

**KEY EXTRACTS OF THE  
DRAFT MANAGEMENT PLAN (2018–2020)**

**SECTION III**



**Informal Consultation**

**6 September 2017**

**World Food Programme**  
Rome, Italy

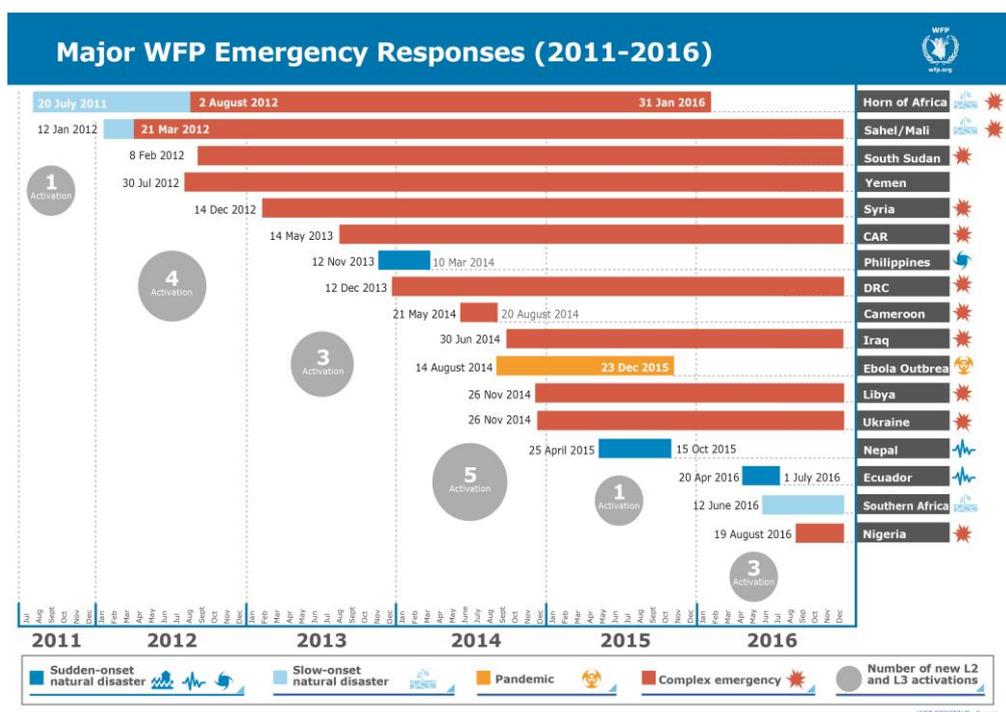
## Section III: Implementation Plan for 2018

### Overview

1. With the SDGs challenging the international community to "move beyond saving lives to changing lives", this Implementation Plan reflects WFP's commitment to supporting countries in ending hunger and malnutrition and its initial investment to that end. The new model of strategic and programmatic planning at the country level set out in the new country strategic plans presents a significant shift as WFP commits to aligning and integrating its food assistance capacities and programmes with those of national authorities and other partners. WFP maintains its focus on emergency life-saving work in a way that contributes to building resilience and is at the same time embarking on an ambitious partnership-building endeavour that leverages its work and its influence with others to end hunger.
2. The Management Plan (2018–2020) has been refined to accommodate the new approach incorporated into the WFP Strategic Plan (2017–2021) and rolled out through the Integrated Road Map (IRM). As a result, country planning is gradually being re-aligned with a view to contributing to attainment of the SDGs.
3. Since its adoption in 2013, the resource-based planning approach used in developing the Management Plan, whereby operational requirements based on assessed needs are prioritized according to forecast contributions and incorporated into the Implementation Plan, has also become an essential mechanism for enhancing performance and accountability.
4. The overall plan for 2018 is aligned with the projected resources for 2018, which amount to USD 5.9 billion, a 9 percent increase from the 2017 plan. This Implementation Plan comprises all prioritized planned activities to the end of 2018. Operational requirements – the funds required to meet the aggregated needs as determined by WFP's assessments – remain at USD 9 billion, in line with previous years.

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Operational requirements	8 687	9 007	9 011
Implementation Plan	4 744	5 385	5 878
% gap	46	40	35

5. Today WFP is operating in a changing global context where the "new normal" is complex, protracted, conflict-driven food security emergencies. The current 11 declared emergencies comprise five Level 3 emergencies in Iraq, Nigeria, the Syrian Arab Republic, South Sudan and Yemen and six Level 2 emergencies in the Central African Republic (CAR), the Democratic Republic of the Congo, the Horn of Africa, Libya, Mali and Ukraine. With the exception of Nigeria, all have been Level 2 or Level 3 emergencies for more than two years, and except for the Horn of Africa drought they all have conflict as the primary driver.
6. WFP's emergency responses at Level 2 and Level 3 in the Sahel/Mali, South Sudan, Yemen and Syria will all have lasted for more than five years by the end of 2017.



7. The magnitude of the overall requirements reflects the complex and protracted nature of many Level 3 emergencies such as those in Iraq and the Syrian Arab Republic, as well as the increasing food insecurity in the four countries threatened with famine in 2017 – Nigeria, South Sudan, Yemen and Somalia. Because large numbers of beneficiaries are paired with significant gaps between requirements and the resources available– in South Sudan the gap is 46 percent, and in Yemen it is 50 percent – serious attention is warranted.
8. Of WFP's country offices, 68 – accounting for 66 percent of WFP’s programme of work – have opted to move to the IRM framework as of 1 January 2018, either through a CSP, an ICSP or a T-ICSP. It is anticipated that 15 country offices – accounting for 34 percent of the programme of work – will continue to implement the current framework for part of 2018 and will move to the IRM framework by January 2019.
9. To date, 13 CSPs and one ICSP have been approved by the Executive Board – seven CSPs in February 2017 and six CSPs and one ICSP in June 2017; a further seven CSPs and four ICSPs will be submitted for approval at the Board's 2017 second regular session. Thirty-nine country offices have developed T-ICSPs on the basis of project documents that have been or are about to be approved.

