



World Food Programme



SAVING
LIVES
CHANGING
LIVES

First Informal Consultation on the Management Plan (2019-2021)

WFP Executive Board, 25 July 2018

AGENDA

**① Resourcing and Financial Context
for the 2019-2021 Management Plan**

② PSA Approach and Proposed PSA Budget

③ PSAEA and Critical Corporate Initiatives

**④ Operational Requirements and
Implementation Plan**

Resourcing and Financial Context for the 2019-2021 Management Plan



- Updated Income Forecasts: 2018 and 2019
- 2018 PSA income versus expenditure
- PSA Equalization Account projection at year end 2018

2019 Key figures

Total Operational Requirements

USD 9.8 billion

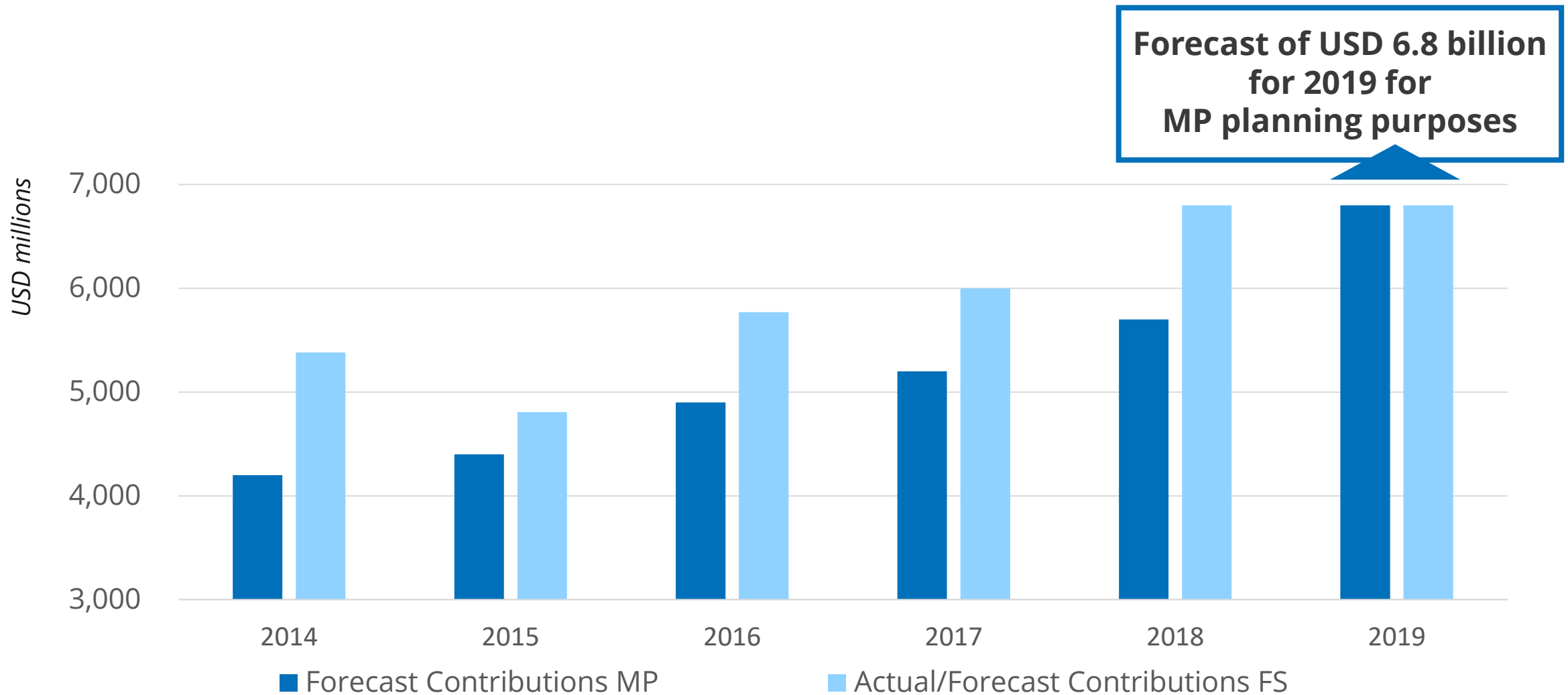
Forecast Contributions
(foreseen Implementation Plan)

USD 6.8 billion

**Proposed Programme Support
and Administrative Budget (PSA)**

USD 385.1 million

Management Plan Income forecast 2018-2019



2018 PSA Income versus Expenditure

	2018		
	Approved in MP	Updated Projection	
	<i>in USD million</i>		
Estimated Overall Income	5,700.0	6,800.0	+USD 1,100
Estimated ISC Income	342.9	409.0	+USD 66.1
PSA Expenditure	335.4	335.4	
ISC Income minus PSA expenditure	7.5	73.6	+USD 66.1

Updated projection for 2018 income continues to build up balance to be transferred to the PSA Equalization Account

2018 PSA Equalization Account (PSAEA)

Projected Balance	USD Million
PSAEA balance at 1 January 2018	256.8
Projected PSA income 2018 (based on projected income of USD 6.8 billion)	409.0
Approved in 2018	
Approved PSA budget	(335.4)
2018 Critical Corporate Initiatives	(35.6)
2018 Allocation to Reserves	(17.0)
2018 PSAEA Drawdown for IRA and EDMF	(65.0) *
Projected PSAEA balance at 31 December 2018	212.8
PSAEA target (Equivalent 5 months of PSA expenditure)	139.8
Excess over target PSAEA balance	73.0

*Approved by the Executive Board at 2018 Annual Session in the document "Utilization of the programme support and administrative equalization account reserve"

PSA Approach and Proposed PSA Budget



- What is the Programme Support and Administrative (PSA) budget?
- Key financial considerations for MP (2019-2021) PSA planning
- Preliminary summary & breakdown of 2019 PSA

What is the PSA budget?

