

Management Plan (2015—2017)

WFP/EB.2/2014/5-A/1

Executive Board
Second Regular Session
10-13 November 2014



World Food Programme

Agenda

- 1. Management Plan Highlights**
- 2. Draft decisions**

Management Plan Highlights

1.1 Continued improvements in Management Plan to implement performance-informed budgeting

New Section II: Funding Context and Resourcing Assumptions

New Section III: “Provisional Prioritized Plan of Work” aligned with estimated funding

Trust funds related to operational activities included in an “Implementation Plan” to give a complete global and regional picture of WFP’s operations

Section IV outlines a PSA budget based on value-for-money concepts and aligned with Management Result Dimensions

2 Raising the Immediate Response Account (IRA) target level to USD 200 million to increase flexible funding for life-saving activities

Under Financial Regulation 4.3, the Executive Board may establish an Immediate Response Account (IRA) target level for each financial period.

Recall

Life saving needs can arise suddenly and require immediate action

IRA is critical to providing food, non-food and logistics assistance in advance of directed donor contributions

The current IRA target of USD 70 million was set in October 2004

WFP's requirements have trebled, while its work has doubled, since 2004

The high number of Level 3 emergencies has reduced the available IRA balance and threatens WFP's ability to respond to future emergencies

Contributions to the IRA translate into non-time bound multilateral, funding for life-saving activities

**An increased target does not imply a commitment by Member States,
but will strengthen advocacy for IRA contributions**

3 New provisional prioritized plan of work aligns operational plans with projected funding

USD 7.45 billion in projected operational requirements for 2015 represents global aggregated needs based on approved projects and their logical extensions

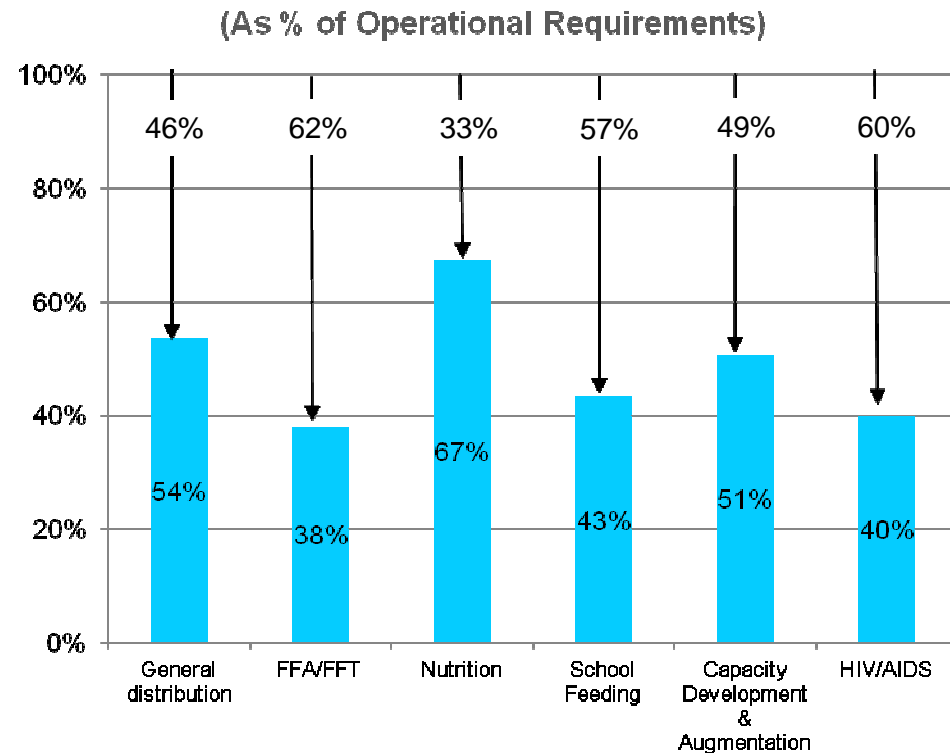
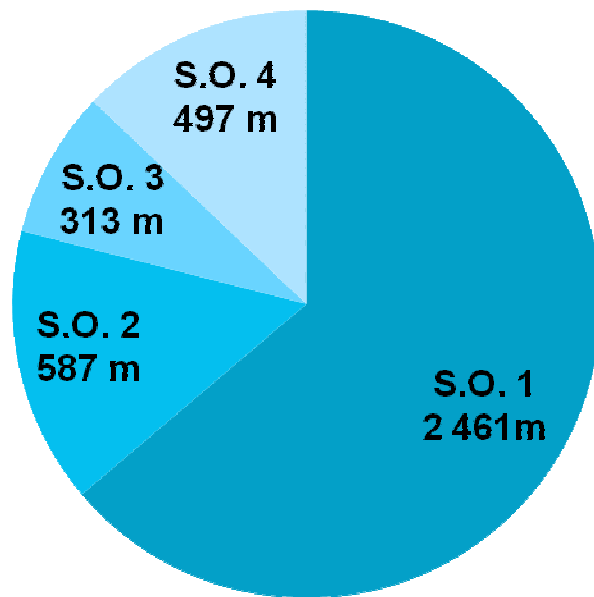
Forecasted contributions for 2015 is USD 4.4 billion (USD 3.9 billion net of ISC and exclusive trust funds), based on trends and donor discussion