TABLE III.2 PROGRESS IN THE DEVELOPMENT OF CSPS				
	Executive Board approved	Consideration at EB 2 2017	Approved by the Executive Director	Under consideration
CSP*	13	7		
ICSP**	1	4		
T-ICSP***			25 (at 18 August 2017)	14 (at 18 August 2017)

\* CSPs are WFP’s unique programmatic framework at the country level. They replace previous programme categories and project documents. CSPs, which can be designed for up to five years and need to be approved by the Board, are informed by country-led national zero hunger reviews.

\*\* In situations where a strategic review cannot be undertaken, WFP will operate through ICSPs, which are based on existing strategies, assessments and analysis. ICSPs can be designed for up to three years and are approved by the Executive Board. Country offices are expected to submit CSPs as soon as the conditions for completing a strategic review exist.

\*\*\* T-ICSPs are used to cover the gap during the transition from project documents to Board-approved CSPs and ICSPs. T-ICSPs are implemented for up to 18 months and approved by the Executive Director. They are based on existing project documents approved or revised in 2017.

10. At mid-August 2017, 25 T-ICSPs had been approved by the Executive Director; approval of the remaining 14 is expected soon. T-ICSPs are based on previously approved project documents, and they do not embody the transformative nature of the CSP planning process and hence resemble the traditional WFP country portfolio. During the 2018/19 transition period, country offices working under T-ICSPs will submit CSPs or ICSPs for approval by the Executive Board, thereby consolidating WFP’s Strategic Plan.

### **From operational requirements to implementation plan**

11. The following sections analyse the operational requirements and the implementation plan by Strategic Result, Strategic Objective, activity category and focus area.
12. In the 2018 implementation plan, WFP plans to spend USD 5.9 billion through a combination of activities and policy support for governments, contributing to SDG goals 2 and 17.
13. Emergency assistance in the focus area of crisis response accounts for 74 percent of the 2018 Implementation Plan. The remaining 26 percent is composed of activities related to resilience building – 16 percent – and root causes – 10 percent. The overall anticipated funding gap between operational requirements and the Implementation Plan is 35 percent. The gap is not consistent in all focus areas, however: the largest funding gap is anticipated for activities in the resilience focus area
14. With an expected gap in resources, prioritization is inevitable. WFP has a number of options: lifesaving activities are prioritized over preventive activities, and analysis by activity category shows that individual capacity strengthening, asset creation, livelihood support and prevention of malnutrition are subject to the most significant decreases as a result of prioritization.
15. The magnitude of needs that WFP aims to address is established through evidence-based assessments. Further prioritization becomes necessary if needs cannot be met. The current options are to prioritize geographical areas that are worst affected, to prioritize the most vulnerable households or to reduce the size of rations.
16. All of the above prioritization options will affect the extent to which WFP can achieve its objectives at the individual and country levels. WFP’s monitoring shows that measurable effects of prioritization at the household level are reduced food consumption and the adoption of negative and sometimes irreversible coping strategies; increased malnutrition and pressure on local health and social protection systems are also likely. At the national level, the effects of prioritization include reduced contributions to SDG 2 and 17 and continued focus on emergency assistance that does not sufficiently address root causes.

<b>TABLE III.3: IMPLEMENTATION PLAN AND OPERATIONAL REQUIREMENTS BY FOCUS AREA</b>			
<b>Focus area</b>	<b>Operational requirements (USD million)</b>	<b>Implementation plan (USD million)</b>	<b>Gap (%)</b>
Crisis response	6 618	4 356	34
Resilience building	1 656	934	44
Root causes	736	589	20
<b>Total</b>	<b>9 011</b>	<b>5 878</b>	<b>35</b>

17. During the 2017–2021 Strategic Plan period and as CSPs are finalized, the proportions presented in Table III.3 are expected to change as the investments in the resilience and root causes focus areas pay off, reducing the cycle of dependence on emergency assistance. The largest part of the Management Plan reflects activities that span the two-year period 2018–2020 and focus primarily on relief and emergency response. Longer term investments that tackle resilience and the root causes of hunger constitute a smaller portion of the Plan, reflecting limited projected funding. It will take time to improve the well-being of families: hence the five-year planning horizon of the Strategic Plan in alignment with the 2030 Agenda and the New Way of Working will facilitate, funds permitting, gradual progress. WFP's plans will aim at the eventual re-balancing of the focus areas and activity categories. As countries move to long-term multi-year planning, there should be more emphasis on prevention rather than treatment of malnutrition, a reduction in unconditional transfers and an increase in asset creation. Such a shift would help to build community-level resilience while addressing the underlying causes of individuals' inability to support themselves and their families.
18. There is a projected 35 percent gap between operational requirements and the Implementation Plan in the crisis response focus area – WFP's core emergency portfolio. To minimize the effects of this gap, WFP's country offices have had to make hard choices: a 66 percent reduction in the planned number of children under 5 and pregnant and lactating women receiving assistance aimed at preventing malnutrition is one example. This affects malnutrition and mortality rates in the short term and also increases the likelihood of lifelong health and nutrition challenges, which will slow national economic growth in the long term.
19. The largest gap between operational requirements and the Implementation Plan – 44 percent – is in the resilience focus area. This reflects, for example, a 79 percent reduction in climate-adaptation and risk-management activities such as measures to ensure safe access to cooking fuel for displaced women and girls. Asset-creation and livelihood activities have been reduced by 31 percent in Afghanistan, Côte d'Ivoire, Iraq, Lebanon, Madagascar, Nepal and Somalia.
20. The smallest difference between operational requirements and the Implementation Plan is in the root causes activity area, which accounts for a much smaller portion of WFP's project planning for 2018. The small investments in this area, however, have an important multiplier effect on families and communities; support for governments in developing food and nutrition policies, for example, affects large numbers of people and contributes to the SDG goal of ending hunger.