WHAT IS THE PSA?

Portion of the WFP budget providing indirect support to WFP activities

HOW IS IT APPROVED?

Board approval of the PSA appropriation gives authority to the Executive Director to spend



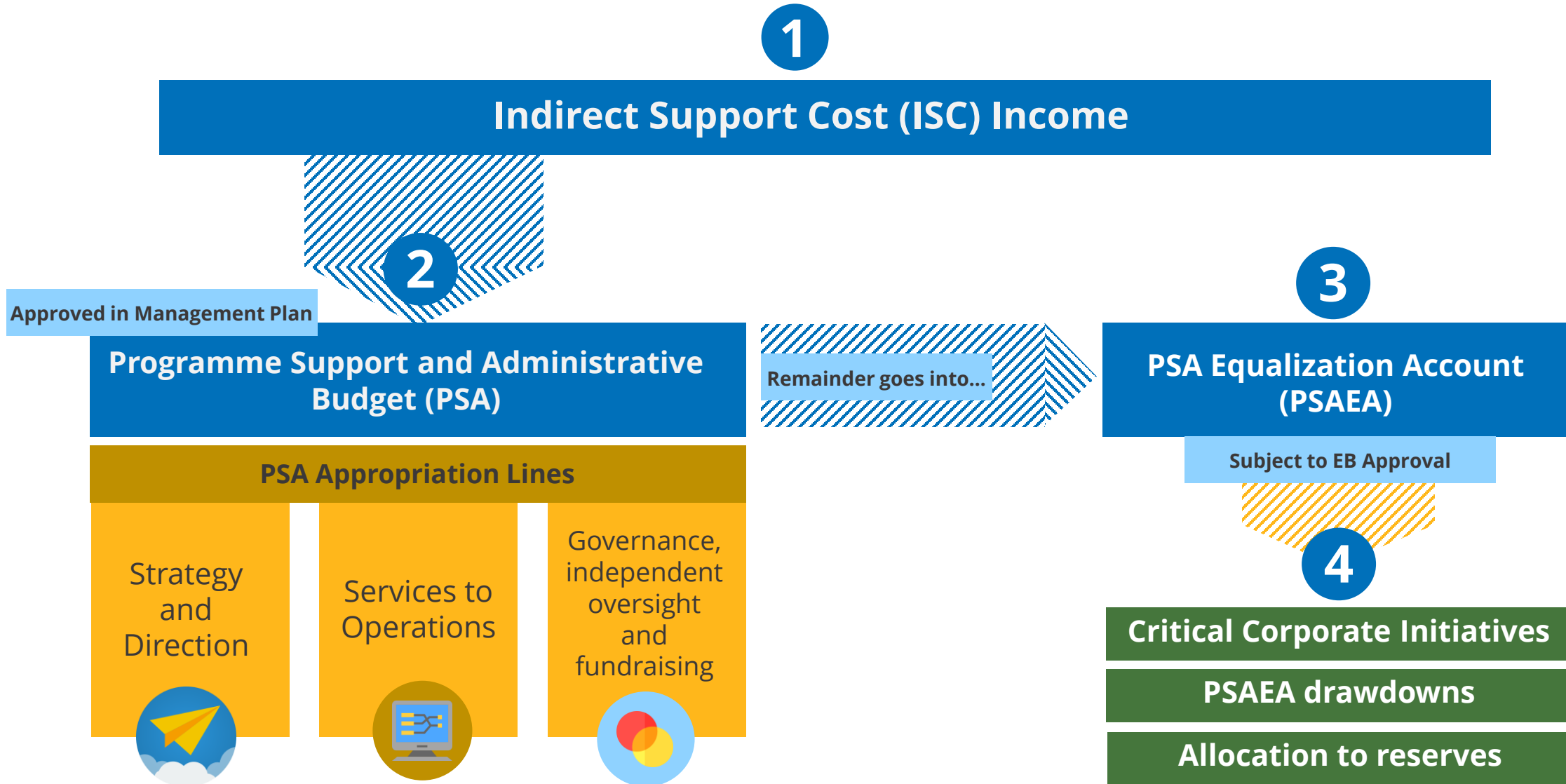
HOW IS IT FUNDED?

From Indirect Support Cost (ISC) charge on each contribution

WHAT DOES IT COVER?

The majority of Headquarter and Regional Bureaux costs, as well as 'backbone' structure of Country Offices

What is the PSA budget? (cont'd)



Key Financial Considerations for Management Plan 2019-2021

PSA Planning



Budget Envelope

- Ensure **PSA budget remains within forecast of ISC income**
- Main **Indirect Support Cost (ISC)** rate to be maintained at **6.5%**
- Maintain **PSAEA at minimum 5-month PSA spend level**



Resource Allocation

- PSA levels established through budget de-prioritization and re-prioritization carried out at Departmental level
- Smaller number of large value, high impact proposals for PSAEA allocations

2019 PSA Planning proposal

	USD Million		
	2017 Planning	2018 Planning	2019 Planning
Estimated Overall Income	5,200.0	5,700.0	6,800.0
Estimated ISC Income	335.4	342.9	✓ 409.0
Proposed PSA level	335.4	335.4	✓ 385.1

30.8% growth from 2017

14.9% growth from 2018

WFP continues to keep the PSA budget level at or below current forecast of ISC income for the year, while maintaining the lowest headline ISC rate among major UN agencies.