Starting with USD 7.45 billion in operational requirements, prioritization exercise addresses funding limitations by eliminating activities, prioritising one activity over another, reducing the number or size of daily rations or decreasing the duration of assistance.

Prioritized Plan of Work is the outcome of the internal prioritization process to operate within our means

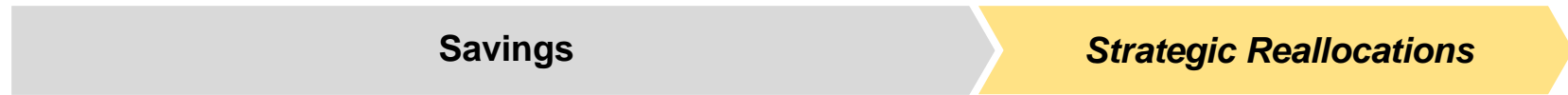
4 Managers largely preserve life-saving activities and nutrition interventions under the 015 prioritized plan of work

Prioritized Plan of Work by Strategic Objective and Activity



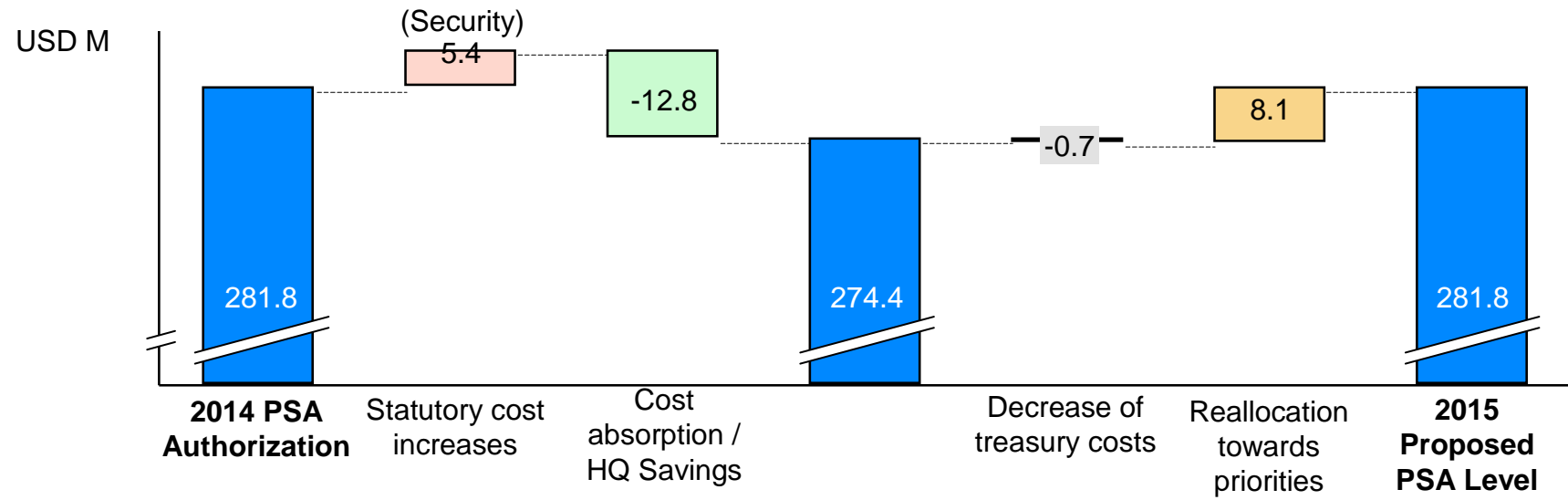
Shift to rations as a more accurate measure of the cost and reach of assistance