## The cost and reach of food assistance

<b>TABLE III.4: PROJECTED OPERATIONAL REQUIREMENTS VS. IMPLEMENTATION PLAN</b>			
	<b>Projected operational requirements</b>	<b>Implementation plan</b>	<b>Difference (%)</b>
Funding ( <i>USD million</i> )	9 011	5 878	-35
Direct beneficiaries ( <i>USD million</i> )	87	69	-23
Daily rations ( <i>USD billion</i> )	21	15	-28

21. WFP plans to assist 69 million people during 2018 and to maximize the variety of transfer modalities and value for money to achieve programmatic goals. This conservative goal is in line with previous prioritized programmes of work and reflects an expectation that WFP and the humanitarian community will act as generously as in the past. Having reached 82 million beneficiaries in 2016 – the projected number was 64 million – WFP is ready to move beyond our plans to reach all those "left furthest behind".

22. In view of climate change, protracted emergencies and unresolved political situations, WFP believes that there is an urgent need for increased preparedness measures. At the community level, WFP's work with national authorities as first responders and its resilience work in support of community preparedness measures are critical. Funding gaps unfortunately limit WFP's ability to support countries fully in this area. At the institutional level, WFP revitalized its emergency preparedness and response mechanisms in 2017; the new policy will be considered at the Board's 2017 second regular session.
23. To improve the quantification of the effects of WFP's work beyond the 69 million beneficiaries who receive direct assistance, countries will report on beneficiaries receiving direct assistance from WFP – young girls receiving school meals in Tier 1, for example; on people who benefit indirectly – inhabitants of towns where WFP has repaired roads in Tier 2, for example; and on people who could benefit from WFP's assistance or policy support such as Tier 3 children receiving school meals under a government policy that WFP helped to draft.
24. Although the majority of Tier 1 beneficiaries are served within a dynamic protracted crisis context, Tier 2 and Tier 3 beneficiaries in many countries show the true nature of change within WFP as it moves to the use of CSPs. Many countries that are still home to large numbers of food insecure people are seeing WFP move into more of an enabling role, primarily working through Government safety nets.

#### **Analysis by Strategic Objective and Strategic Result**

25. Of the total resources planned for the 2018 Implementation Plan, 83 percent is allocated to SDG 2 in line with WFP Strategic Results 1–4, and 17 percent to SDG 17 in line with Strategic Results 5–8. Under SDG 2, 80 percent of WFP's implementation plan is related to Strategic Result 1 – Access to food.

<b>TABLE III.5: OPERATIONAL REQUIREMENTS AND IMPLEMENTATION PLAN BY STRATEGIC RESULT AND STRATEGIC OBJECTIVE</b>						
<b>Strategic Objective</b>		<b>Strategic Result</b>		<b>Operational requirements (USD million)</b>	<b>Implementation Plan (USD million)</b>	<b>Gap (%)</b>
1	End hunger by protecting access to food	1	Everyone has access to food	6 349	3 925	38
2	Improve nutrition	2	No one suffers from malnutrition	941	606	36
3	Achieve food security	3	Smallholders have improved food security and nutrition through improved productivity and incomes	385	243	37
		4	Sustainable food systems	197	129	35
4	Support SDG implementation	5	Developing countries have strengthened capacities to implement the SDGs	105	58	45
		6	Policies to support sustainable development are coherent	2	1	62

<b>TABLE III.5: OPERATIONAL REQUIREMENTS AND IMPLEMENTATION PLAN BY STRATEGIC RESULT AND STRATEGIC OBJECTIVE</b>						
<b>Strategic Objective</b>		<b>Strategic Result</b>		<b>Operational requirements (USD million)</b>	<b>Implementation Plan (USD million)</b>	<b>Gap (%)</b>
5	Partner for SDG results	7	Developing countries access a range of financial resources for development investment	0.3	0.2	40
		8	Sharing of knowledge, expertise and technology, [to] strengthen global partnership support to country efforts to achieve the SDGs	1 032	916	11
<b>Total</b>				<b>9 011</b>	<b>5 878</b>	<b>35</b>

26. Ninety-five percent of the nearly USD 3 billion shortfall between operational requirements and the Implementation Plan would have funded activities that contribute to SDG 2. The remaining 5 percent – USD 164 million – would have funded activities that contribute to SDG 17.
27. Seventy-seven percent of the gap between operational requirements and the Implementation Plan falls within Strategic Result 1, challenging WFP’s ability to contribute to ending hunger on the basis of assessed needs in all countries. Thus, the number of beneficiaries of high-profile emergency responses such as those in Afghanistan, CAR, the Democratic People’s Republic of Korea, Iraq, Senegal and Yemen is being reduced by 50 percent or more.
28. Under Strategic Result 2 there could be a gap in resources of USD 335 million; under Strategic Results 3–8, which account for most of WFP’s investments addressing resilience and long-term hunger, the gap could be USD 374 million. As a result, activities such as improving value chains with a view to providing high-quality nutrition-dense foods and promoting the aggregation of smallholder farmers in food value chains have been removed from the Implementation Plan
29. It is important to note that although Strategic Results 5, 6 and 7, which account for USD 59 million, constitute only 1 percent of the 2018 implementation plan, they also reflect the largest gap – 45 percent – between operational requirements and the Implementation Plan. As a result, WFP’s technical assistance to enable national authorities to prepare for and respond to emergencies in Uganda under Strategic Result 5, and its technical support for improving the efficiency of social-protection and disaster-risk management programmes supporting the most vulnerable populations in Peru, also under Strategic Result 5, could be at risk. Technical support for policies and legislation on social protection, nutrition, local food fortification and smallholder farmers under Strategic Result 6, in Ghana and the Gambia, for example, have a significant multiplier effect in terms of impact on beneficiaries, thereby supporting work to end hunger.