Summary of main adjustments in 2019 PSA budget

<i>in USD million</i>	
2018 approved appropriation	335.4
Adjustments to regular PSA	
Allocations for departmental reprioritizations and Management Priorities	39.3
Central appropriations	1.9
<i>Sub-total: increase to regular PSA</i>	41.2
Sub-total	376.6
Adjustments for non-discretionary costs	
Increase in standard position costs	8.5
Proposed PSA appropriation for 2019	385.1

2019 PSA Planning – Organizational Unit

in USD million

	2018	2019	
TOTAL	335.4	376.6	% change
Executive Director and Independent Offices	24.5	32.6	33%
Chief of Staff	27.3	33.2	22%
Operations Services	33.0	40.1	21%
Partnerships and Governance	32.0	36.9	15%
Central Appropriations	14.2	16.1	14%
Deputy Executive Director	19.8	22.0	11%
Resource Management	38.0	41.4	9%
Regional Bureaux*	67.2	71.7	7%
Country Offices*	79.4	82.6	4%

* Prioritization of budget movements to be informed by review of RBx/HQ roles and responsibilities.

2019 PSA Planning - breakouts

EXECUTIVE DIRECTOR AND INDEPENDENT OFFICES

<i>in USD million</i>	2018	2019	% change
TOTAL	24.5	32.6	33%
Office of the Ombudsman (OBD)	0.7	1.2	78%
Ethics Office (ETO)	0.9	1.4	56%
Office of the Executive Director (OED)	2.6	3.6	39%
Office of Evaluation (OEV)	7.4	10.1	36%
Inspector General and Oversight Office (OIG)	8.0	10.6	33%
Legal Office (LEG)	4.9	5.7	16%

Departmental re-prioritization narrative

OED & Independent Offices (1)

- **Enhanced WFP capacity in HSHAP and Fraud:** building on current investment cases, the budget has prioritized WFP capacity to prevent, support, investigate and address HSHAP and Fraud. In this regard, LEG, OIG, ETO, OBD PSA budgets will include provisions to strengthen their respective staffing structures and capacities to support the updating of relevant policies and guidelines, raising awareness across the organization, providing legal advice, ensuring timely investigations and handling of disciplinary and fraudulent cases
- **Legal Office (LEG)** used the additional resources to strengthen its public international unit and supply chain unit. In addition, LEG will strengthen its staffing structure in order to ensure that the appropriate capacity is in place to timely handling investigations and disciplinary cases

Departmental re-prioritization narrative

OED & Independent Offices (2)

- **Strengthening WFP Evaluation function:** prioritization of the resources to strengthen OEV's capacity to meet the coverage norms on evaluation as stipulated in the Evaluation Policy, reinforcing WFP's policy commitment to devote 0.8% of its total annual income to evaluation activities across the organization
- **Enhance Office of the Inspector General:** additional budget will reinforce the Office of the Inspector General to increase its staffing structure in line with benchmarking of other UN organizations. The prioritized resources will enable inter-alia to enhance advisory role, capacity for investigations and assurance coverage thus meeting donors and the Executive Board requirements

2019 PSA Planning - breakouts

CHIEF OF STAFF

<i>in USD million</i>	2018	2019	% change
TOTAL	27.3	33.2	22%
Chief of Staff (CS)	1.0	1.7	70%
Technology Division (TEC)	16.0	19.3	21%
Communications Division (COM)	8.6	10.3	20%
Cash-Based Transfers (CBT)	0.4	0.5	8%
Innovation and Change Management Division (INC)	1.3	1.4	8%

Departmental re-prioritization narrative

Chief of Staff (1)

- **Chief of Staff (CoS):** The Office of the CoS will continue to invest resources in order to effectively perform its duties e.g. provide strategic guidance to WFP corporately on behalf the ED in addition to positioning WFP globally in the area of digitalization, private sector partnerships and operational effectiveness through divisions reporting directly to the CoS.
- **Innovation and Change Management (INC):** INC will invest additional resources in the organization's core capacity to develop innovative approaches to its work and coordinate and oversee key corporate change initiatives.
- **Communications (COM):** The additional PSA will be prioritized towards designing tactical campaigns and activities for maximum public reach and engagement, that will also drive WFP's brand building and visibility programme

Departmental re-prioritization narrative

Chief of Staff (2)

- **TEC (Technology Division):** Through budget adjustments TEC will target the following key achievements:
 - 27 countries using SCOPE for cash transfers; 28 million beneficiaries having digital identities in SCOPE; USD 1.025 billion of cash transfers (CBT)
 - Improved Cyber-Security level; enhanced integration between core systems; provision of more reliable IT services (e.g. SAP maintenance, service desk) to all WFP users
 - Digital Roadmaps developed to support CSP implementations for certain countries; basic roll out of data tools and practices at a regional level; improved L3 operations support.

2019 PSA Planning - breakouts

OPERATIONS SERVICES

	<i>in USD million</i>	2018	2019	% change
TOTAL		33.0	40.1	21%
Emergency Preparedness and Support Response Division (OSE)		3.8	5.6	47%
Operations Services (OS)		2.5	2.8	13%
Supply Chain Division (OSC)		16.1	17.4	8%
Policy and Programme Division(OSZ)		8.8	9.5	8%
Nutrition Division (OSN)		1.8	2.0	8%
NGO Partnership Unit (NGO)		-	0.4	N/A
School Feeding Service (OSF)		-	2.4	N/A

Departmental re-prioritization narrative

OS

- **Objective:** OS looked to strengthen service support to the field, focus thought leadership in key areas and integrate work across the Department to achieve maximum impact. Priority was given to:
- Creation of Global Surge Capacity and strengthening of emergency preparedness training to support expanding demand from country offices
- Reprioritization within OSC to further strengthen core supply chain activities:
 - Logistics and Supply Chain field support
 - Sourcing – shipping and food; and goods and services procurement
- Establishment of a dedicated School Feeding Service to regain WFP global leadership in school feeding direct programming and government technical support
- Reinforce programmatic capacity in the areas of:
 - humanitarian access, conflict-sensitive programming and protection
 - asset development and climate insurance
 - guidance for future social protection, and
 - reinforcing strategic partnerships

