

WFP Executive Board

*3rd Informal Consultation
Management Plan 2018-2020*

3 October 2017



World Food Programme

Agenda for Informal Consultation

- 1. Updates to Key Extracts of the Management Plan**
- 2. Update on Private Sector funding**
- 3. Linking PSA planned resources to results**
- 4. WFP Insurance arrangement**

1. Updates to Key Extracts of the Management Plan

1.1 Financial and Textual updates

1.2 Ongoing management review of further use of PSA Equalisation Account (PSAEA)

1.3 Annex 2 – Disclosure of PSA budget

1.1 Financial and Textual updates

Financial Changes (adjusted AFTER publication of Key Extracts)

- 2017 funding forecast increased to USD 6 billion
- Projected PSA Equalisation Account opening balance at 1 January 2018 increased by USD 6.5 million
- CCIs for 2018 increased from USD 27.1m to USD 35.6m for
 - ✓ Digital mobile platforms for fundraising USD 2.0 million
 - ✓ Brand-Building for public engagement: Goodwill Ambassadors USD 1.5 million
 - ✓ Integrated Road Map USD 5.0 million
- Projected PSA Equalization Account closing balance at 31 December 2018: USD 190.7 million

Qualitative Changes

- Additional material provided for:
 - ✓ Centralised services for country offices
 - ✓ 2016 QCPR and indirect support cost rates
 - ✓ CCI supporting Regional Bureau priorities: USD 1.6m
- Ongoing management review of further use of PSA Equalization Account balance

1.2 Ongoing management review of further use of PSA Equalization Account (PSAEA)

Projected PSAEA balance at 31 December 2018 is USD 190.7 million. Preliminary options being considered by the Secretariat for investment of the balance include:

1. Funding for private sector fundraising
 - ✓ *Benchmarks for private sector fundraising point to significant levels of start-up and recurring costs*
2. Innovative financing safety net
 - ✓ *Financial safety net to act as the guarantor for innovative financing tools, going beyond more traditional funding streams*
3. Review of purpose and scope of Emerging Donor Matching Fund
 - ✓ *A review of the purpose and scope of the EDMF and its replenishment would provide opportunities for WFP to engage more actively with emerging donors by providing the balance of funds to achieve full cost recovery*
4. Foreign exchange reserve to support central risk exposure
 - ✓ *Establishment of a central capital reserve to absorb the FX gains or losses on the hedging programme for outstanding receivables in 3 major non-US currencies*
5. Advance financing safety net
 - ✓ *A wider implementation of internal project lending could give rise to the need to review the level of the Operational Reserve*

1.3a Annex 2 – disclosure of PSA budget

	2017 Total (Estimated)							2018 Total (Projected)						
	Total Prof	Total GS	Nat	Total Positions	Total Staff \$	Total Other \$	Total \$	Total Prof	Total GS	Nat	Total Positions	Total Staff \$	Total Other \$	Total \$
Resource Management	83	110	-	193	26.9	10.0	36.9	90	109	-	199	27.8	10.3	38.0
Office of the AED and CFO	2	2	-	4	0.8	0.1	0.9	2	2	-	4	0.8	0.1	0.8
Budget and Programming	18	26	-	44	6.2	0.3	6.5	18	25	-	43	6.0	0.1	6.1
Finance & Treasury	27	25	-	52	7.7	1.2	8.9	26	22	-	48	7.1	1.5	8.5
Enterprise Risk Management	-	-	-	-	-	-	-	9	2	-	11	2.1	0.5	2.5
Performance Management and Monitoring	13	5	-	18	3.2	0.3	3.5	12	6	-	18	3.1	0.3	3.4
Management Services	10	22	-	32	4.0	7.1	11.1	10	22	-	32	3.9	6.8	10.6
Security Division	4	26	-	30	2.8	0.4	3.2	4	26	-	30	2.7	0.4	3.1
Resource Management Integration & Support Office	4	1	-	5	0.8	0.3	1.1	4	1	-	5	0.9	0.3	1.1
Staff Wellness	5	3	-	8	1.4	0.3	1.7	5	3	-	8	1.4	0.3	1.7

1.3b Annex 2 – disclosure of PSA budget

	2017 Total (Estimated)	2018 Total (Projected)	A - Strategy and Direction							B - Business Services to Operations						
	Total \$	Total \$	Prof	GS	Nat	Total positions	Staff \$	Other \$	Total \$	Prof	GS	Nat	Total positions	Staff \$	Other \$	Total \$
Resource Management	36.9	38.0	13	12	-	25	4.5	0.4	4.9	43	79	-	121	15.2	6.5	21.6
Office of the AED and CFO	0.9	0.8	2	2	-	4	0.8	0.1	0.8	-	-	-	-	-	-	-
Budget and Programming	6.5	6.1	4	5	-	9	1.4	0.1	1.4	10	21	-	30	3.8	0.1	3.9
Finance & Treasury	8.9	8.5	2	1	-	3	0.6	0.1	0.7	10	10	-	20	2.8	0.6	3.4
Enterprise Risk Management	-	2.5	-	-	-	-	-	-	-	9	2	-	11	2.1	0.5	2.5
Performance Management and Monitoring	3.5	3.4	2	2	-	4	0.6	0.1	0.7	2	2	-	4	0.5	0.0	0.6
Management Services	11.1	10.6	2	2	-	4	0.6	-	0.6	4	16	-	20	2.2	4.5	6.6
Security Division	3.2	3.1	1	-	-	1	0.2	0.0	0.2	3	26	-	29	2.5	0.4	2.9
Resource Management Integration & Support Office	1.1	1.1	-	-	-	-	-	-	-	2	-	-	2	0.4	0.1	0.5
Staff Wellness	1.7	1.7	1	-	-	1	0.3	0.0	0.3	3	3	-	6	0.9	0.3	1.2