## Analysis of the implementation plan

### Overview of activities

Activity Category	Operational requirements <i>USD million</i>	Implementation Plan <i>USD million</i>	% reduction
Unconditional Resource Transfers to Support Access to Food	5 767	3 850	33
Asset Creation and Livelihood Support Activities	982	520	47
School Meal Activities	620	451	27
Malnutrition Prevention Activities	546	310	43
Nutrition Treatment Activities	413	306	26
Common Services and Platforms	365	252	31
Capacity Strengthening Activities	205	110	46
Other	110	79	28
<b>Total</b>	<b>9 011</b>	<b>5 878</b>	<b>35</b>

30. For WFP to provide hunger solutions adapted to the CSP model, country-level activities are presented in a way that shows their effects by Strategic Result. For example “asset creation” contributes to access to food under Strategic Results 1, 2, 3 and 4. Similarly “capacity strengthening” contributes to Strategic Results 1–5 and 7–8. This reflects the multi-dimensional nature of WFP’s work and the range of its influence on outcomes that link to the SDGs.
31. The fact that most resources are allocated to unconditional resource transfers to support access to food masks the variety of WFP's programming. This ranges from programmes in Jordan and Turkey involving 99 percent CBTs to mixed modalities in Afghanistan and the DRC involving 31 percent CBTs to predominantly in-kind food in South Sudan and the Syrian Arab Republic, where the CBT element is only 9 percent. It also reflects an increase in unrestricted cash transfers that help to protect food-security outcomes while increasing beneficiary choice, flexibility and dignity. CBTs help significantly in supporting local economies: in the Syria +5 response, for example, WFP has injected nearly USD 2 billion into local economies in Egypt, Iraq, Jordan, Lebanon and Turkey.
32. Asset-creation and livelihood activities based on food assistance for assets (FFA) using the 3PA process and food assistance for training (FFT) provide immediate relief and support long-term outcomes by including nutrition and health education and training and by enabling smallholder farmers to access markets. In Nepal, Pakistan and the Philippines, for example, 39 percent of WFP's budget is allocated to asset creation in line with Strategic Objectives 2 and 3 to address the drivers of malnutrition, indirectly improving the quality of life of people who are not direct beneficiaries of WFP activities. School meals programmes have been part of WFP’s work since it was established in 1961. They are multi-faceted safety nets that encourage school attendance and improve the nutrition, health and learning capacities of pupils. WFP’s current role ranges from providing meals, take-home rations or snacks in emergencies to enhancement of government programmes and policies. In 2016, WFP provided meals for 16.4 million children as Tier 1 beneficiaries and improved school meals programmes for another 45 million children as Tier 3 beneficiaries. WFP’s work on school meals accordingly falls under Strategic Result 1 and Strategic Result 5, among others. Capacity strengthening and eventual hand-over to governments are part of the design of most school meals programmes: WFP has handed over programmes to national ownership in nearly 40 countries – Brazil, India and Turkey are examples – in the past four decades. In 46 countries such as Haiti, Kenya and Nepal WFP helps governments to source school meals locally through home-grown school meals programmes. WFP’s role as direct implementer remains essential in fragile or crisis-affected countries: in CAR, the Syrian Arab

Republic and Yemen, 700,000 children benefited from WFP school meals in 2015 – but the difficult context coupled with a lack of funding meant that no children received WFP school meals in 2016. It is in such fragile countries that WFP faces the largest funding gaps.

33. To contribute to the elimination of all forms of malnutrition, WFP is ensuring that diets meeting the nutrition needs of targeted vulnerable groups are available, accessible and consumed. Under Strategic Objective 2 addressing nutrition in emergencies and providing life-saving treatment are the priority, especially in the contexts of crisis response and the possible four famines. Treatment of malnutrition involves meeting the immediate needs of the most vulnerable and strengthening linkages with health facilities and community-based services. WFP is increasing its focus on prevention in all contexts. Prevention reduces suffering, facilitates access to nutritious diets and helps to provide the foundation for sustainable development. It also includes work to ensure that food consumption does not lead to excess intake of nutrients, particularly in contexts of urbanization and changing diets. The size of the nutrition programmes in WFP's operations varies; they are particularly large in operations addressing high levels of stunting, as in Niger where stunting levels are above 40 percent and a third of WFP's beneficiaries are in nutrition programmes.
34. Capacity strengthening, although modest in dollar terms, has major effects in terms of reaching Tier 2 and Tier 3 beneficiaries through improved government programmes. Examples include Purchase for Progress (P4P) and smallholders' access to market support; WFP has pledged to source 10 percent of its food purchases from smallholder farmers, thereby encouraging governments and the private sector to buy food in ways that benefit smallholders with a view to enabling countries to feed themselves. Although these activities account for only a small part of the Implementation Plan, it is important to note that many other activities provide indirect benefits in terms of capacity strengthening. In countries where large numbers of CBTs are provided, the support for local financial and retail systems is considerable.
35. Table III.6 shows resource allocation in WFP's 2018 Implementation Plan by activity category, focus area and Strategic Result.

Activity category	Focus area	Strategic Result								Total
		1	2	3	4	5	6	7	8	
Total	Crisis response	3 262	214	-	-	-	-	-	880	<b>4 356</b>
	Resilience building	385	152	216	125	34	0	-	21	<b>934</b>
	Root causes	278	240	26	4	25	1	0	14	<b>589</b>
Unconditional resource transfers	Crisis response	3 088							661	<b>3 749</b>
	Resilience building	62	10							<b>72</b>
	Root causes	47								<b>47</b>
Asset creation and livelihood support	Crisis response	12								<b>12</b>
	Resilience building	203		192	109					<b>504</b>
	Root causes		0.2	6						<b>6</b>