2019 PSA Planning - breakouts

PARTNERSHIPS & GOVERNANCE

	<i>in USD million</i>	2018	2019	% change
TOTAL		32.0	36.8	15%
Brussels WFP Office (BRU)		1.8	2.5	38%
Government Partnerships Division (PGG)		9.5	11.8	24%
UN System, AU & Multilateral Engagement (NYC)		3.7	4.4	19%
Washington WFP Office (WAS)		2.9	3.3	14%
Rome-Based Agencies and Committee on World Food Security (PGR)		1.0	1.1	11%
Private Sector Partnerships Division (PGP)		6.2	6.8	10%
Executive Board Secretariat Division (PGB)		5.1	5.4	5%
Partnerships & Governance Department (PG)		1.7	1.5	-12%

Departmental re-prioritization narrative

PG

- **Partnerships and Governance Department (PG):** strengthen leadership and expertise on WFP's global partnership and resource mobilization efforts to attain maximum resources through:
 - improving the management of existing and new partnerships
 - diversifying access to funding resources and
 - advancing WFP's positions to align with UN reform
- Specifically, funds will be used to strengthen the following Divisions and Offices:
 - **UN System (NYC):** Enhance WFP's engagement in peacekeeping integrated planning discussions and policy fora to remain well informed on issues impacting WFP operations during implementation of conflict/hunger/peace nexus and UN reform resolutions
 - **Government Partnerships Division (PGG) and WFP Offices:** Strengthen role in key donor capitals to increase financial commitments and help fund needs for 2019, e.g. tapping into development ODA, discretionary funds, etc.
 - **Private Sector Partnerships Division (PGP):** Strengthen management of ongoing partnerships with companies such as Mastercard, Amazon and AB INBEV, among others

2019 PSA Planning - breakouts

DEPUTY EXECUTIVE DIRECTOR

<i>in USD million</i>	2018	2019	% change
TOTAL	19.8	22.0	11%
Office of the Deputy Executive Director (DED)	0.9	1.9	111%
Human Resources Division (HRM)	15.1	16.4	9%
Gender Office (GEN)	1.6	1.7	8%
Strategic Coordination and Support Division (STR)	0.8	0.9	8%
Operations Management Support Unit (OMS)	1.4	1.1	-21%

Departmental re-prioritization narrative

DED

- **Human Resources Division (HRM):** the budget prioritization enabled HRM to address its requirements in the areas of HSHAP, recruiting and workforce planning, gender and diversity, emergency roster management and learning expertise, and increase its staffing structure for 2019
- **Gender Office (GEN)** used the Management Plan budgeting process to reinforce all divisional areas of work, namely: technical support, gender mainstreaming, gender capacity strengthening, knowledge management and communication, advocacy and campaigns, and the Gender Results Network and UN SWAP

2019 PSA Planning - breakouts

RESOURCE MANAGEMENT

	<i>in USD million</i>	2018	2019	% change
TOTAL		38.0	41.4	9%
Enterprise Risk Management (RMR)		2.5	3.2	25%
Performance Management and Monitoring Division (RMP)		3.4	4.1	22%
Security Division (RMQ)		3.1	3.7	20%
Budget and Programming Division (RMB)		6.1	6.7	9%
Financial Systems and Processes Support Branch (RMX)		1.1	1.2	8%
Staff Wellness Division (RMW)		1.7	1.8	7%
Management Services Division (RMM)		10.6	11.2	6%
Resource Management (RM)		0.8	0.9	2%
Finance and Treasury Division (RMF)		8.5	8.6	1%

Departmental re-prioritization narrative

RM

Overall:

- Prioritized areas of recommendation from oversight reports (i.e. Enterprise Risk Management (ERM) and Anti-Fraud and Anti-Corruption (AFAC), IRM, financial analysis, monitoring and reporting)
- Recent increases in volumes through flat PSA over last few years were managed by increasing efficiencies to keep staff numbers fixed, however thresholds for step-increases have been reached in a number of areas such as HQ security
- Despite increased volumes, some areas were deprioritised, creating room to invest in capacity for innovation and new initiatives such as staff welfare (more medical services for emergencies/field) and field engineering