2. Update on Private Sector Fundraising

2.1 Integrated approach to fundraising

2.2 Resource Mobilisation Private Sector (USD 3 million)

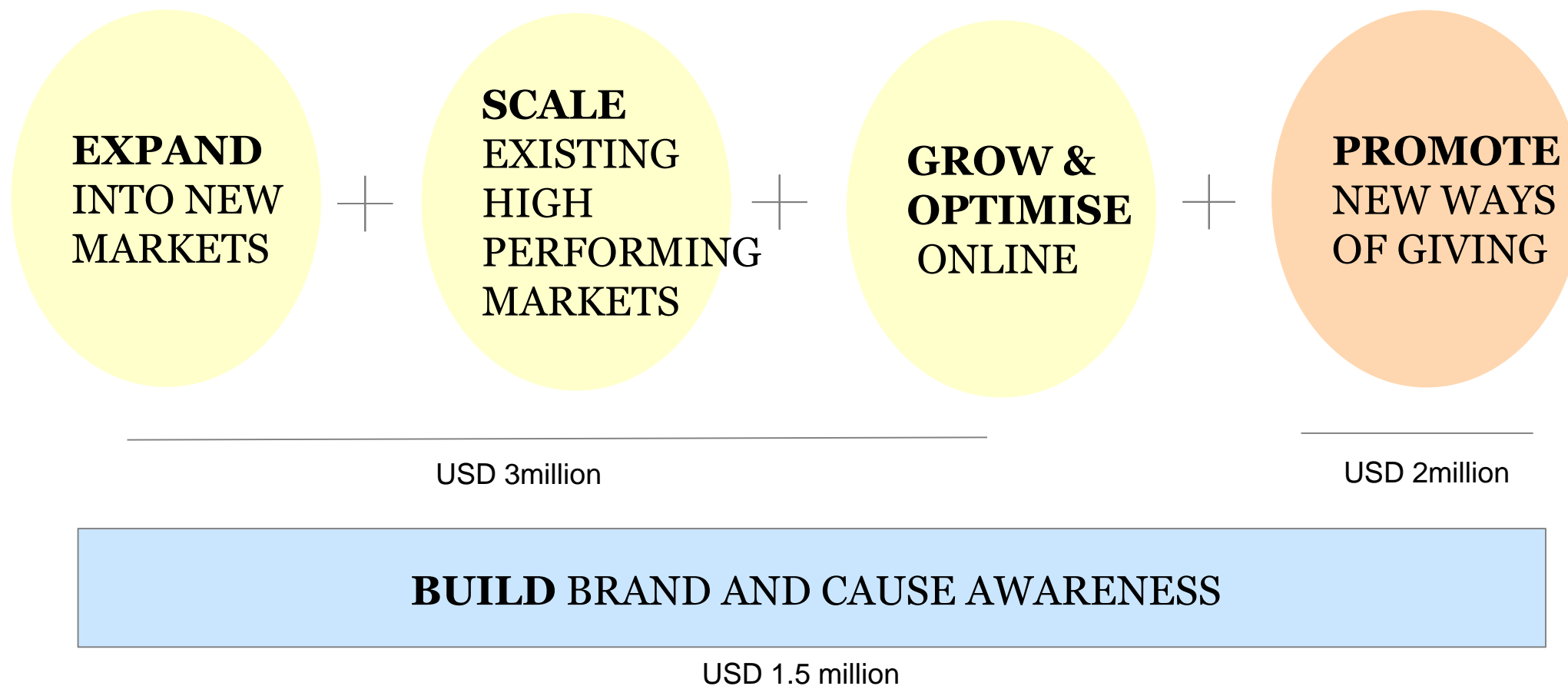
2.3 Digital Mobile Platforms for Fundraising (USD 2.0 million)

