



World Food  
Programme

SAVING  
LIVES  
CHANGING  
LIVES



## **Second Informal Consultation on the Management Plan (2020-2022)**

WFP Executive Board, 5 September 2019

# Extracts provided in advance of today's informal consultation

Management Plan (2020 - 2022)	Extracts
Executive Summary	
Draft Decisions	<b>Presented today</b>
Section I: Introduction	✓
Section II: Funding Context and Resourcing Assumptions	✓
Section III: Operational Requirements for 2020	✓
Section IV: Programme Support and Administrative Budget	✓
Section V: Management Performance Measurement	✓
Section VI: Trust Funds and Special Accounts	✓
Annex I: Concept notes on proposed Critical Corporate Initiatives	✓

**A complete draft of the Management Plan (2020-2022) will be distributed by 18 October**

# AGENDA

## 1

### Section-by-Section Review of the Document

- **Section 1: Introduction**
- **Section 2: Funding Context and Resourcing Assumptions**
- **Section 3: Operational Requirements for 2020**
- **Section 4: Programme Support and Administrative Budget**
- **Section 5: Management Performance measurement**
- **Section 6: Trust Funds and Special Accounts**

## 2

### Draft Decisions

# Section-by-Section Review of the Document



## Section 1: Introduction

# Section 1 provides a framework for understanding the Management Plan proposals

## Reader's Guide and Structure of the Document

### Contains:

- Short guide on how to read the Management Plan
- Overview of purpose and content of each section



Paras. 1-4

## Global Economic and Political Context

### Assessment of external factors that may impact WFP's work:

- Economic outlook
- Conflict
- Climate variability



Paras. 5-23

## Organizational Context

New organizational structure at headquarters to promote a culture of change

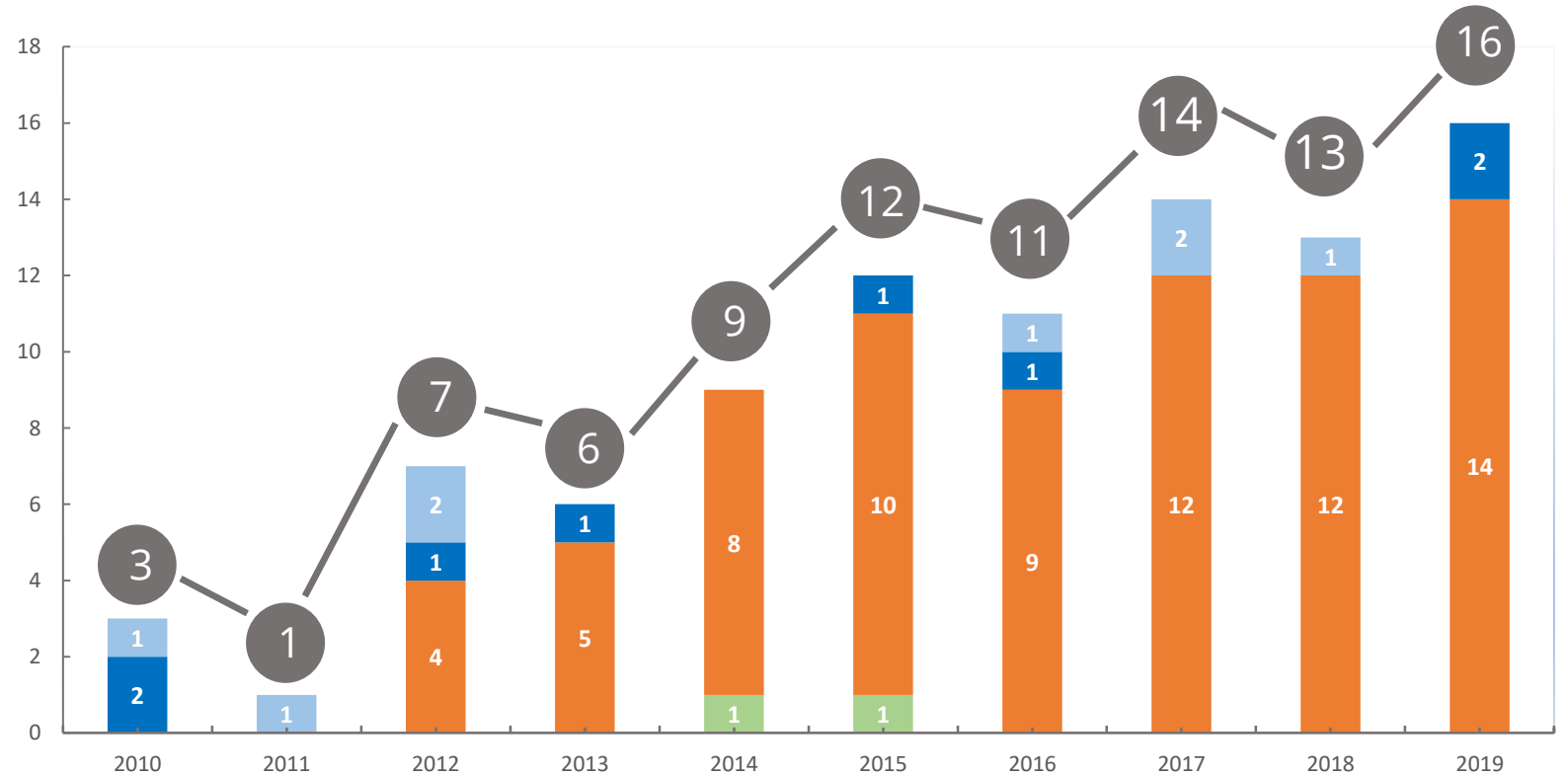
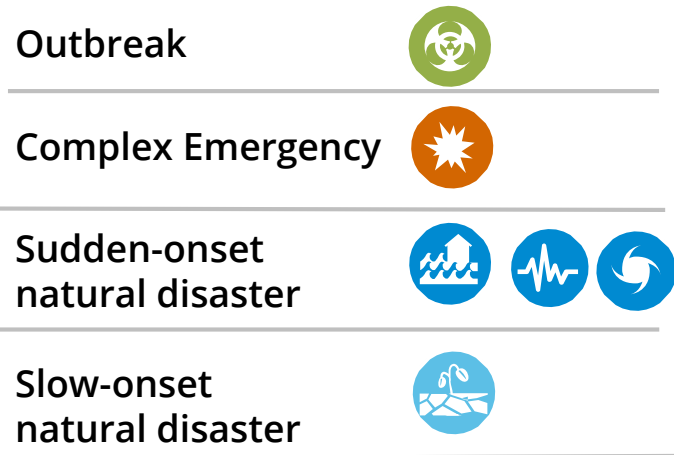
Organizational structure aligns with six corporate priorities