2015 Regular PSA budget includes strategic reallocations within ZNG level of USD 281.8 million and USD 9.2 million for Critical Corporate Investments



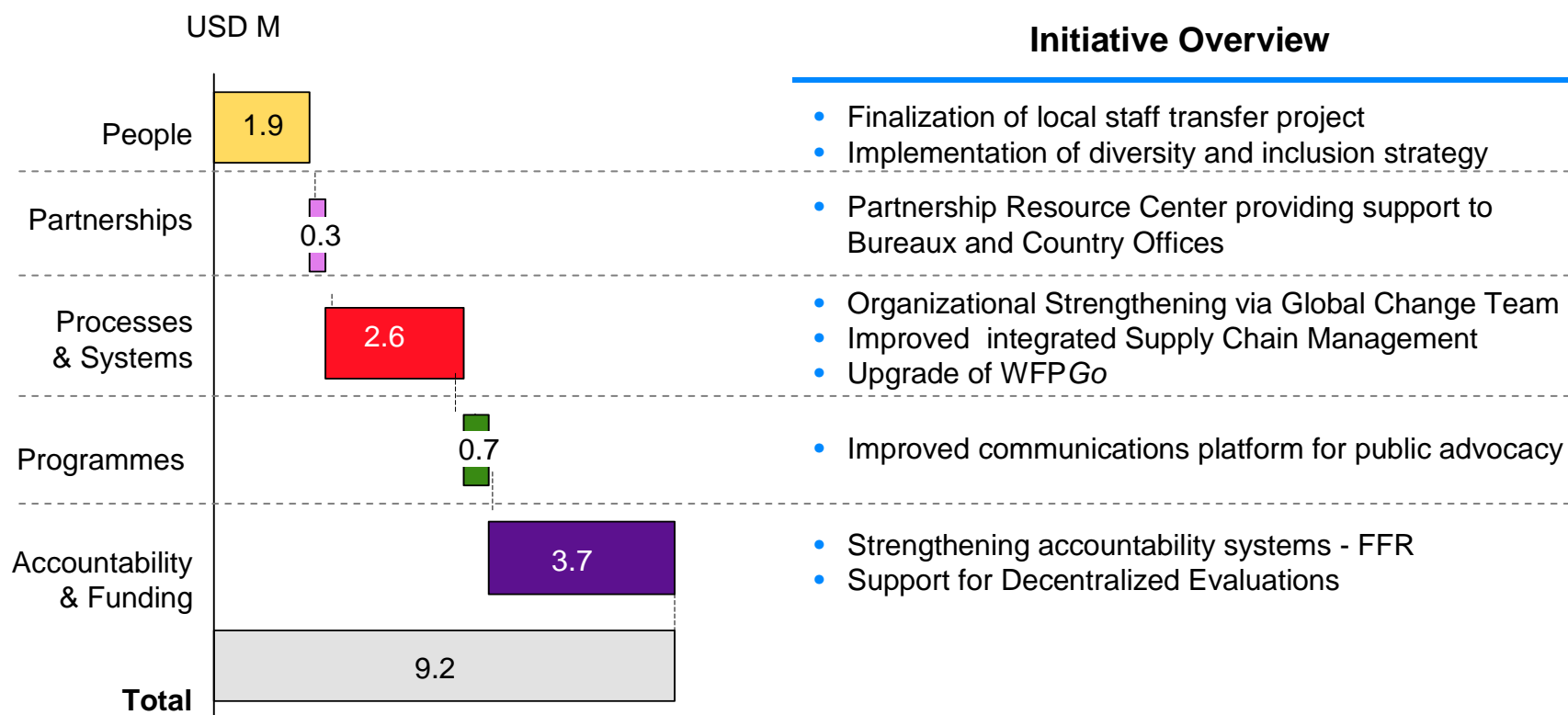
- “Forced Savings” help reshape the PSA budget
 - Identified through 5% budget cuts across HQ departments (exempted: Partnership and Governance Services, human resources policy, RBx and COs)
 - Decrease of treasury costs to be funded by General Fund (USD 0.7M)