**TABLE III.6: IMPLEMENTATION PLAN FOR EACH ACTIVITY CATEGORY AND FOCUS AREA, BY STRATEGIC RESULT (USD)**

Activity category	Focus area	Strategic Result								
		1	2	3	4	5	6	7	8	Total
School meals	Crisis response	90								<b>90</b>
	Resilience building	107	1			1				<b>109</b>
	Root causes	217	35.6			1				<b>254</b>
Malnutrition prevention	Crisis response	70	43							<b>113</b>
	Resilience building		91							<b>91</b>
	Root causes		107.4							<b>107</b>
Nutrition treatment	Crisis response	1	172							<b>172</b>
	Resilience building	1	51							<b>52</b>
	Root causes	4	79.7							<b>84</b>
Common services and platforms	Crisis response	15						214		<b>229</b>
	Resilience building					2		15		<b>17</b>
	Root causes					1		7		<b>7</b>
Capacity strengthening*	Crisis response	0.7	-	-	-	-	-	-	5.5	<b>6</b>
	Resilience building	7	1	10	1	20	0	-	3	<b>41</b>
	Root causes	10	17	5	2	21	1	-	7	<b>63</b>
Other**	Crisis response	1	-	-	-	-	-	-	4	<b>6</b>
	Resilience building	6	-	16	15	10	-	-	4	<b>51</b>
	Root causes	1	1	15	2	2	-	0.2	1	<b>23</b>
<b>Total</b>		<b>3 925</b>	<b>606</b>	<b>243</b>	<b>129</b>	<b>58</b>	<b>1</b>	<b>0.2</b>	<b>916</b>	<b>5 878</b>

\* Institutional and individual capacity strengthening.

\*\* Smallholder agricultural market support, climate adaptation and risk management, emergency preparedness, analysis and assessment and other activities.

36. Of the total resources planned for the 2018 Implementation Plan, 83 percent is allocated to SDG 2 and Strategic Results 1–4, and 17 percent to SDG 17. Under SDG 17, WFP has a plan of work totalling USD 980 million. All the activities under Strategic Results 5 (1 percent), 6 (0.3 percent) and 7 (<0.01 percent) fall in either the resilience (56 percent) or root causes (44 percent) focus areas. Enhance Global Partnership, Strategic Result 8, constitutes 16 percent of WFP’s total programme of work in 2018 and includes the provision of common services and platforms (25 percent) such as and unconditional resource transfers through Government systems (71 percent), as is the case in Turkey.

## **Analysis by Strategic Result**

### **Strategic Result 1 – Access to food**

37. Of the resources prioritized in the Implementation Plan, 67 percent are allocated to Strategic Result 1. Activities in this category include unconditional resource transfers accounting for 81 percent, school meals, 11 percent, and asset creation and livelihoods, 5 percent. Resources allocated to this Strategic Result account for 75 percent of WFP's total crisis response activities. In the Sudan, for example, integrated conditional and unconditional food assistance packages are provided for 1.7 million beneficiaries; in the Syrian Arab Republic packages of 15 different foods are distributed to 4 million people in 13 of the country's 14 districts every month. In Cameroon, 85,000 primary schoolchildren are part of school meals and home-grown school meals programmes in target regions.

### **Strategic Result 2 – End malnutrition**

38. Resources allocated to Strategic Result 2 account for 10 percent of WFP's 2018 Implementation Plan. The primary activities under Strategic Result 2 are nutrition treatment, accounting for 50 percent, and malnutrition prevention, accounting for 40 percent. The remaining resources are allocated to school meals and unconditional transfers. WFP will seek to enhance the nutrition outcomes of these activities by strengthening nutrition-sensitive approaches. In the Syrian Arab Republic, food vouchers enable mothers to purchase fresh fruit, vegetables and meat to support their ability to breastfeed, particularly during the first 1,000 days of their children's lives. In Malawi, food-insecure communities in shock-prone areas are creating and repairing latrines and boreholes to ensure access to clean water for food preparation, thereby reducing the risks of disease and malnutrition. In Ecuador, schoolchildren are developing healthy eating habits and increasing their dietary diversity by consuming foods sourced from animals, fruits and vegetables from nearby farmers, who are encouraged by the opportunity to sell nutritious foods to schools.
39. To deliver on its nutrition targets WFP is building internal capacities and enhancing the capacities of governments to identify and address the drivers of malnutrition at the operational and policy levels. This will be achieved by using analytical tools in the CSP process, for example, to support governments in designing strategies and policies to meet but not exceed the nutrition needs of vulnerable groups. The embedding of nutrition in national processes brings mutually reinforcing outcomes under all Strategic Results, from ensuring access to food and improving the production and incomes of smallholders to making food systems more sustainable and strengthening national capacities to achieve the SDGs.

### **Strategic Results 3 – Smallholder productivity and incomes and 4 – Sustainable food systems**

40. Strategic Results 3 and 4 account for 6 percent of WFP's 2018 Implementation Plan. The activity categories include asset creation and livelihood support – 82 percent – smallholder agricultural market support, climate adaptation, risk management, emergency preparedness and analysis and assessment – 13 percent – and capacity strengthening 5 percent. In Liberia, for example, WFP interventions support smallholder farmers by focusing on the agricultural value chain related to infrastructure for production and on modern farming methods and market linkages through a partnership with FAO and the Ministry of Agriculture. These interventions address root causes by helping the farmers support their families and communities. In the CAR, smallholder farmers receive transfers to support asset creation and technical assistance to increase their access to markets, including purchases from the WFP-supported school meals programme. In Mozambique, WFP supports the aggregation, marketing and decision-making capacities of smallholder farmers, with a focus on women.

### **Strategic Results 5 – Capacity enhancement, 6 – Policy coherence and 7 – Diversified resourcing**

41. Although activities under Strategic Results 5, 6 and 7 comprise just 1 percent of the Implementation Plan, they include programmes such as on-site meals for orphans and vulnerable children provided at neighbourhood care points in Swaziland, training for community caregivers in food management and sound nutrition, and sensitization to gender and protection issues. These activities bring short-term and long-term benefits.

42. In China, in line with Strategic Results 5 and 7, WFP collaborates with the Ministry of Agriculture in the development of food policies and partnerships and provides technical training to foster leadership in a new generation of farmers. WFP will also support the development of partnerships with the private sector and civil society to fill gaps in China's food security and nutrition systems. The number of direct beneficiaries cannot yet be estimated, but indirect beneficiaries include an estimated 34 million under-nourished children in "poverty counties", 16 million people benefiting from technical advice to the Government and farmers, and 10 million people benefiting from advice and assistance with regard to responding to shocks. The Government is committed to substantial investment in the CSP and will also support WFP's Centre of Excellence for enhancing South-South cooperation.