Permanent delegations of authority foreseen from 1 March 2020



Paras. 24-32

# Context of WFP's operations (2010 – 2019)



**WFP operating in an environment of protracted complex emergencies and increasing food insecurity**

# Section-by-Section Review of the Document



## Section 2: Funding Context and Resourcing Assumptions

# Funding Context and Resourcing Assumptions

Provides the background for WFP's 2020 revenue forecast of USD 7.45 billion

## Financial Context

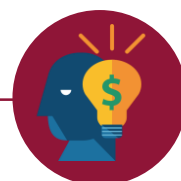
- WFP funding trends 2019-2021 forecast
- L3 emergency responses account for > 50% of programme of work
- Possible effects of changing political landscapes on WFP income



Paras. 33-41

## Flexible Funding

- Greater funding flexibility contributes to more efficient operations
- Benefits deriving from reduction in donor restrictions



Paras. 60-65

## Actions being taken

- Dialogue with resourcing partners to promote reduced earmarking and increase multi-year funding
- Intensifying strategic engagement with government partners, IFIs
- Increased attention to UN pooled funds

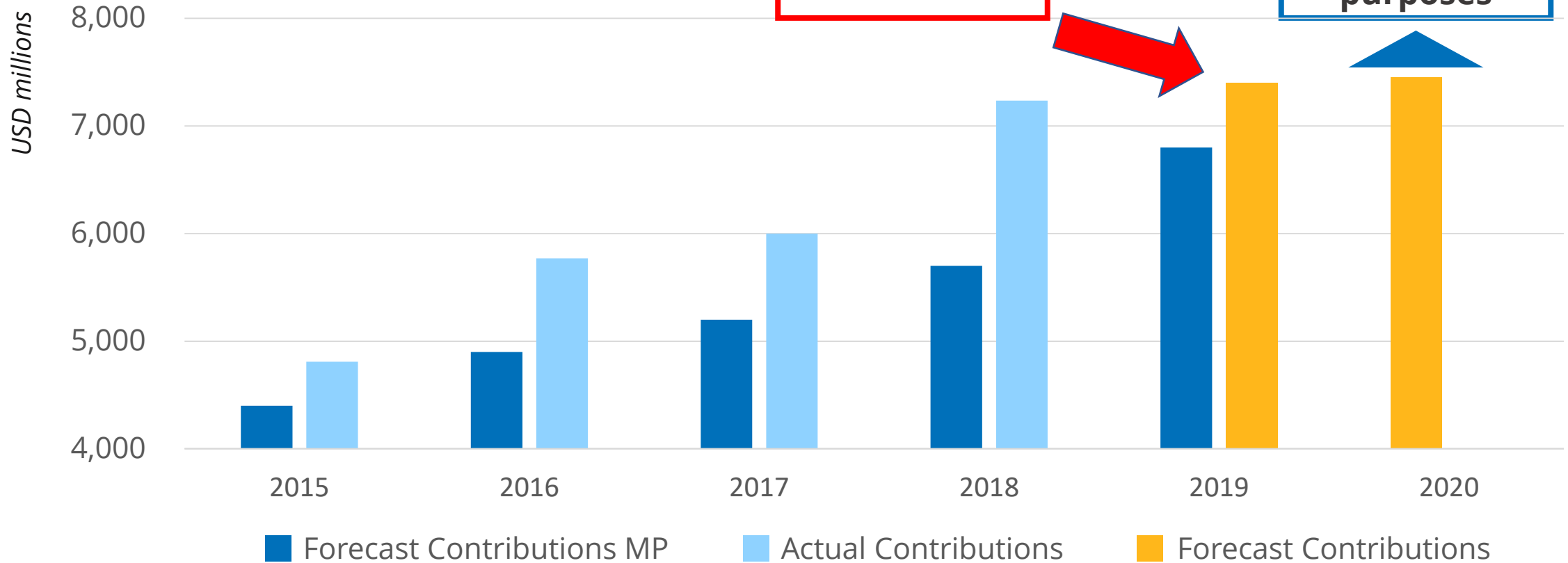


Paras. 42-48;  
60-65

**WFP continues to advocate for needs while emphasizing the necessity of flexibility to support operational efficiency**



# Management Plan Income forecast 2015-2020



# Section-by-Section Review of the Document



## Section 3: Operational Requirements for 2020

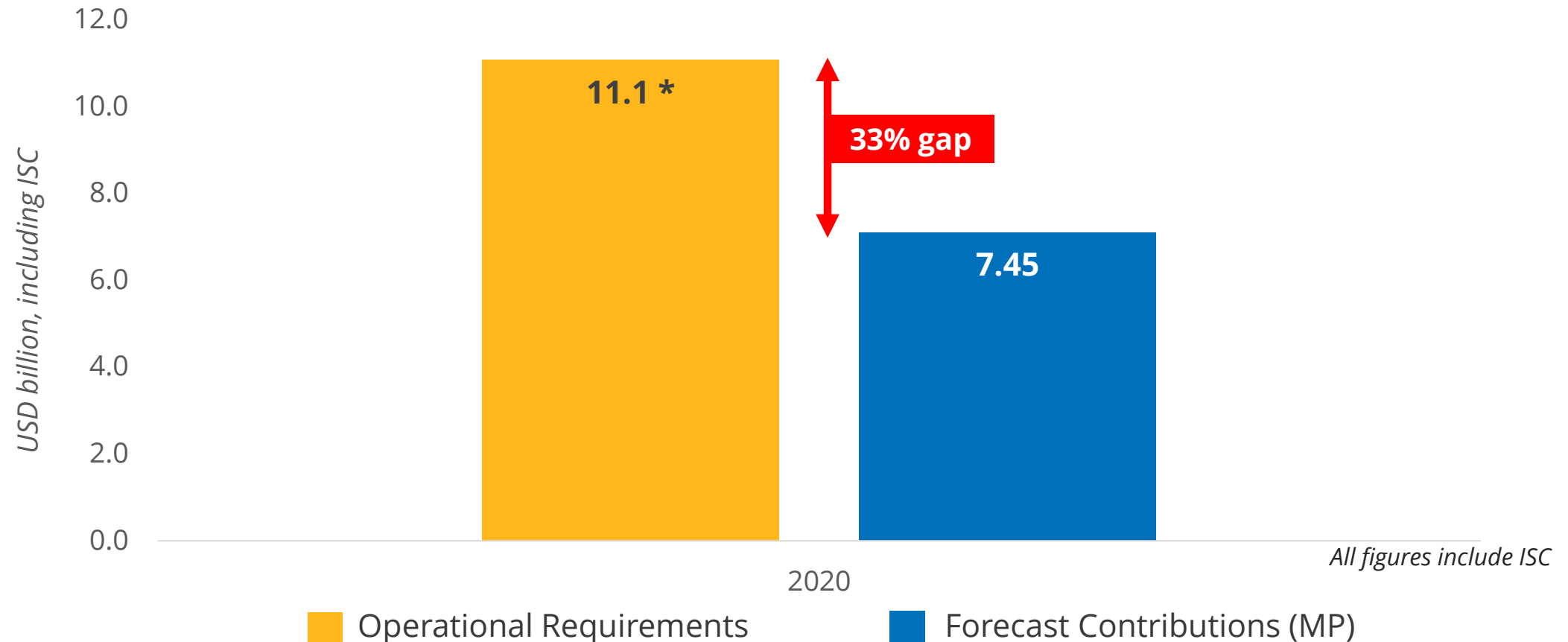
# Structure of Section III – Operational Requirements

Context
<ul style="list-style-type: none"><li>▪ 16 declared emergencies: six are L3 and 10 are L2</li><li>▪ 85 countries, including 67 CSPs and 18 ICSPs</li></ul>

Analysis by
<ul style="list-style-type: none"><li>▪ Strategic Result</li><li>▪ Focus area</li><li>▪ Activity Category</li><li>▪ Transfer Modality</li></ul>

Cross-Cutting issues
<ul style="list-style-type: none"><li>▪ Environment and Climate Change</li><li>▪ Improving the Prospect of Peace</li><li>▪ Climate and Conflict</li><li>▪ Protection and Accountability to Affected populations</li><li>▪ Gender and Women's empowerment</li><li>▪ Social Protection</li><li>▪ Country capacity strengthening</li><li>▪ South–South cooperation</li></ul>