2.4 Brand-building for public engagement: Goodwill Ambassadors (USD 1.5 million)

2.1a Integrated approach to fundraising focused on engagement and regular giving

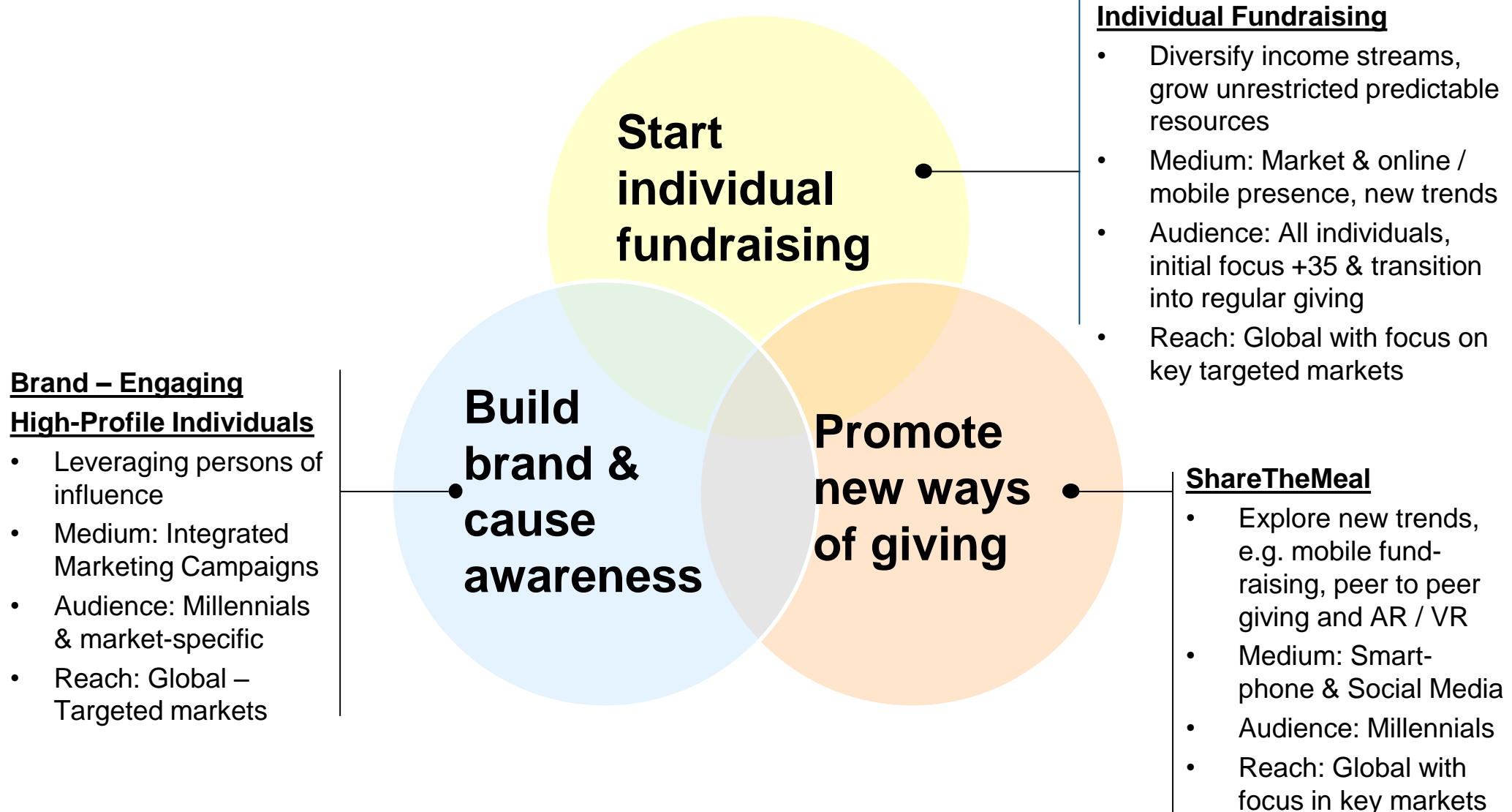
Investment USD 6.5 million

WFP's aligned approach to individual fundraising



2.1b Integrated approach relies on three key pillars

Investment USD 6.5 million



2.2 Start Individual Fundraising

Key input activities

- **Set NEW in-country fundraising operations (one to two markets):** Robust market assessment & set up fundraising infrastructure. Key industry standard activities/channels tested (F2F, Digital, SMS + Telemarketing)
- **Scale EXISTING well performing markets / 'Friends' orgs:** Contractual agreements in place & support to scale up existing programmes with high ROI (US: online, Japan: F2F) test new channels (US: telemarketing).
- **Grow current ONLINE fundraising programme:** invest in and test industry standard paid advertising / marketing platforms, make wfp.org fit for fundraising, with aim to scale in year two.

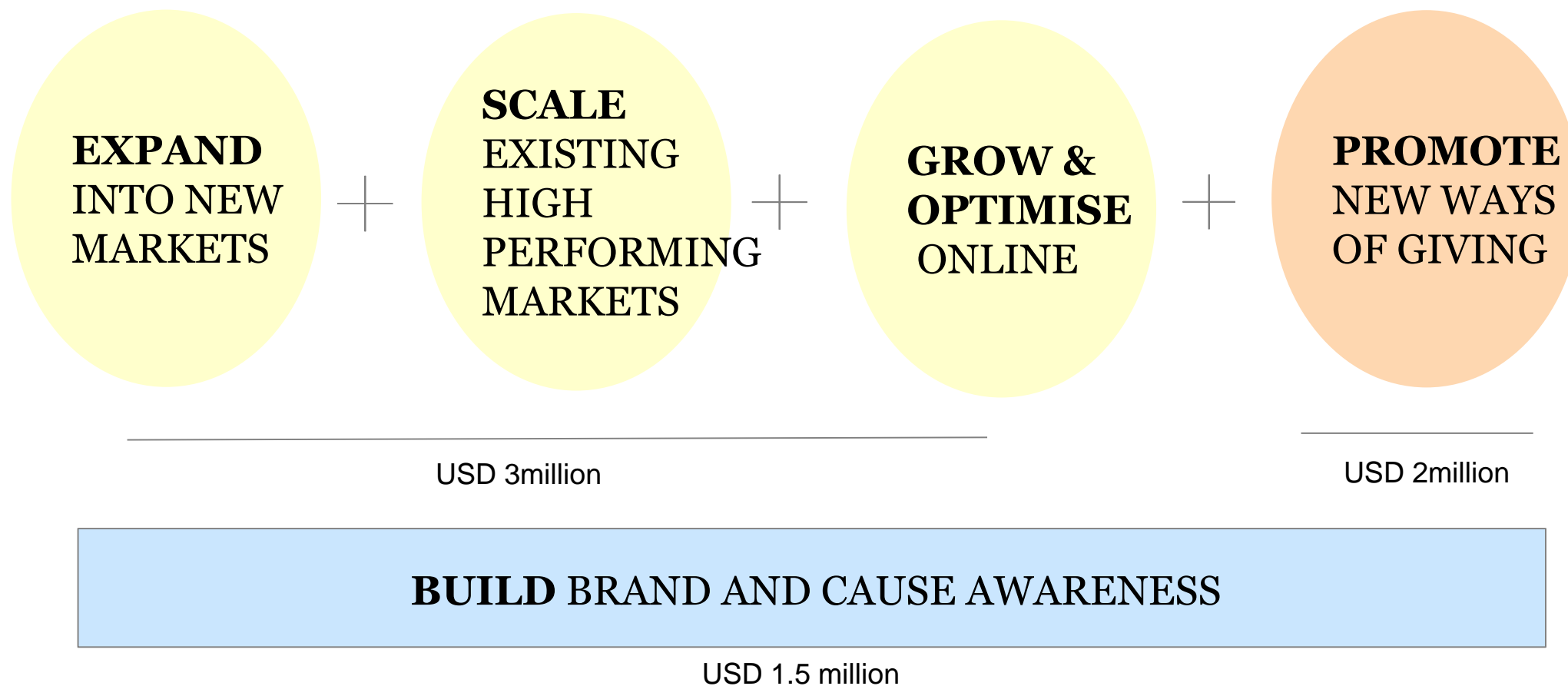
Expected outcome

- Set up **first ever WFP Individual Fundraising Operation and** optimised global structure for directly raising money from individuals
- **Acquire new monthly donors & convert** one-off donors to monthly donors to grow proven recession resistant and sustainable income
- Investment in **infrastructure** and **testing** for sustained future investment:
 - Build/grow new markets
 - Test acquisition messages and models
 - Scale well performing channels/activities
- **Key learnings:** optimal channel and activity mix - those with high ROI, will be taken to scale