### **Strategic Result 8 – Enhance global partnership**

43. WFP provides common services for the humanitarian community through its ETC cluster and its logistics, bilateral services and aviation units. Services amounting to USD 300 million will be provided in 2018 as part of WFP's contribution to SDG 17. UNHAS carries 80,000 passengers per year, airlifts food and medicines to remote locations and evacuates staff from conflict settings. In South Sudan WFP's aviation team manages three air operations that provide the humanitarian community with passenger and cargo services; in May 2017 alone, UNHAS transported 8,270 passengers from 192 organizations. The Logistics Cluster helps to coordinate movements of humanitarian cargo in complex settings: in the Syrian Arab Republic in June 2017 it transported 5,158 m<sup>3</sup> of humanitarian cargo and supported joint humanitarian convoys. WFP's recent responses to cholera in Yemen and the Ebola resurgence in the DRC demonstrate the value of logistics coordination that enables rapid responses at scale to threats to public health.
44. Most of Strategic Result 8 reflects WFP's work in Turkey. Through its Emergency Social Safety Net, the Turkish Ministry of Family and Social Policies, the Disaster and Emergency Management Presidency and the Turkish Red Crescent ensure that the 1 million refugees in Turkey have access to cash assistance through a national safety net. WFP's technical advice and assistance for the Government and NGO partners will support stakeholders responding to the needs of the refugees now and in the future.

### **Analysis of Rations**

45. The use of CBTs and in-kind transfers has increased significantly over the last five years. In-kind food assistance increased by 30 percent from 3 million mt in 2012/13 to 3.8 million mt in 2016/17 and is likely to be at similar levels in 2018. The use of CBTs doubled from USD 500 million in 2012/13 to USD 1 billion in 2016/17, and is expected to increase in 2018. This reflects significantly increased needs in recent years, and in view of the current protracted, complex emergencies there may be further increases in 2018. About 60 percent of WFP's transfers are spent locally, either in the form of local or regional procurement or as CBTs.
46. Cost per ration is an important benchmark for WFP. The main drivers of differences in cost per ration are the operational context and the type of assistance. Because WFP focuses on the most vulnerable groups, its crisis-response activities are more prominent in areas affected by conflict, failed harvests or other shocks. This drives up the cost of providing assistance, largely because of limited access during rainy seasons or periods of insecurity or because of seasonal price increases.
47. Rations for crisis response are provided in many of WFP's unconditional resource transfers; they usually comprise five or six foods, whereas targeted distributions such as those for malnutrition treatment or prevention often consist of only one or two foods to supplement beneficiaries' blanket assistance. Costs per ration in countries with significant access challenges such as Iraq, Libya and South Sudan may be higher than USD 1.0, whereas in countries where WFP works in partnership with governments to address the root causes of food security and undernutrition the cost per ration can be as low as USD 0.13.

<b>Strategic Result</b>	<b>Planned rations as % of Implementation Plan</b>
1: Everyone has access to food	80
2: No one suffers from malnutrition	14
3: Smallholders have improved food security and nutrition through improved productivity and incomes	4
4: Food systems are sustainable	2

48. The projected cost of an average daily ration in the 2018 Implementation Plan is USD 0.36. The average masks a range of costs, depending on the type of intervention, but the analysis of cost per ration by focus area confirms that the cost is highest in activities focusing on crisis response (see Table III.8). There was a slight increase in the USD value from USD 0.34 in 2016, mainly because of the increased focus on local capacity strengthening and multiplier effects. By favouring local procurement and cash transfers and improving the cost effectiveness of its operations, WFP is enhancing the indirect outcomes for Tier 2 beneficiaries.

<b>Focus area</b>	<b>% of operational requirements (USD)</b>	<b>Average cost per ration (USD)</b>
Crisis response	74	0.48
Resilience building	16	0.33
Root causes	10	0.13

49. WFP constantly strives to minimize costs per ration and continues to make significant savings in a variety of approaches such as long-term agreements with suppliers, purchasing in bulk during seasonal windows through GCMF and optimizing its sourcing and delivery plans.

## **Cross-Cutting Issues**

### **Gender**

50. WFP is committed to advancing gender equality as a fundamental aspect of realizing a world without hunger. It is also a goal in its own right as the basis for inclusive, equitable and sustainable development. WFP's work will accordingly be gender-transformative and its interventions will contribute to the food and nutrition security of all people, with equality as the hallmark.
51. WFP is therefore accelerating the mainstreaming of gender in its programmes, operations, offices and units. Gender is being embedded in the Integrated Road Map. Other mechanisms for translating concepts into action include the United Nations System-Wide Action Plan and the Gender Transformation Programme; the gender marker will be superseded by the gender-and-age marker adopted by the Inter-Agency Standing Committee (IASC).
52. A workforce with gender competencies is essential. Investments will accordingly be made to enhance the knowledge and skills of staff and partners and increase the number of gender specialists. Partnerships will be established for joint programming, knowledge generation and advocacy with entities ranging from community-based organizations to the IASC Gender Reference Group and the Gender Equality Task Team of the United Nations Development Group.

53. The WFP gender policy (2015–2020)<sup>1</sup> establishes the target of allocating 15 percent of project funds to gender equality activities by 2020. In the 2018 Implementation Plan, 12.3 percent of resources are allocated to gender equality activities. With the adoption of the WFP Strategic Plan (2017–2021) and financial framework, a gender budgeting process has been developed to support WFP offices in planning and tracking their expenditures for gender equality.