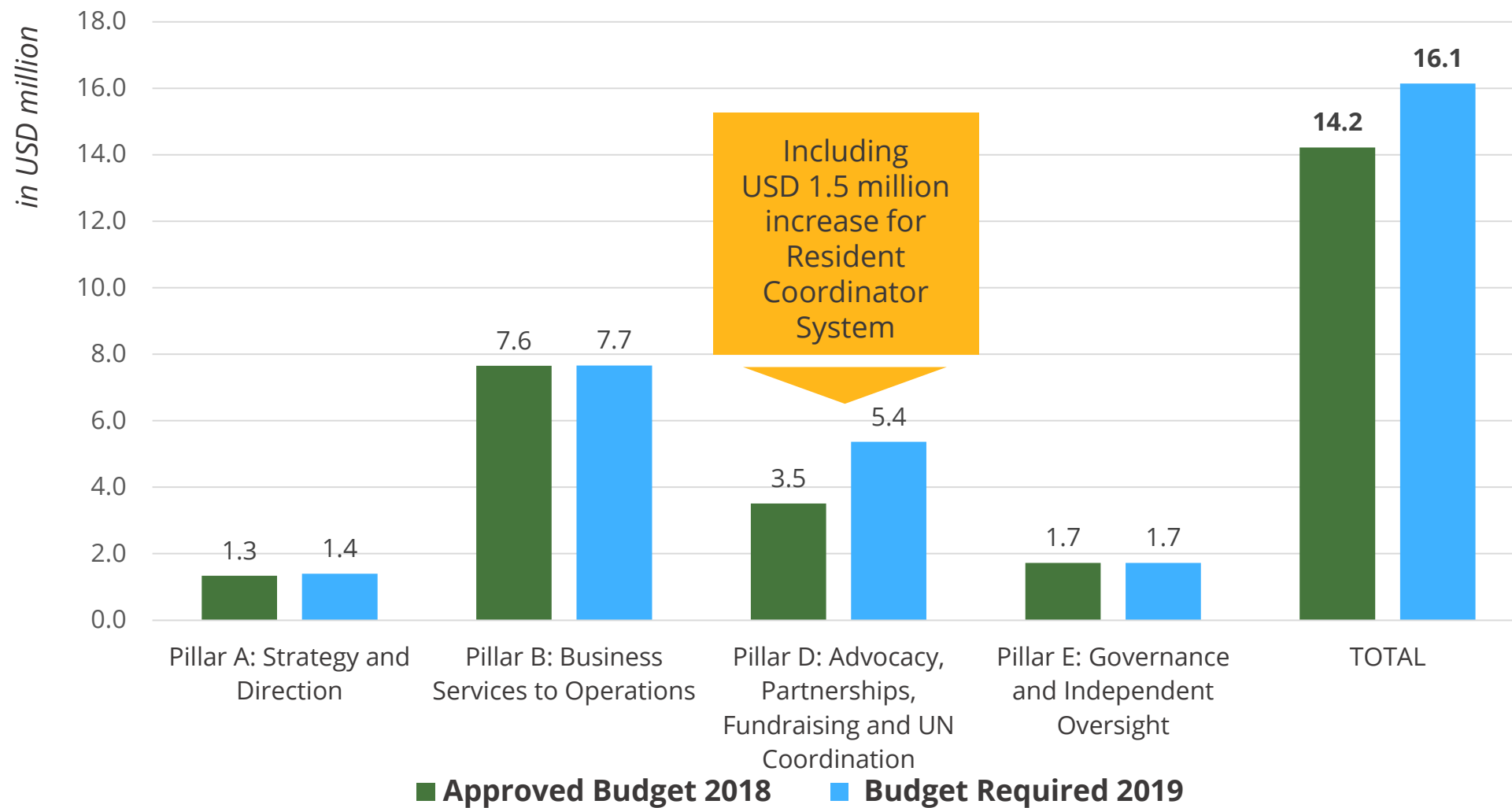
Departmental re-prioritization narrative

RM

Specific additional examples:

- Largest increase – RMR: represents focus on Anti-Fraud Anti-Corruption (AFAC) function and expansion of management-side oversight support
- Support transparency efforts in the organization, such as International Aid Transparency Initiative (IATI), etc. - although limited in USD value
- Finance and Budget functions have deprioritized some transactional work, looking at automation solutions to cope with increased volume and de-prioritization of secondary activities

Central Appropriations by Pillar





Q&A

PSAEA and Critical Corporate Initiatives



- Projected PSAEA balance as at 31 December 2019
- Proposed Critical Corporate Initiatives

PSA Equalization Account

Projected Balance	USD Million
PSAEA balance at 1 January 2019	212.8
Projected PSA income 2019 (based on projected income of USD 6.8 billion)	409.0
To be approved for 2019	
Proposed PSA budget	(385.1)
Proposed 2019 Critical Corporate Initiatives	(60.0)
Projected PSAEA balance at 31 December 2019	176.7
PSAEA target (Equivalent 5 months of PSA expenditure)	160.4
Excess over target PSAEA balance	16.3

The projected balance on the PSA Equalization Account allows for investment in critical corporate initiatives

Proposed Critical Corporate Initiatives

Name	Amount	Timeframe
The Digital Platform	USD 20 million	Over a 2-year period
WFP 2030 Fund	USD 15 million	Over a 2-year period
UN Reform	USD 5 million	Single year
Workforce 2020	USD 5 million	Single year
Integrated Road Map	USD 10 million	Single year
Systems Integration & IT-enabled efficiencies	USD 5 million	Single year
Total	USD 60 million	

The Digital Platform

Amount

Timeframe

USD 20 million

Over a 2-year period



Re-configure SCOPE into a multi-sector digital platform to:

- support multi-purpose cash and in-kind
- strengthen support for internal controls with enhanced application controls, including beneficiary validation and new modalities for biometric support



Support sustained implementation of the digital platform for WFP cash programmes and new approaches to analytics by end of 2020



Provide resources to design the minimum essential business service that can better position WFP to propose our digital platform to humanitarian partners and governments

WFP 2030 Fund

Amount	Timeframe
USD 15 million	Over a 2-year period



A dedicated fund to ensure WFP has the capacity to deliver transformative CSPs/ICSPs in selected countries



Enhancing WFP's ability to re-shape its way of working, ensuring that WFP is able to reposition and operationalize the CSPs



The fund will not overlap with other existing funding mechanisms

Strict minimum criteria to be applied:

- To support CSPs with strong, transformative development-humanitarian nexus elements
- Piloting, adaptability/scaling up of new initiatives
- Testing of new ways of working, including in UN reform context
- Components that support transfer of knowledge and capacities to local institutions facilitating handover and exit strategies
- Country Offices to report on how the investment has been used to strengthen WFP's ability to deliver outcomes reported in the CSP
- Clear timeframe and measurable deliverables

UN Reform

Amount

Timeframe

USD 5 million

Single year



Objective: Support the Secretary-General's efforts to bring about and implement UN reform, in particular WFP's role in co-leading the Business Innovation Group:

Provide leadership in the development of common enabling service platforms, common premises, global shared service centres and business operations strategy

- Design a country typology for support service needs and structures and pilot common premises and services
- Operationalize mutual recognition in collaboration with the Business Innovation Group

Engage in review of the United Nations Development Assistance Framework (UNDAF) with a focus on country results, accountability and performance

Enable WFP to second staff to the UNDS transition team through the end of 2019 and implement any follow-up actions

Workforce 2020



Proposal: Responding to GSS results and UN reform, WFP will create an overarching financial plan to ensure the sustained development of staff capabilities required by 2020