Integrated approach to fundraising focused on engagement and regular giving

Investment USD 6.5 million

WFP's aligned approach to individual fundraising



2.3 Promote new ways of giving: ShareTheMeal

Key activities

- Develop innovative product features to leverage on ShareTheMeal as **first-mover in the mobile fundraising / crowdfunding space**:
 - Explore new platforms for direct feedback
 - Make ShareTheMeal 'smart' with automated user journeys based on data analysis
 - Simplify payment process
- **Scale up user base**:
 - Acquire and retarget users on ad platforms
 - Reinforce brand with public service announcements and social media influencers
 - Leverage WFP's corporate partners and activities to reach new users
 - Further develop content strategy

Expected outcome

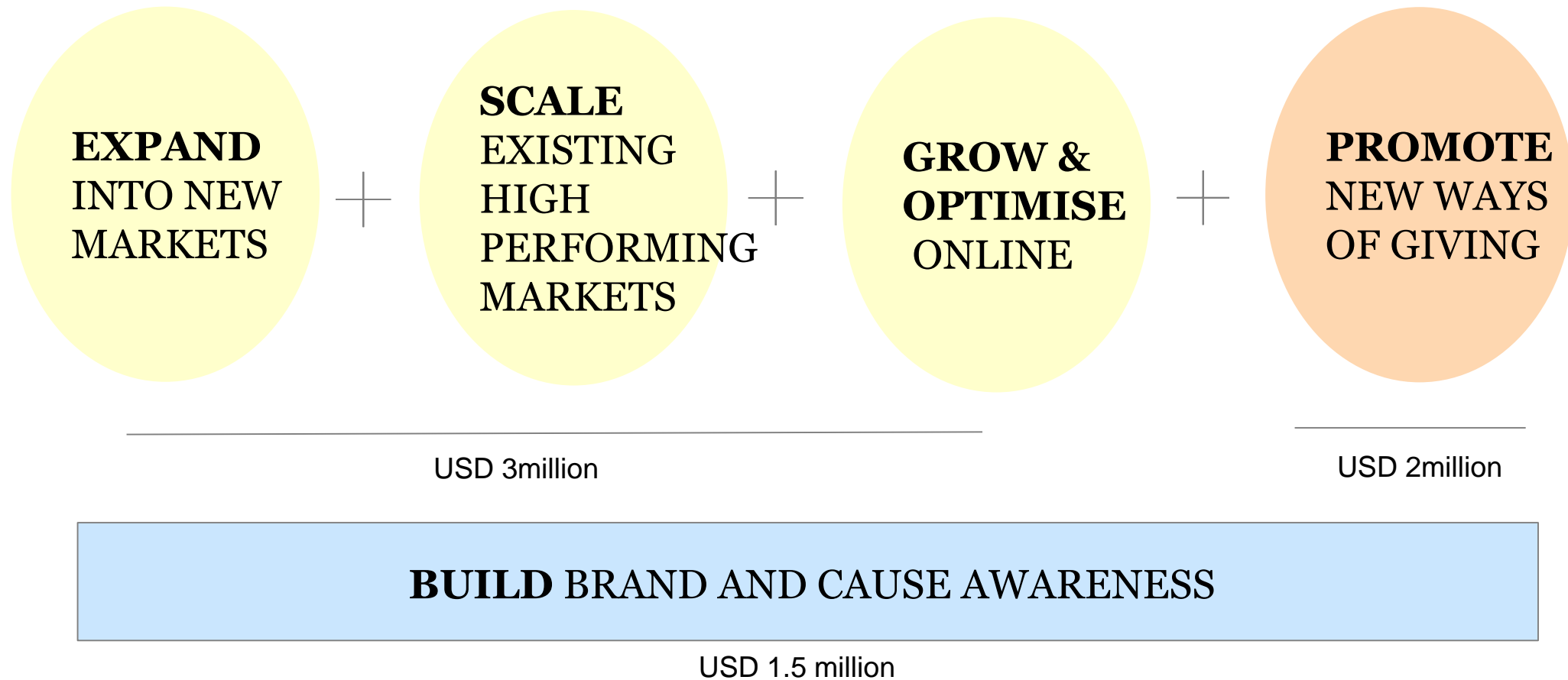
- **Grow donor base** through paid and organic user acquisition to reach 300,000 active donors in 2018
 - Increase user retention and engagement
 - Boost 'virality' (spontaneous sharing with new users)
 - Millennial-specific outreach
- **Increase funds raised** via ShareTheMeal
 - Higher average donor contributions
 - Improved 'conversion' rate of donors who download app
 - Higher donor engagement (# donations, # sessions)
 - Significant increase in regular giving

Proposed investment: USD 2 million

Integrated approach to fundraising focused on engagement and regular giving

Investment USD 6.5 million

WFP's aligned approach to individual fundraising



2.4 Build brand & cause awareness: (High-Profile Individuals / Influencers)

Key activities

- **Create the preconditions** for increased multi-lateral funding from individuals in markets determined by fundraising divisions.
- **Engage the public** in targeted integrated marketing campaigns by utilising influencers to **support our individual giving initiatives.**
- **Establish a baseline** of brand/cause awareness and attributes; measure and test attributes / Goodwill Ambassador engagement to maximise the impact.
- Create assets and management of best practises to **help COs and RBs to maximise Goodwill Ambassadors / influencers.**

Expected outcome

- Contribute to overall goal of **increased individual giving.**
- Brand and cause growth over 3 years while strengthening key brand attributes and reinforcing WFP's brand with citizens to **support government donors.**
- Target messages and utilize high-profile individuals efficiently and effectively to **promote fundraising.**
- Efficiently allocate field resources to engage influencers and **achieve CSP goals.**