### **Climate Change**

54. Climate change multiplies the threats to food security and nutrition and is affecting vulnerable food-insecure populations. Between 2003 and 2012, half of WFP's emergency and recovery operations responded to climate-related disasters. The combined budget was USD 23 billion as WFP helped people to recover from climate disasters on at least five occasions in 20 countries with persistently high levels of hunger.
55. In view of this situation and the priorities established by governments, innovative programme tools and investments are needed to address the complex and increasing risks. Analysis of the shocks to inform risk-aware programming must accordingly be at the centre of WFP's operations. To support risk-aware programming in the Strategic Plan (2017–2021) and the CSPs, the Board approved WFP's first climate change policy at its 2017 first regular session.<sup>2</sup> The goal of the policy is to support governments and vulnerable food-insecure communities in building resilience and capacities to address hunger caused by climate change.
56. WFP bases its work on the integrated climate risk management approach, which unifies work streams through innovative programming instruments aimed at enhancing national capacities for emergency preparedness and response and analysing climate risk and food security to inform national planning, early-warning and climate-information services. WFP has developed forecast-based financing mechanisms to provide assets for vulnerable populations before climate shocks and index-based insurance products to transfer residual risk. These tools enhance long-term community resilience, social protection and climate change adaptation through improved management of natural resources and productive capital.
57. WFP is transferring experiences from its climate risk management and adaptation initiatives to support national climate change adaptation planning processes and countries' nationally determined contributions under the United Nations Framework Convention on Climate Change. It is also supporting governments by facilitating access to climate finance instruments such as the Green Climate Fund and the Adaptation Fund.

### **Environment**

58. The interdependent environmental, social and economic dimensions of the 2030 Agenda must be consistently reflected in WFP's work. The environmental policy<sup>3</sup> approved at the Board's 2017 first regular session commits to identifying, avoiding and managing environmental risks arising from WFP's activities and recognizes that WFP's food assistance can generate environmental benefits that should be exploited.
59. WFP is committed to integrating environmental considerations into its work by developing environmental standards that lay out protection measures and minimum requirements; a process for identifying and managing environmental risks; and an environmental management system consistent with standard ISO 14001 of the International Standards Organization. These will be integrated into the CSPs and other programmes. Guidance manuals will be provided for programme and support operations from emergency humanitarian assistance to long-term development activities. Environmental accountability will be incorporated into WFP's monitoring, evaluation and reporting mechanisms.

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<sup>1</sup> WFP/EB.A/2015/5-A.

<sup>2</sup> WFP/EB.1/2017/4-A/Rev.1\*.

<sup>3</sup> WFP/EB.1/2017/4-B/Rev.1\*.

60. The tools and processes in the environment policy will be applied in WFP’s diverse operations. Capacity development, from fostering environmentally sustainable behaviour to ensuring that technical specialists and managers are suitably trained, is essential. An environmentally responsible workforce will contribute to the sustainability of WFP’s interventions.
61. In 2017 the Strategic Resource Allocation Committee allocated USD 650,000 from multilateral funding to start implementation of the environmental policy. Further funding will be sought to mainstream the processes into WFP’s mechanisms, roll out policy implementation to all country operations and build the capacities of WFP staff at Headquarters, the regional bureaux and country offices.

#### Analysis by Transfer and Associated Costs

<b>TABLE III.9: IMPLEMENTATION PLAN BY TRANSFER MODALITY</b>			
<b>Transfer and associated costs</b>	<b>Implementation plan (USD million)</b>	<b>Share of direct costs (%)</b>	<b>Share of total transfers (%)</b>
Food	2 510	45	53
CBTs	1 755	32	37
Cash	1 294	23	27
Value vouchers	462	8	9.7
Commodity vouchers	100	2	2.1
Capacity strengthening	187	3	3.9
Service delivery	197	4	4.2
<b>Total transfers</b>	<b>4 750</b>	<b>86</b>	<b>100</b>
Implementation costs	350	6	
Direct support costs	419	8	
<b>Total direct costs</b>	<b>5 519</b>	<b>100</b>	
Indirect support costs	359		
<b>Total</b>	<b>5 878</b>		

#### In-kind food

62. Of the transfer costs for the 2018 implementation plan, USD 2.5 billion – 53 percent – is allocated to in-kind food, which will provide 2.92 million mt for beneficiaries.
63. WFP continues to increase the sophistication of its procurement and logistics with a view to supplying in-kind food where doing so makes the most sense – for example where markets are disrupted by conflict, inflation or poor harvests. Donated food constitutes a third of such transfers, with the remainder procured by WFP in local, regional and international markets.
64. Nutritious foods, which form a large part of the food basket, range from fortified wheat flour to products such as SuperCereal plus and ready-to-use supplementary foods, which are used to prevent and treat malnutrition in young children and pregnant and lactating women. WFP will continue to focus on ensuring that that such fortified foods constitute at least 30 percent of its food baskets and that nearly all beneficiaries receive some kind of fortified food in in-kind baskets. WFP is implementing capacity-strengthening programmes to enable local suppliers to start fortifying their own products, thereby reducing the need for imports from developed countries.

## **Analysis of the Cost of Delivery**

65. WFP has benefited from lower food prices in recent years, which has enabled it to procure more food. There are, however, signs that some foods and shipping costs will increase in 2018.
66. More importantly, the cost of the WFP food basket is due to rise as a result of increased malnutrition programming and the subsequent use of special nutritious products such as Supercereal+, ready-to-use foods and lipid-based nutrition supplements, which are costly.
67. The prices of globally traded cereals such as wheat and rice are expected to remain low. Locally procured cereals such as maize and sorghum depend on harvests in certain countries. The prices of pulses such as yellow split peas and beans are expected to remain low, but chickpeas and lentils are less traded and their prices could fluctuate. The estimated costs of edible oils and fats for 2017 are in line with current price projections and are expected to decline slightly during 2018.
68. The low shipping costs of recent years have reduced WFP's operational costs, but a gradual upward trend of 5 percent to 10 percent is expected in 2018. Transport costs in each country depend on local demand and supply, but continued low fuel prices and optimal use of WFP's truck fleet and local transporters should keep in-country logistics costs stable during 2018.
69. The WFP supply chain takes an end-to-end approach to food basket programming, and WFP recommends items that provide value for money and maintain nutritional standards. This generates significant operational savings, as discussed below.
70. In Iraq, WFP was able to reduce the cost of family food parcels by 17 percent, saving USD 1.1 million per month through the use of Optimus software.<sup>4</sup> WFP also saved 10 percent on Jet A1 fuel prices following a wholesale tender for supplying fuel at 107 locations. Efforts to increase the efficiency of retail supply chains by reducing costs and increasing the variety of goods available in stores in Kenya and Lebanon produced a 10 percent reduction in prices. Judicious use of WFP's truck fleet saves USD 6 million per year in logistics costs. WFP will continue to use the re-opened Berbera corridor for deliveries to Ethiopia, thereby saving USD 1 million per year. The end-to-end approach to supply chain optimization will deliver significant cost savings and enhance the speed and agility of operations. This is just one initiative aimed at enhancing value for money.