Result: Transformation of WFP's approach to capability development, creating internal synergies and enabling economies of scale



Actions:

- Starting with workforce analysis and planning work at functional and CO level, WFP will conduct a review of the required and existing levels of capability across functions, divisions and field operations
- Ensure adequate funding and coordination of capability development initiatives across the organization

Amount	Timeframe
USD 5 million	Single year

Block 1. Workforce analysis and skills development plans*

Block 2. Functional capability development and build surge capacity

Block 3. Leadership and management skills

Block 4. Cross-cutting skills development initiatives

Block 5. Learning technologies and infrastructure

* This represents the largest part of the budget

Integrated Road Map

Amount

Timeframe

USD 10 million

Single year



Remaining 11 countries, including some of WFP's largest and most complex operations, will transition to the IRM framework in early 2019



Road to completion: Maintain capacity for Regional Bureaux and relevant HQ divisions to successfully complete the transition globally



Reduced IRM implementation team to coordinate completion of residual implementation tasks:

- Continue simplifications and enhancements of the IRM framework
- Complete mainstreaming of the IRM to the relevant units
- Finalize and complete permanent delegations of authority to be presented at the 2020 first regular session

Systems Integration and IT-enabled efficiencies

Amount

USD 5 million

Timeframe

Single year



- Further development of an **integration layer** for WFP's corporate systems
- Strengthening the linkages between **resources and results** in WFP's systems for improved decision making
- Updates to the **Member State CSP Data Portal**
- Continued development of a **dashboard** for WFP management
- Development or roll-out of some **IT-enabled initiatives** that will improve the efficiency of WFP's operations and support services