Proposed investment: USD 1.5 million

3. Linking Resources to Results

3.1 Allocation of resources and prioritisation

3.2 Transparency and accountability

3.3 How the PSA supports Country Offices – Worked example

3.4 How the PSA supports Country Offices – Worked example

3.1 Allocation of resources and prioritisation

CORPORATE KEY PERFORMANCE INDICATORS

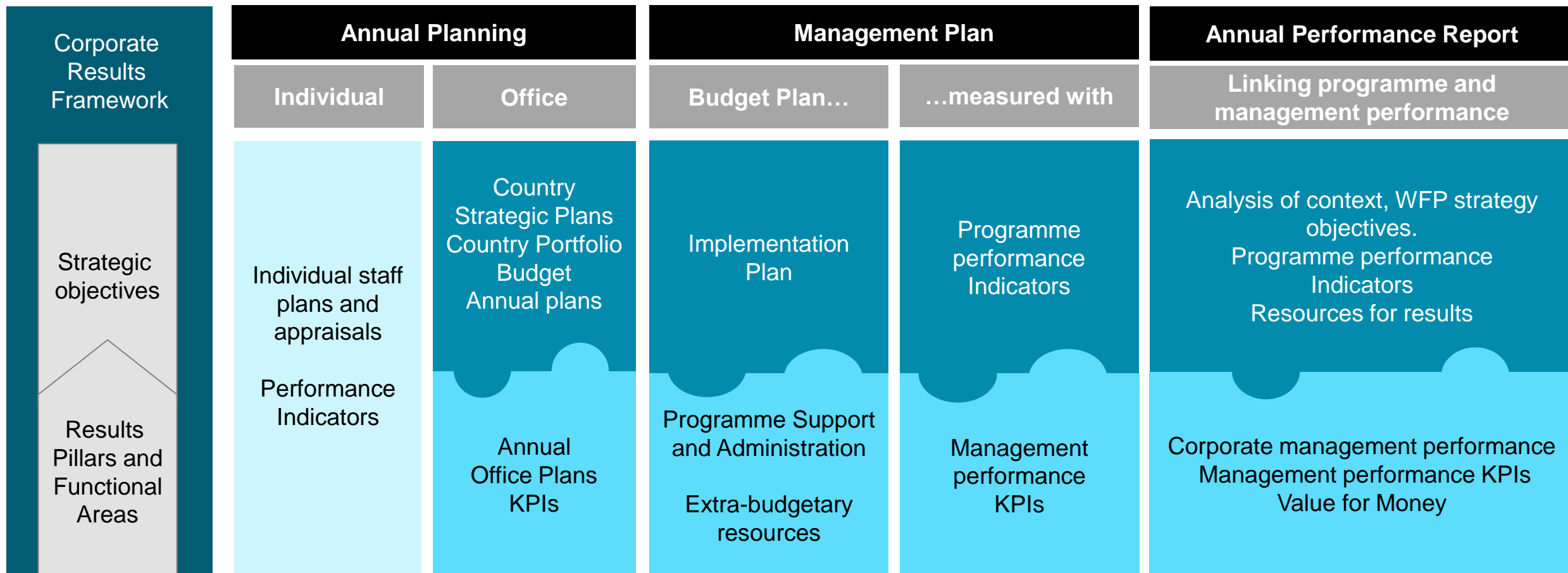
% achievement of outcomes	% achievement management indicators	% emergencies timely responded	% of QCPR reported achieved	RBA indicator	% of ERM system in place
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PERFORMANCE INDICATORS BY PILLAR

	A. Strategy and Direction	B. Business Services to Operations	C. Policy, Guidance and Quality Assurance	D. Advocacy, Partnerships, Fundraising and UN coordination	E. Governance and Independent Oversight
Total PSA	USD 49 million	USD 159 million	USD 41 million	USD 61 million	USD 25 million
Key Performance Indicators	Employee engagement rate	% staff deployed to L3s	% CSPs meet quality standards first submission	% cluster satisfaction rates	% EB recommendations completed
	% achievement of milestones of IRM	% tonnage delivered	% COs with Complaints and Feedback Mechanism	% outputs achieved with partners	# of high risk audit recommendations
	% implementation of policies	% CBTs delivered on time	% EPRP implementation	% gross needs met	WFP's ranking IATI

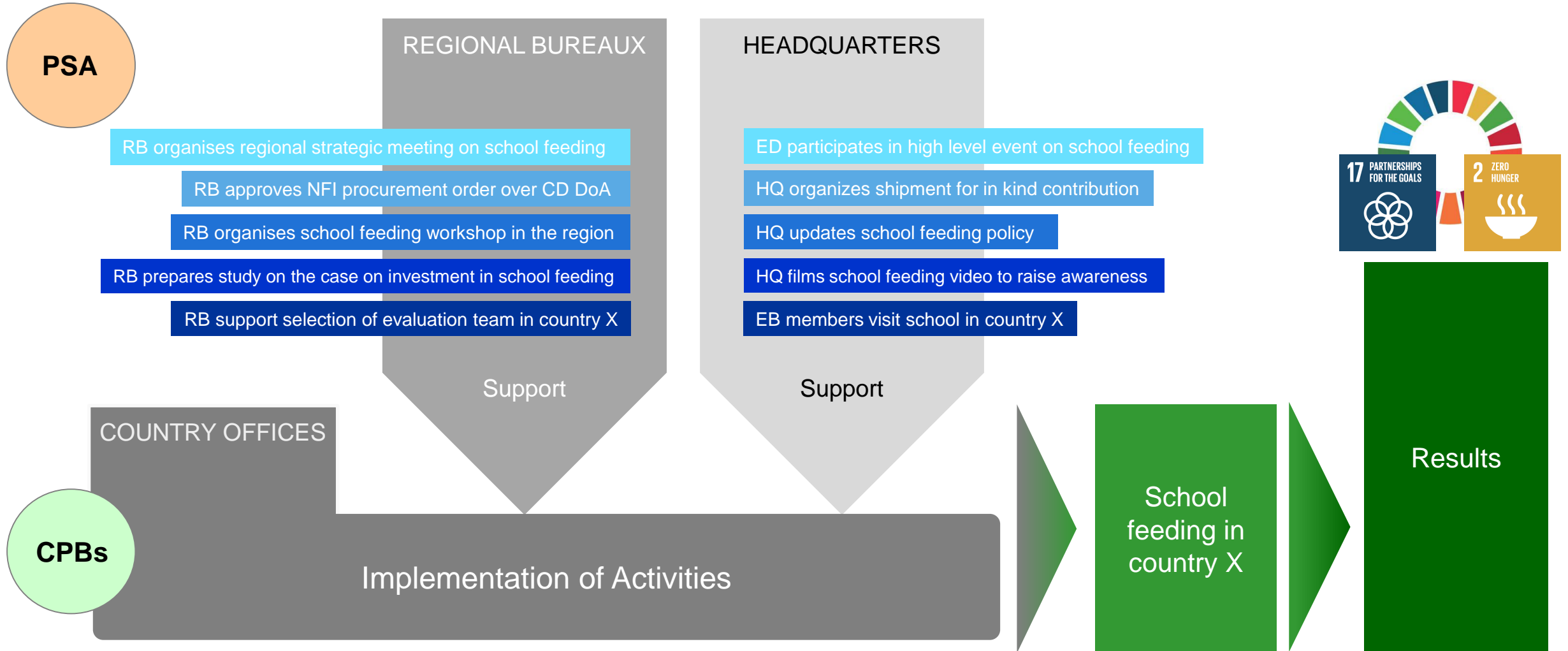
Reflection of the past and the expectations for the future