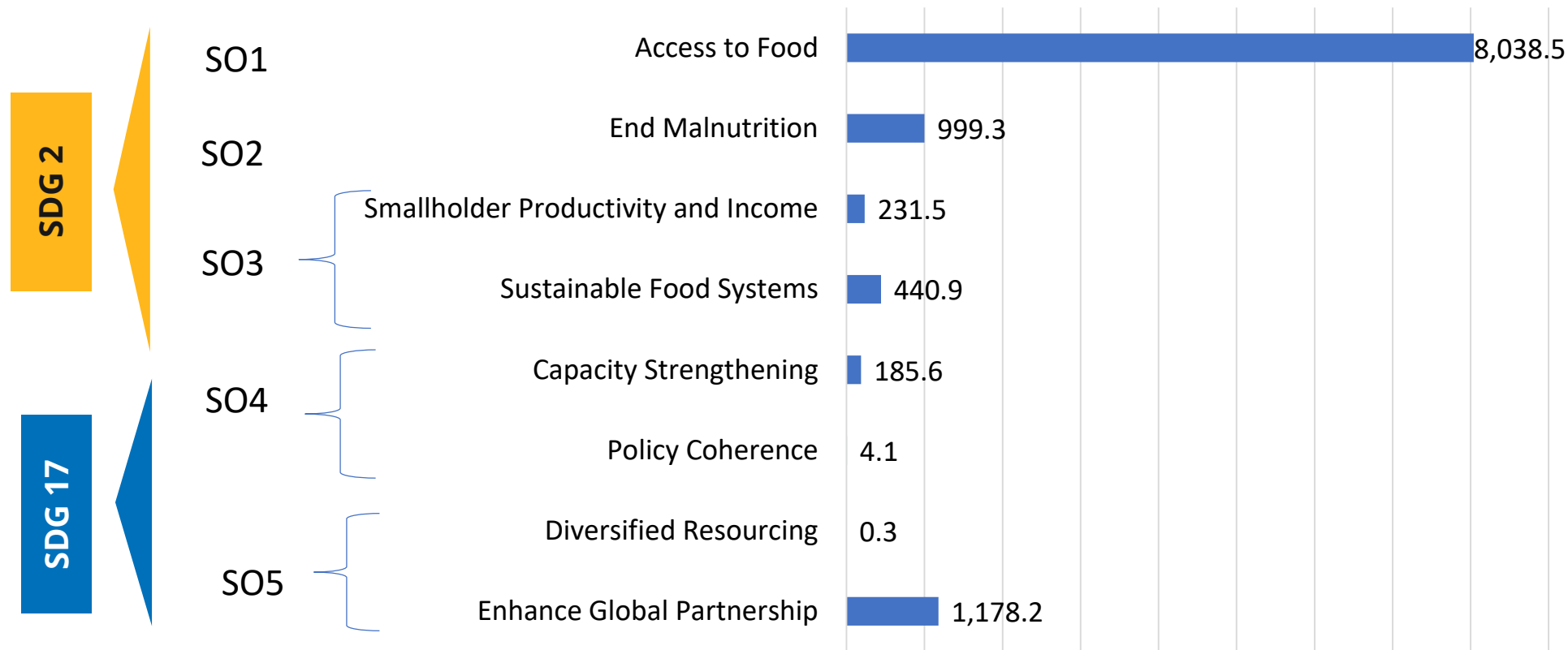
# 2020 Operational Requirements vs. Forecast Contributions



\* Operational requirements include USD 700m for Turkey. Revision underway to reduce this to USD 189m for 2020

**The funding gap between operational requirements and forecast contributions is currently projected to increase in 2020**

# 2020 Operational requirements by Strategic Result/SO/SDG (total USD 11,078 million)



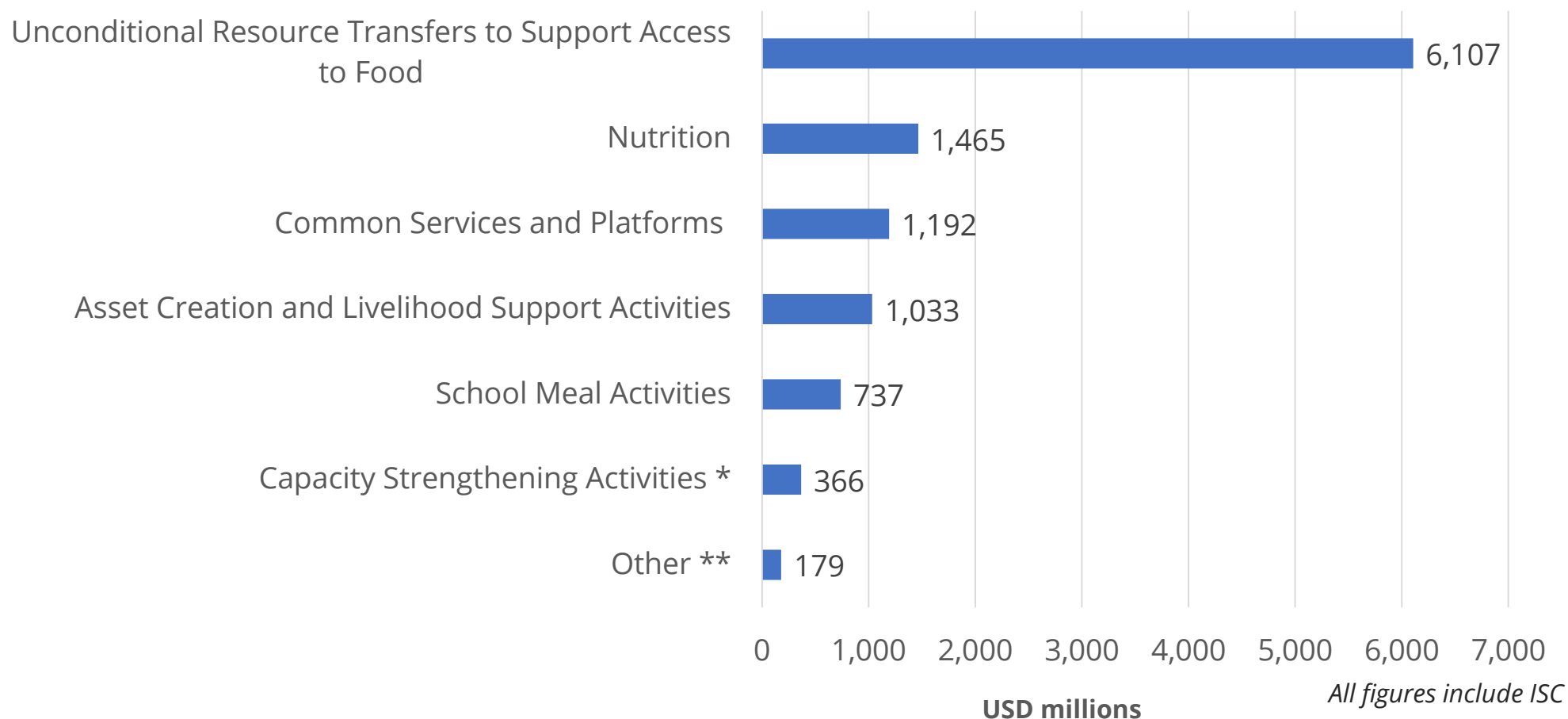
**SR1 continues to share the highest budget for all SRs. Yemen, South Sudan, Syrian Arab Republic and Ethiopia share 50% of the total SR1 budget – amounting to some USD 3.9 billion**