Q&A



Operational Requirements and Implementation Plan



2019-2021 Management Plan under the new Country Portfolio Budget Structure

82 countries

All plans are based on IRM framework

49 CSPs

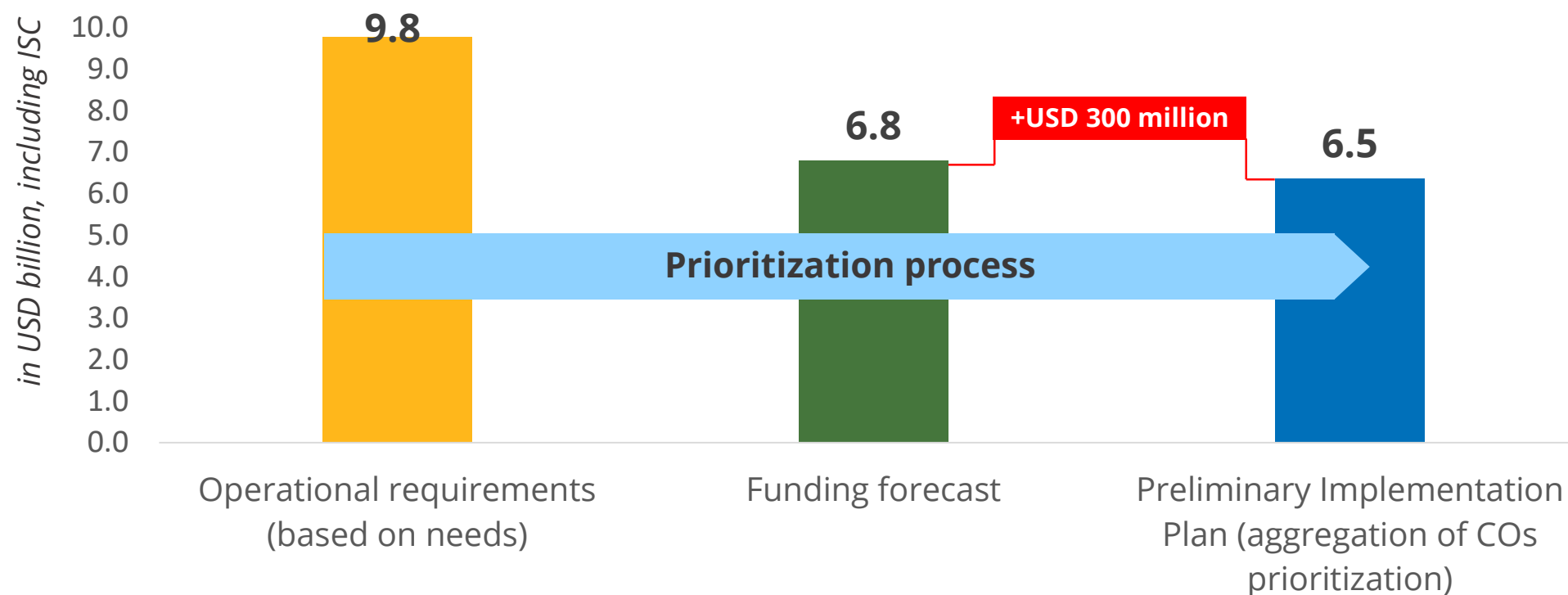
10 ICSPs

23 T-ICSPs

**70 countries already have a CPB
approved for 2019
(whole year or part of the year)**

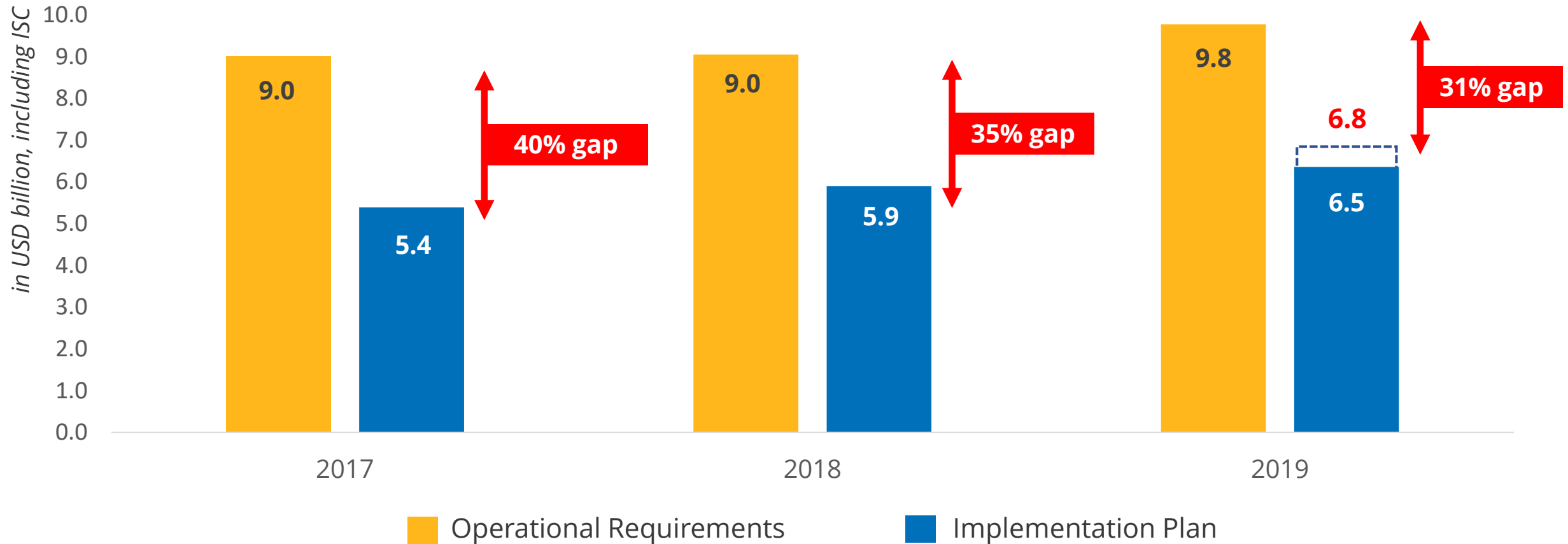


Preliminary Implementation Plan prioritization process



The difference between the funding forecast and the preliminary implementation plan is due to some projected funding not yet factored at country office level

2019 Operational Requirements vs. Implementation Plan



Despite the increase in operational requirements,
the projected funding gap is continuing to decline

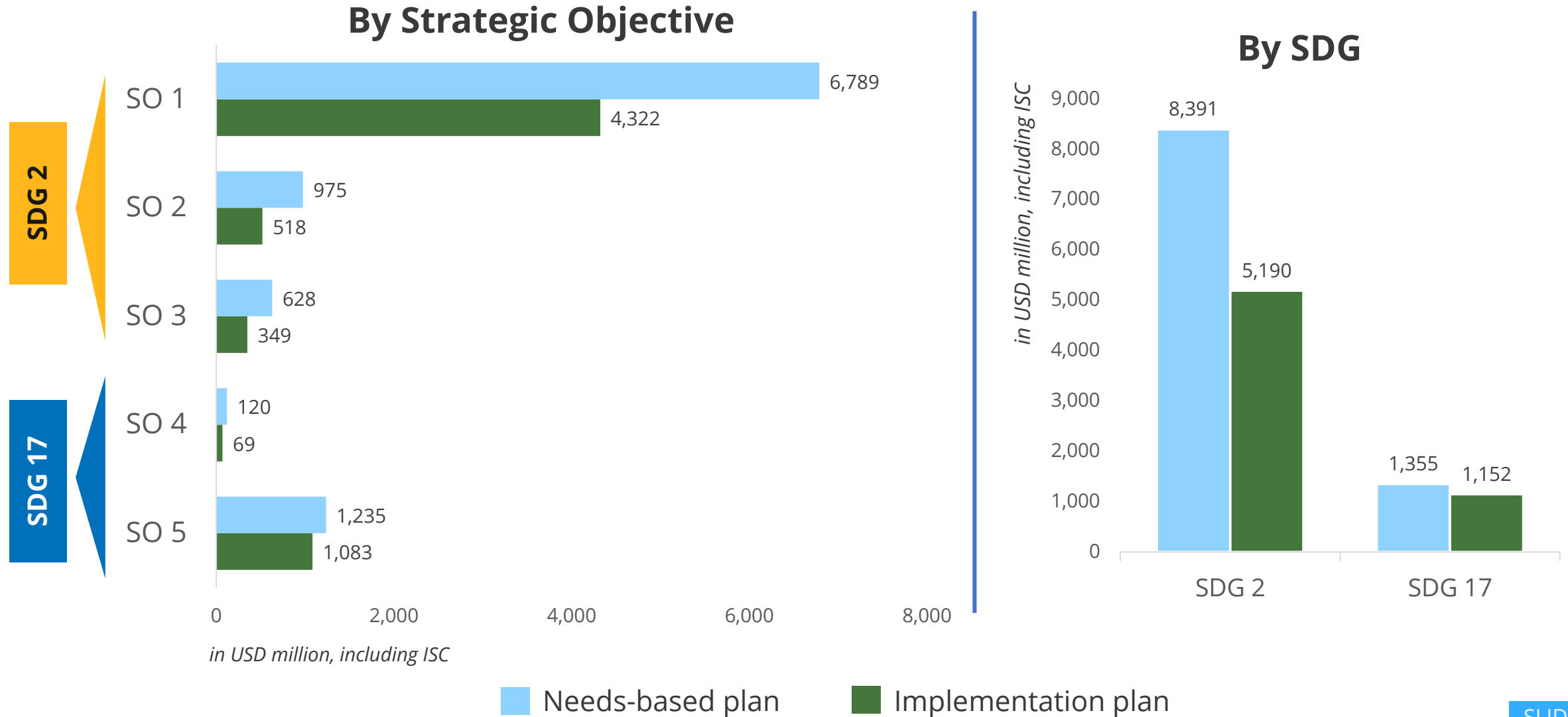
2019 top 10 recipients (operational requirements)