- Prioritizes PSA funding for initiatives that deliver Value for Money
 - Assessment made through investment cases



6 USD 9.2 M in Critical Corporate Initiatives will enable WFP to drive its Fit for Purpose Journey

Critical Corporate Initiatives are strategically oriented to Management Result Dimension (USD M)



The 2015 year-end PSAEA balance is projected at USD113.3 million: 21 percent above the target of four months of PSA expenditure

Overview of Draft Decisions

1.1 Extracts of draft decisions

The FC: *“commended the excellent quality of the document which included substantive improvements which clarified WFP's budgeting practices and congratulated the Secretariat on the work performed.”*

Having considered WFP's Management Plan (2015-2017), as submitted by the Executive Director in document WFP/EB.2/2014/5-A/1, the Board:

takes note that the 2015 Programme Support and Administrative appropriation and the provisional prioritized plan of work assume a funding level of USD 4.4 billion in 2015;

The ACABQ: *“commends WFP on implementing this recommendation, which provides more detailed justification for forecasting anticipated funding levels.”*

takes note of the projected operational requirements of USD 7.45 billion for 2015, excluding an provision for unforeseen emergencies and including direct support costs, as outlined in Section III

2 Extracts of draft decisions, continued

i. **approves** a 2015 PSA appropriation of USD 281.8 million

within ZNG limit and within estimated 2015 ISC revenue level

ii. **approves** a supplementary Programme Support and Administrative appropriation of USD 9.2 million for critical corporate initiatives, as outlined in Section IV;

Same level as 2014, with resulting healthy PSAEA balance

iii. **approves** expenditure in 2015 of USD 750,000 from the General Fund for investment management costs;

ensures all investment management costs are charged against investment income from 2015

iv. **approves** a new Immediate Response Account target level of USD 200 million;

CABQ had “no objection to the proposed new IRA target level of \$200 million.”

C: “supported the increased target level of the IRA”

3 Extracts of draft decisions, continued

- i. **approves** an indirect support cost recovery rate of 7.0 percent for 2015

A final paper on the ISC methodology will be presented to the 2015 Annual Session of the Executive Board

- ii. **authorizes** the Executive Director to adjust the Programme Support and Administration component of the budget in accordance with any variation in the volume of operational requirements of more than 10 percent from levels outlined in Section III.

The FC *“requested the Secretariat to engage informally with the Board during 2015 to explore an alternative formulation of Draft Decision VIII for the Management Plan 2016-2018.”*

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