SO 1: End hunger  
SO 2: Improve nutrition  
SO 3: Achieve Food Security

SO 4: Support SDG Implementation  
SO 5: Partner for SDG Results

**USD millions**  
All figures include ISC

# 2020 Operational Requirements by Activity Category (total USD 11,078 million)



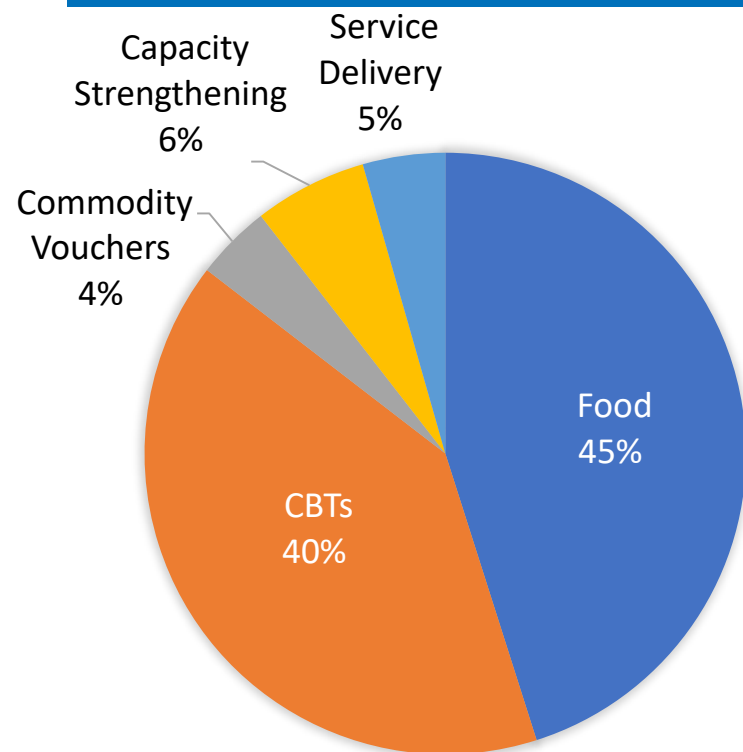
While 55% of WFP's 2020 MP focus on unconditional resource transfers, **Capacity Strengthening transfers are planned to increase by 20%**, reflecting a growing investment by WFP in institutional and Individual capacity strengthening

\* Includes both institutional capacity strengthening and individual capacity strengthening activities

\*\* Includes: climate adaptation and risk management activities; smallholder agricultural market support activities; emergency preparedness activities; and analysis, assessment and monitoring activities

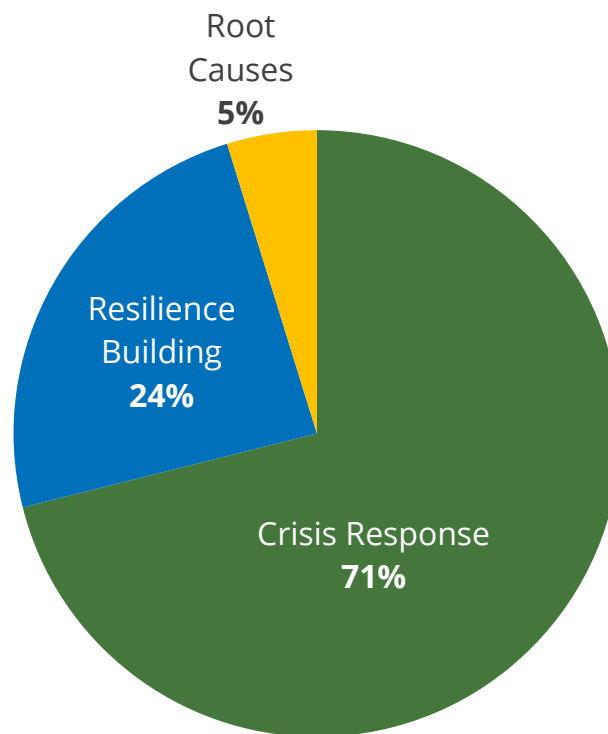
# 2020 Operational Requirements Analysis