3.2 Transparency and Accountability

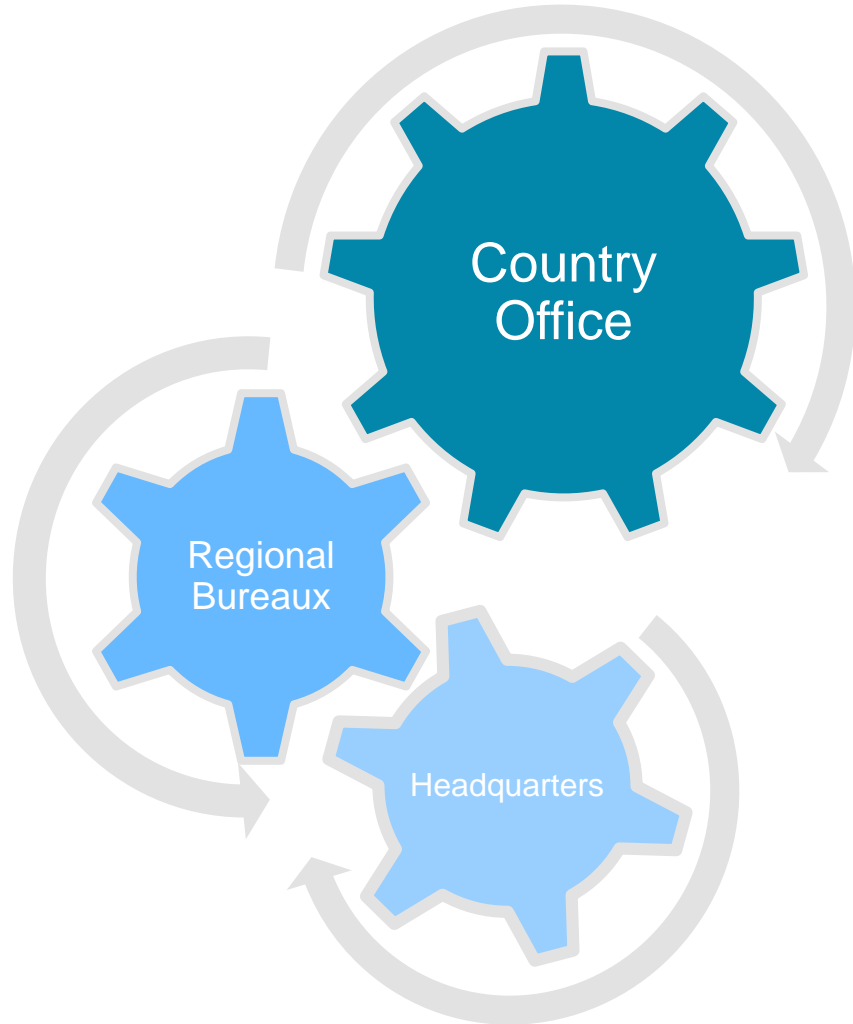


All staff and resources aligned to WFP strategic direction and the SDGs

3.3 How the PSA supports Country Offices – Worked example



3.4 How the PSA supports Country Offices – worked example



HQ, RB and CO work together, with different roles based on:

- Delegation of authority: e.g. procurement, project approval
- Segregation of duties: centralized vs, decentralized evaluations, audit and oversight
- Economies of scale: shipping, software systems, reassignment of staff
- Strategic decision making: policy, corporate training
- Other considerations: regional specificities, emergency level (L2/L3)

PSA funds RB and HQ functions which complement CO to implement activities in the most effective, efficient and economical way possible