	Recipient	2019 needs-based plan (in USD million, including ISC)	2019 needs-based plan (%)
L3	Syria Crisis	2,118	21.7%
L3	Yemen	1,599	16.4%
L3	South Sudan	1,050	10.7%
	Ethiopia	559	5.7%
	Sudan	395	4.0%
	Somalia	360	3.7%
	Uganda	276	2.8%
L3	Chad	265	2.7%
L3	Nigeria	247	2.5%
L3	Niger	239	2.4%
	Others	2,664	27.3%
	TOTAL	9,772	100.0%

**6 out of the top 10
2019 recipients
are facing L3
emergencies**

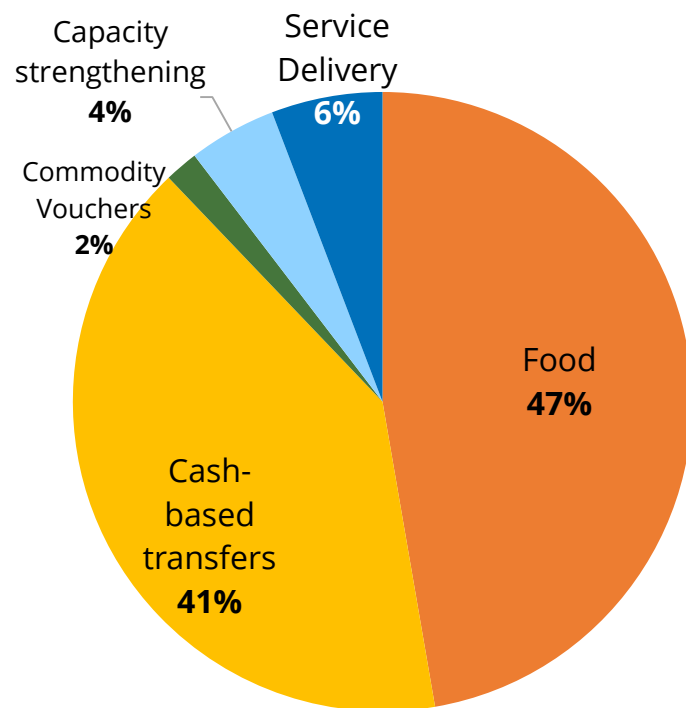
**L3 emergencies
account for 61%
of the total 2019
needs-based plan**

2019 Operational requirements vs. Implementation plan by activity



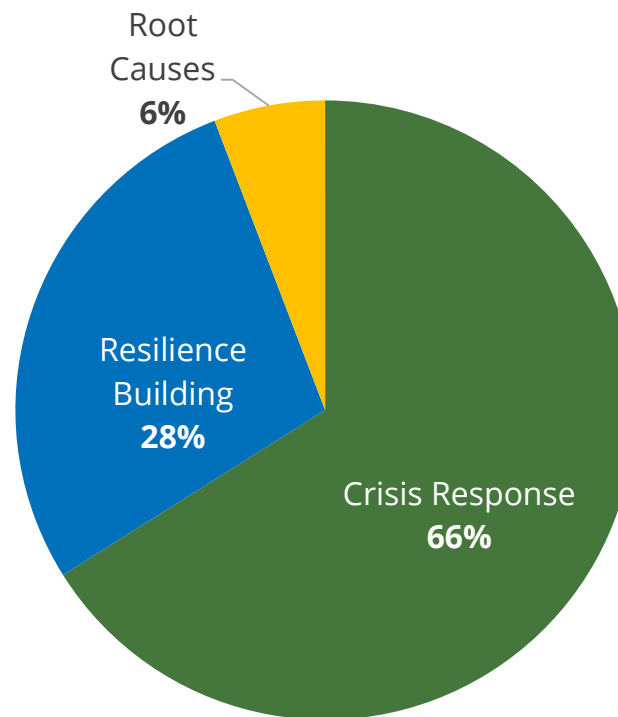
2019 Implementation Plan Analysis

BY TRANSFER MODALITY



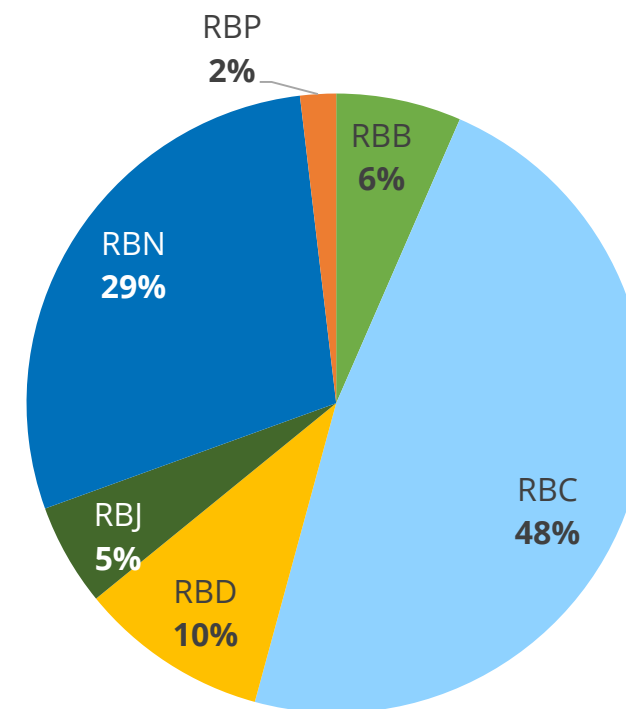
The weight of **CBTs** increased by **5%** since 2018

BY FOCUS AREA



A decrease in the share of **crisis response** is noted (-12%), while an increase took place for **resilience building** (+12%)

BY REGIONAL BUREAU



A further increase is noted for **RBC**, mainly attributed to **Yemen**

Thank You