## BY TRANSFER MODALITY



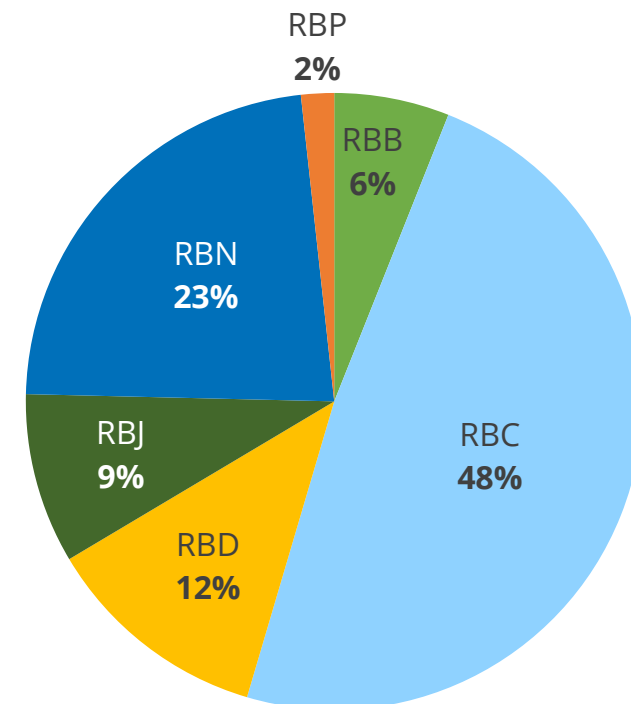
**Cash-based transfers** increase by 17% compared to 2019 while **Food transfers** remain broadly the same

## BY FOCUS AREA



**Crisis response** requirements increase by 17% compared to 2019 while **Root Causes** decrease by 7%

## BY REGIONAL BUREAU



A further increase is noted for RBC (**Yemen, Lebanon**) as well as in increase for RBJ (**DRC, Mozambique** and **Zimbabwe**)

# Update on Implementation Plan

- Implementation Plans are currently prepared for the following year in May/June - outdated by the time the Management Plan is published
- Approach for MP 2020:
  - Implementation plans are not included in the Management Plan document but will be published online after the November Board



# Section-by-Section Review of the Document



## Section 4: Programme Support and Administrative Budget

# Key Financial Considerations for Management Plan 2020-2022

## 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 target **five-month PSA spending level**
- Consultations on **ISC policy** to be discussed separately with the Executive Board through a separate workstream



### Resource Allocation

- Areas of underfunding identified via audit and investigatory work were prioritized, together with corporate priorities
- Smaller number of large value, high-impact proposals for PSAEA allocations

# 2020 PSA Planning proposal

	<i>USD Million</i>		
	2018 Planning	2019 Planning	2020 Planning
Estimated Overall Income	5,700	6,800	7,450
<b>Estimated ISC Income (6.5% from 2018)</b>	342.9	409.0	✓ <b>446.0</b>
<b>Proposed PSA level</b>	335.4	385.1	✓ <b>423.7</b>
Actual/ <b>projected</b> income	7,235	<b>7,400</b>	<b>7,450</b>

- WFP proposes a PSA budget increase of approximately USD 38.6 million (10.0%)
- 2020 PSA budget level is below current forecast of ISC income
- WFP will continue to maintain the lowest headline ISC rate among the United Nations funds and programmes and specialized agencies

# Corporate priorities to guide WFP's vision for 2020 and beyond



80+ Millions of  
People we  
serve

Leadership in  
emergency

Funding &  
partnerships for  
Zero Hunger

Digital  
transformation

Excellence in  
Programme -  
humanitarian  
development-  
peace nexus

Unlocking our  
potential:  
Simplification  
and efficiency

**People** added  
as a sixth  
priority by  
management  
in June 2019

# Summary of the main adjustments in the 2020 PSA budget

<i>in USD million</i>	
<b>2019 approved appropriation</b>	<b>385.1</b>
Decrease in standard staff cost rates net of statutory increases	(3.7)
Central appropriations	0.6
<b>Subtotal</b>	<b>382.0</b>
Increased capacity for oversight and follow-up	8.7
Resourcing for core support services	3.5
<b>Corporate priorities</b>	<b>29.5</b>
- Leadership in emergencies	9.0
- Excellence in programming	7.9
- Partnerships for zero hunger	2.6
- Digital transformation	6.5
- Simplification and efficiency	1.1
- People and culture	2.4
<b>Proposed PSA appropriation for 2020</b>	<b>423.7</b>

Full details of budget allocations are provided in "Section IV" of the Extracts of the Management Plan

# Increased capacity for oversight and follow-up (USD 8.73 million)

- ✓ **Ethics office:**
  - providing advice and guidance to staff;
  - annual conflict of interests and financial disclosure programme;
  - work on prevention of sexual exploitation and abuse (particularly in the field).
  
- ✓ **Evaluation:**
  - covering 10 additional CSP evaluations, one corporate emergency evaluation, one evaluation synthesis and related management costs;
  - strengthening of capacities in country offices and regional bureaux in planning, managing and using decentralized evaluations to facilitate organizational learning.
  
- ✓ **Office of the Inspector General:**
  - increased capacity to address increase in complaints and allegations caseload;
  - provide sufficient assurance coverage of WFP operations.
  
- ✓ **Legal:**
  - provide appropriate legal support on oversight reports.
  
