITICAL CORPORATE INITIATIVE INVESTMENT FOR THE IRM <i>(USD million)</i>	
2017 Incremental Budget	30.4
Reprioritised Existing “Cash” Resources	(22.2)
TOTAL	8.2

This critical corporate initiative will be concentrated on the required investments in WFP’s IT systems solutions as outlined in paragraphs 21-28 of the Addendum to the Management Plan.

A photograph of children sitting at a table eating. In the background, a blue banner for the UN World Food Programme is visible. The banner features the UN logo and the text 'Naciones Unidas Programa Mundial de Alimentos' and 'La agencia de las Naciones Unidas que lucha contra el hambre en el mundo'. The word 'Discussion' is overlaid in large white text in the center of the image.

Discussion