## **Cash-based transfers**

71. The use of CBTs has increased to account for 37 percent of all WFP assistance. WFP is the largest humanitarian agency in terms of cash programming, which is becoming more sophisticated and achieving better outcomes as lessons are learned in various operational contexts. CBTs cover a variety of programmes that vary in value and duration, reflecting WFP's ability to mix programming modalities to achieve cost effectiveness and programme outcomes. More operations are exploring the possibilities of supplying most of their beneficiaries CBTs during post-harvest periods and returning to in-kind transfers during lean seasons with a view to maximizing efficiency. An interesting trend is the increased use of unrestricted cash transfers, which account for 25 percent of the total; used in the right environment CBTs give beneficiaries greater choice and diversify diets.

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<sup>4</sup> Optimus is a software that identifies the items in a food basket, the various possible destinations and the costs of food and transport and provides the optimum combination in terms of nutritional value and calories to achieve on-time delivery, cost savings and operational agility.

<b>TABLE III.10: IMPLEMENTATION PLAN AND OPERATIONAL REQUIREMENTS FOR CBTS,* BY TYPE (USD million)</b>		
	<b>Operational requirements</b>	<b>Implementation plan</b>
CBTs	2 181	1 632
Cash	1 578	1 202
Value vouchers	603	429
Transfer-related costs	219	124
<b>Total</b>	<b>2 400</b>	<b>1 755</b>

\* Figures in this section exclude implementation costs, direct support costs and indirect support costs.

72. In 2016 WFP provided CBTs in 60 countries, transferring USD 880 million to 14.3 million beneficiaries – the highest figures since WFP started to use CBTs as a transfer modality in 2006. Of the overall population reached, half were in sub-Saharan Africa and 51 percent were women.
73. Unconditional resource transfers to support access to food are the main form of CBT, amounting to USD 1.3 billion, with commodity vouchers totalling USD 86 million. The second largest CBT activity is asset creation and livelihood support, accounting for USD 200 million. In terms of types of CBT, 23 percent is unrestricted cash to meet food needs and 73 percent is in the form of restricted value vouchers and food vouchers. Excluding the Syria Regional Emergency Response, the breakdown was 50 percent for unrestricted and restricted cash.
74. The effects of CBTs on nutrition is significant because they facilitate access to fresh and diverse food. But as overweight and obesity increase, often in a single country where communities, families and individuals suffer from undernutrition, nutrition outcomes related to CBTs will be monitored to ensure healthy consumer choices.
75. In terms of cash-based delivery, WFP works through 70 financial service providers (FSPs) such as banks, micro-finance institutions, mobile money operators and money transfer agents. Nearly three quarters of CBTs flow through these FSPs, with WFP providing oversight, monitoring and vulnerability analysis. This contributes to the development of vital infrastructure in the countries concerned. In locations where FSPs cannot operate WFP partners with governments, NGOs and the Red Cross through its SCOPE platform.
76. The scale of WFP's CBT assistance is expected to increase in 2017 in line with the current trend. By the middle of 2017, WFP had transferred USD 505 million to beneficiaries in the form of CBTs. In 2018, CBT transfers are expected to account for USD 1.76 billion – 32 percent of the 2018 prioritized plan of work. Compared to the 2017 Management Plan the previous year, the CBT share of the Implementation Plan has increased substantially from a quarter to a third of the direct costs.

#### **Commodity vouchers<sup>5</sup>**

77. In contexts where markets are fragile, commodity vouchers are critical. They account for USD 93 million – 2 percent of the 2018 Implementation Plan. The largest operation relying on them is in Yemen, with a target of USD 63 million for 1 million people.
78. Value vouchers are more common, accounting for 10 percent of the Implementation Plan transfer costs. Beneficiaries can choose what to buy with this form of assistance, and WFP must ensure that commodities available at contracted shops are of high quality and as cheap as possible by providing technical assistance to retailers and wholesalers. WFP is hence able to increase the purchasing power of beneficiaries, resulting in reduced costs for all customers – Tier 2 beneficiaries – and not just those receiving direct assistance as Tier 1 beneficiaries.

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<sup>5</sup> Figures in this section exclude implementation costs, direct support costs and indirect support costs.

<b>TABLE III.11: IMPLEMENTATION PLAN AND OPERATIONAL REQUIREMENTS FOR VOUCHERS (USD million)</b>		
	<b>Operational requirements</b>	<b>Implementation plan</b>
Commodity vouchers	199	93
Transfer related costs	20	7
<b>Total</b>	<b>219</b>	<b>100</b>

### **Direct support costs**

79. WFP continues to monitor its direct support costs with a view to optimizing their use through the Financial Framework Review. The reduced costs also reflect more accurate separation of transfer and support costs, an important step in quantifying the success of WFP's interventions from the point of view of beneficiaries.

<b>TABLE III.12: DIRECT SUPPORT COSTS AS PERCENTAGE OF THE IMPLEMENTATION PLAN</b>			
2015 actual	2016 actual*	2017 estimated	2018 estimated
13.7	12.7	12.3	7.6

\* Actual data for 2015 and 2015 based on Statement V of the 2015 and 2016 Audited Accounts.