- ✓ **Enterprise Risk Management:**
  - augment enterprise risk management toolkit, guidance and advisory support.

# Resourcing for core support services (USD 3.47 million)

PSA budget is allocated to close structural deficits in areas where PSA is the only funding option:

✓ **Headquarters facilities management:**

- growth in operations and new corporate initiatives has generated an increase in overall service and administration costs at headquarters.

✓ **Headquarters security:**

- meeting additional security required for WFP headquarters buildings and to implement internal audit recommendations.

✓ **Executive Board secretariat:**

- workload of the secretariat has increased (by 92% in board-related meetings) from 2015 to 2019;
- allocation to cover costs of managing increase in workload and technical aspects of the Executive Board website.

# Additional PSA funding for corporate priorities

	<i>in USD million</i>
<b>Corporate priorities</b>	
- Leadership in emergencies	9.0
- Excellence in programming	7.9
- Partnerships for zero hunger	2.6
- Digital transformation	6.5
- Simplification and efficiency	1.1
- People and culture	2.4
<b>Total</b>	<b>29.5</b>

Corporate priority allocation of USD 29.5 million represents 70% of additional PSA for 2020



# Leadership in Emergencies (USD 8.99 million)

PRIORITIZATION

- ✓ **Emergency preparedness and response:**
  - Optimization of emergency preparedness, early warning, early action and (pre-emptive) response based on integrated risk analysis, improved tools and systems, and enhanced surge capacity
- ✓ **Strengthening protection through programme design and implementation:**
  - adoption of a people-centred and needs-driven approach that is guided by a strong commitment to humanitarian principles
  - shift from reliance on extra-budgetary resources to use of the PSA
- ✓ **Operations management support:**
  - revised organizational structure is accompanied by new responsibilities for the Chief of Staff and Operations Management Support
  - provide strategic, programmatic, operational and policy advice to the Chief of Staff and the Executive Director, and serve as a link across all levels of WFP
- ✓ **Strengthening supply chain:**
  - support implementation of cash-based transfers
  - use WFP demand as catalyst to influence local and regional food production, and harmonization of food standards

# Excellence in Programming (USD 7.93 million)

PRIORITIZATION

- ✓ **Operationalizing corporate guidance framework for capacity development:**
  - define, measure and report on how the results of its systems-strengthening support for national systems and services affect vulnerable people
- ✓ **Supporting long-term, multi-year school feeding partnerships:**
  - establishment of new guidelines and training and capacity support
  - internal coordination and support team for regional bureaux and country offices
- ✓ **Strengthening WFP's approach to the triple nexus:**
  - focusing on the design and operationalization of a corporate strategic approach
  - it will also focus on cross-fertilization of knowledge, guidance and best practices among country operations, and with enhanced external strategic engagement
- ✓ **Strengthening programme and policy:**
  - supporting country offices in design and monitoring of programmes for climate adaptation, disaster risk reduction and resilience building
  - supporting regional bureau resilience and livelihoods capacity and building of social protection systems

# Funding and Partnerships for Zero Hunger (USD 2.64 million)

PRIORITIZATION

- ✓ **Presence in key capitals:**
  - strengthen WFP's engagement in a number of key capitals
  - bolster existing partnerships
  - solidify WFP's position, expand the donor base and increase resourcing
  
- ✓ **NGO Partnerships Unit:**
  - improve quality of programming and risk management
  - set strategic direction
  - provide technical support
  - monitor compliance and standards in NGO management processes

# Digital Transformation (USD 6.49 million)

- ✓ **Technical adjustment for centralized services for additional information and communications technology costs:**
  - minimum connectivity required to operate IT services are increasing
  - other digital initiatives (GIS, COMET, knowledge management) also add to connectivity requirements
  - increase in satellite data and voice connectivity costs are anticipated owing to an increase in users
  - other corporate platforms (mobile data collection, invoice tracking, self-service) are also requiring support and are key to keeping pace with changing needs of WFP
  - telecoms and digital solutions are now being equipped with advanced IT security tools and engineered with data protection strategies

# Simplification and Efficiency (USD 1.09 million)

PRIORITIZATION

- ✓ **Innovation and knowledge management:**
  - partial mainstreaming of the core management team of WFP's Innovation Accelerator
- ✓ **Maintain operational efficiency and effectiveness:**
  - further simplification as country offices move from initial CSPs to second-generation CSPs