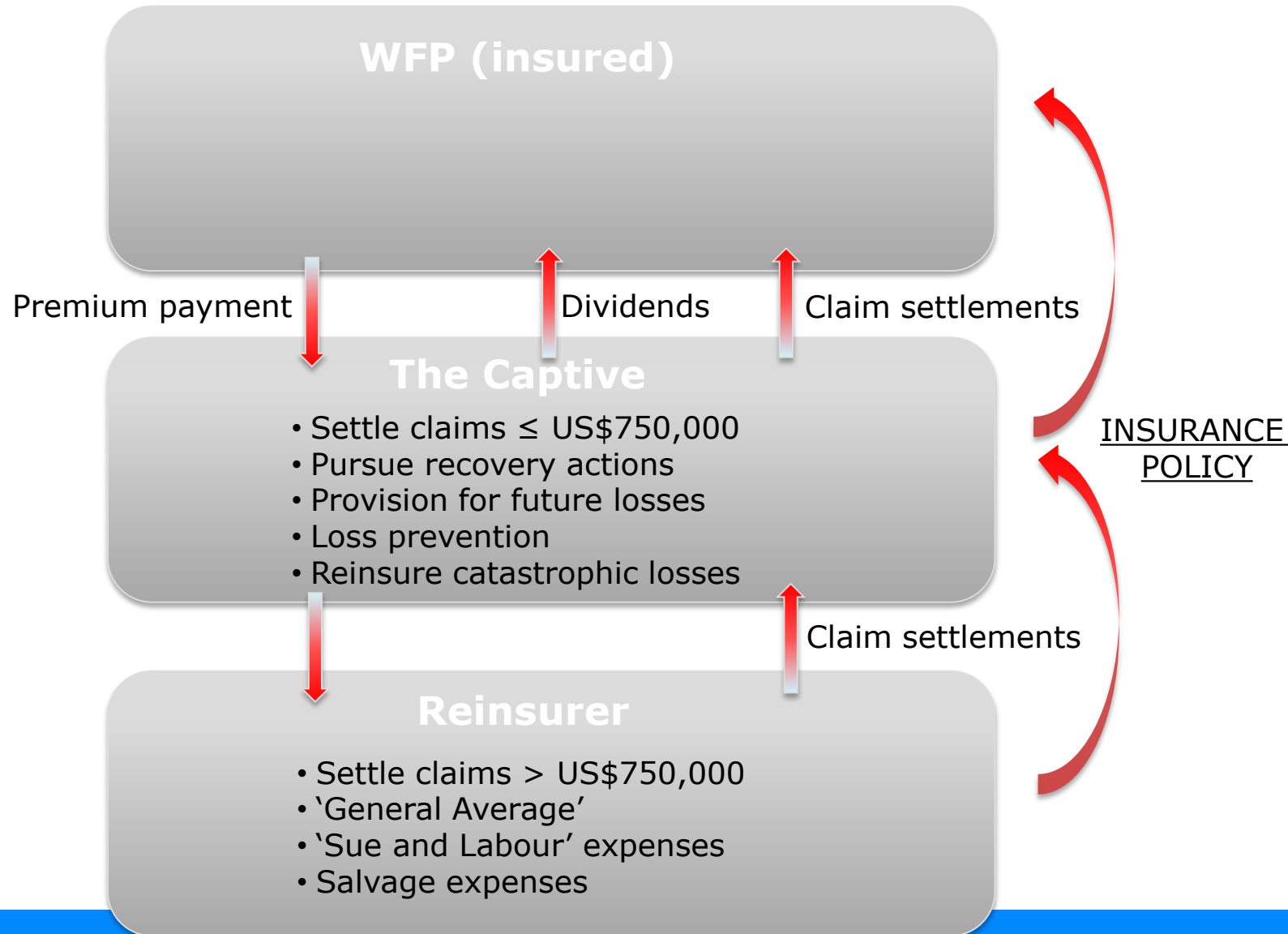
4. WFP Insurance arrangement

4.1 Background and structure of the Captive

4.2 Main benefits of the Captive

4.3 Proposed changes to the Captive

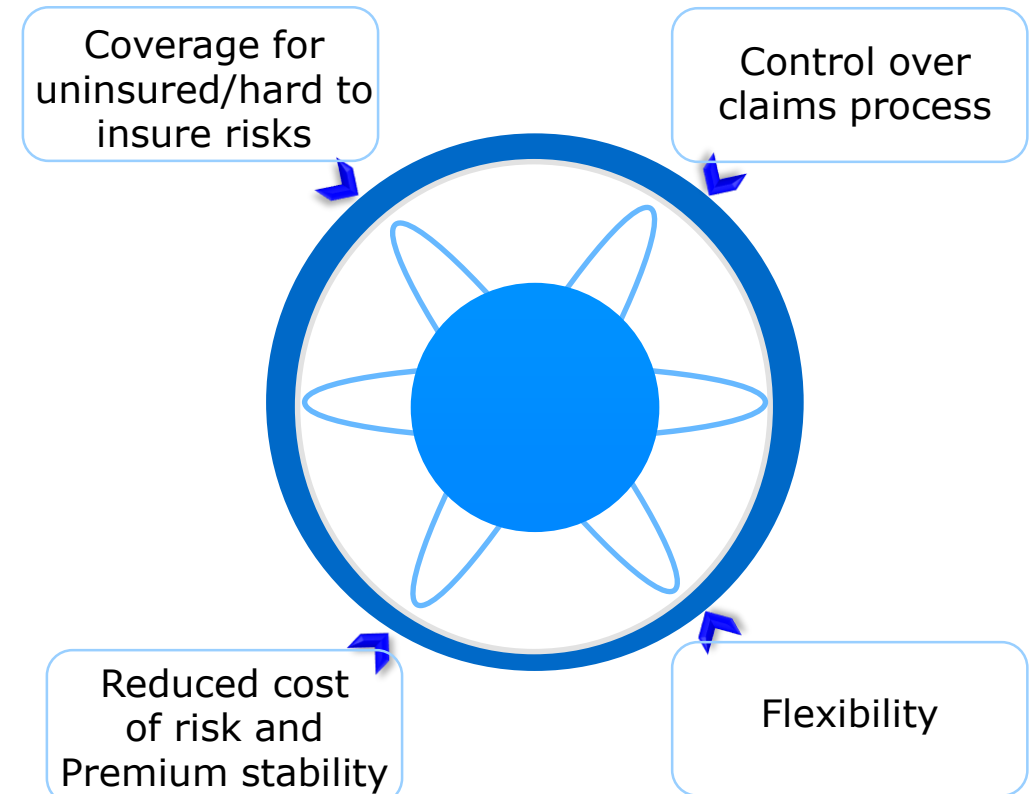
4.1 Background and Structure of the Captive



4.2 Main benefits of the Captive

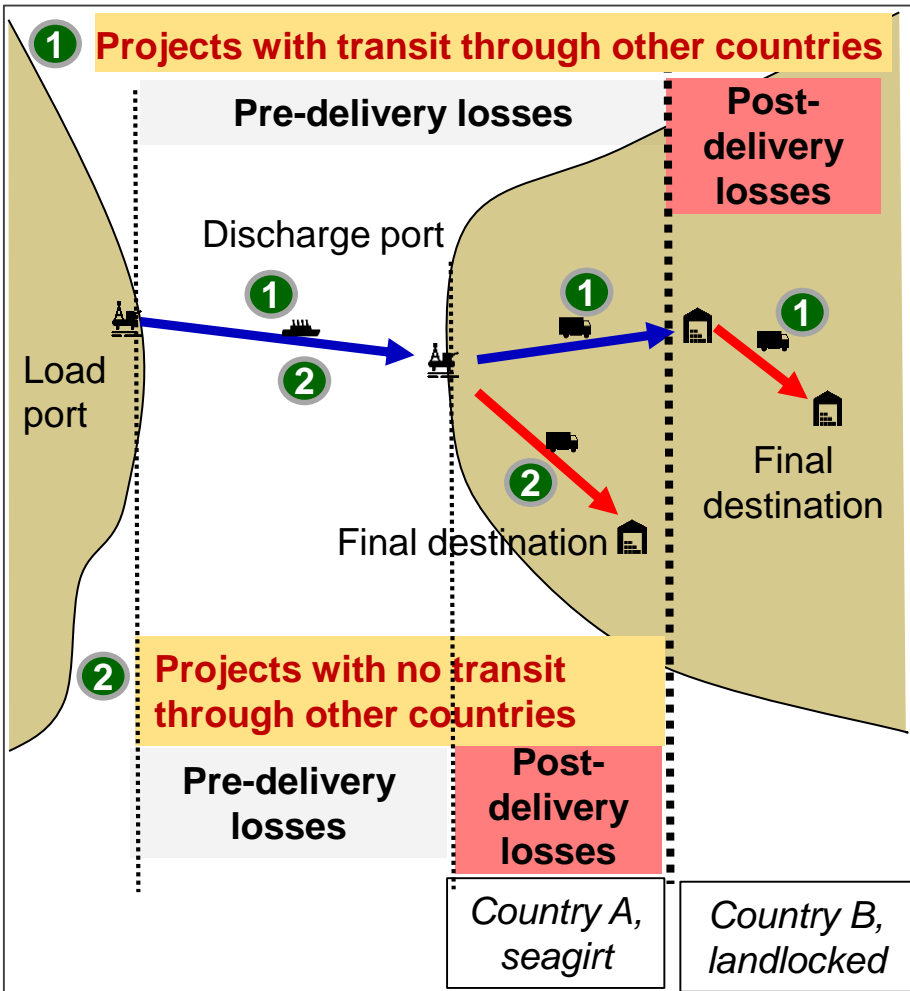
Flexible, robust, conceptually sound
and in keeping with best *risk retention/transfer* thinking:

- Enables WFP to secure insurance Coverage in locations where commercial insurance is not available
- Promptly settles WFP's claims enabling projects to continue uninterrupted
- Retains considerable flexibility in settling claims and related expenses that on a strict interpretation, would fall outside coverage
- Lower premiums than commercially available
- Provides WFP with generous 'dividends'
 - 2002: US\$ 10M
 - 2007: US\$ 15M
 - 2011: US\$ 10M

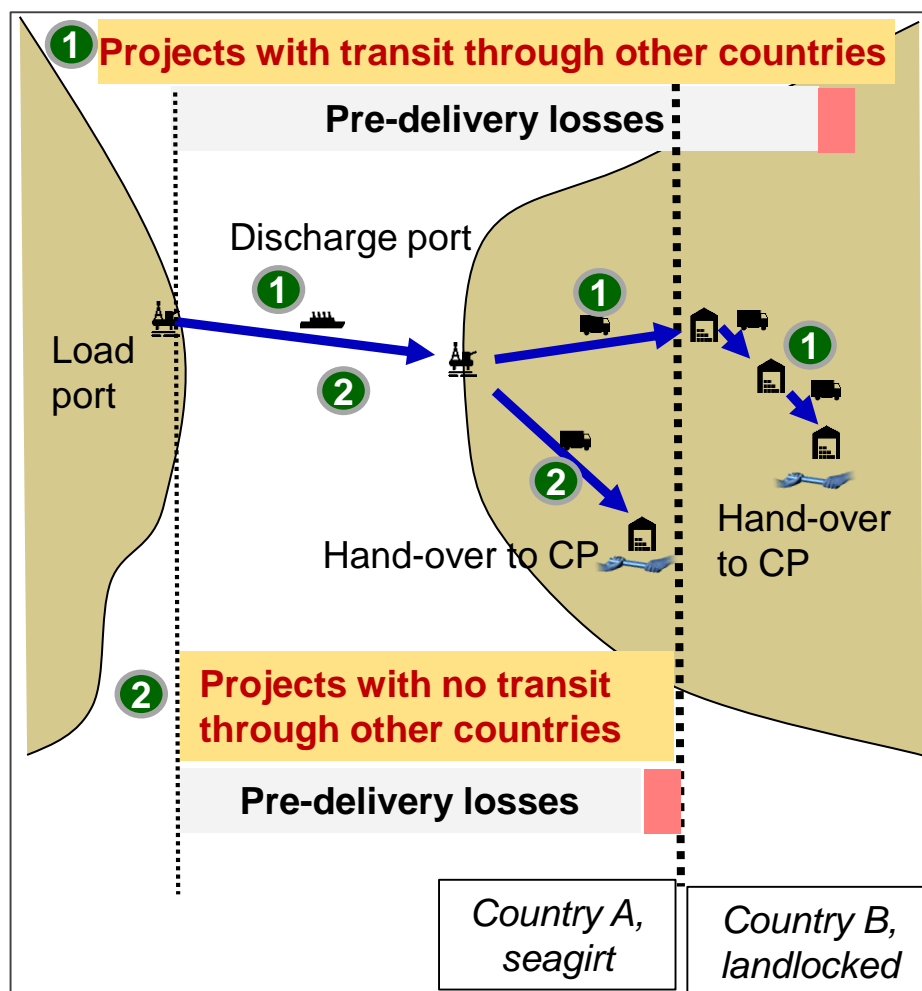


4.3 Proposed changes to the Captive

Current Scenario: Coverage up to delivery point



Proposed scenario: Coverage up to hand-over point



Thank You