# People and Culture (USD 2.38 million)

PRIORITIZATION

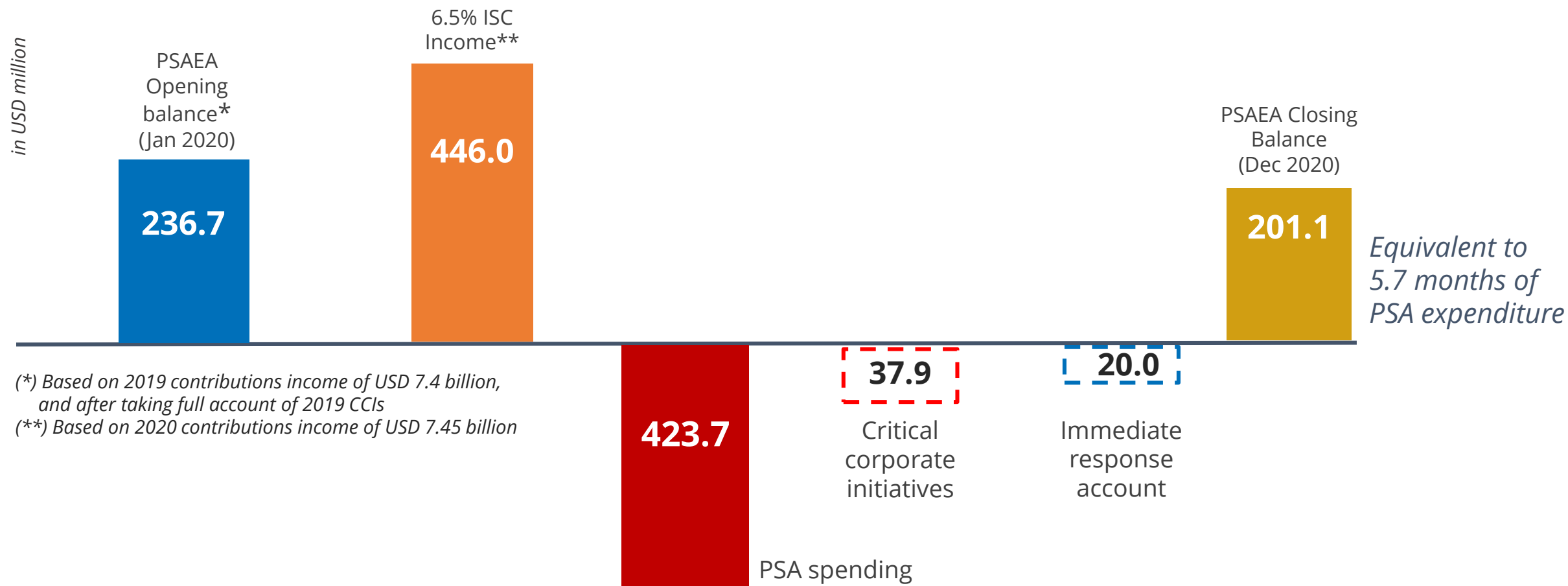
- ✓ **Office of the Ombudsman and Mediation Services:**
  - ensure timely and efficient support to growing requests from several WFP platforms
- ✓ **Human resources:**
  - development of new corporate systems that support emergency responses and simultaneously provide support and oversight on staffing
  - strengthening implementation of the People Strategy, including enhanced management oversight and more effective management of human resources in country offices

# PSA budget increase: movement in appropriation line and pillar

	<i>USD million</i>
<b>Strategy and Direction</b>	<b>8.8</b>
A – Strategy and direction	8.8
<b>Services to Operations</b>	<b>25.7</b>
B – Business services to operations	15.8
C – Policy, guidance and quality assurance	9.9
<b>Governance, independent oversight and fundraising</b>	<b>7.8</b>
D – Advocacy, partnerships, fundraising and United Nations coordination	2.4
E – Governance and independent oversight	5.4
<b>TOTAL</b>	<b>42.3</b>

Full details of budget allocations are provided in “Section IV” of the Extracts of the Management Plan

# Impact of proposed PSA budget and PSAEA drawdown in 2020



**WFP can invest in critical corporate initiatives while maintaining a healthy PSAEA balance, exceeding the five-months reserve target**



# Proposed transfer to reserves and Critical Corporate Initiatives

Name	Amount	Timeframe
<b>Transfer to Immediate Response Account</b>	USD 20.0 million	Single year
<b>(1) Continuation of Critical Corporate Initiatives started in 2019</b>		
<b>Systems Integration &amp; IT-enabled efficiencies</b>	USD 11.0 million	Single year
<b>United Nations Reform</b>	USD 8.1 million	Over a two-year period
<b>(2) New Critical Corporate Initiatives</b>		
<b>Programme and Partnerships Support Facility</b>	USD 5.7 million	Over a 2-year period
<b>Subtotal (1) + (2)</b>	<b>USD 24.8 million</b>	
<b>(3) Under discussion</b>		
<b>Private Sector Strategy *</b>	USD 13.1 million	Single year
<b>Total</b>	<b>USD 37.9 million</b>	

\* Subject to approval of strategy by Executive Board, with second year of funding (USD 22.1 million) proposed to be covered from CCI or the General Fund, both of which require Executive Board approval

# Systems Integration and IT-enabled efficiencies

Amount	Timeframe
<b>USD 11 million</b>	Single year



- Focus on the automation and digitalization of core corporate processes
- Catalogue of global services developed and standardized, supported by a service management tool
- Further development of **WFP dashboard**, including more integrated data to manage performance
- Continuing development of CSP portal to expand amount of information published and make portal user-friendly and meaningful
- Automation of requests, forms and repetitive tasks, focusing on finance, IT, administration, supply chain and HR

# United Nations Reform

Amount

Timeframe

USD 8.1 million

Over a two-year period

**Objective:** to ensure that WFP has the capacity to prepare for and respond to inter-agency reform efforts, and to develop WFP's positions and offerings related to the United Nations reform

## 1. Continued support for work under the various United Nations reform workstreams

Resident Coordinator/Management and Accountability Framework, United Nations Sustainable Development Cooperation Frameworks, System-Wide Strategic Document, and Regional Assets

## 2. WFP's role in co-leading the Business Innovation Group

Support to implement business operations simplification and common services (United Nations Reform targets), and pursue scalable United Nations innovations

- Common Back Office (CBO), including the expansion of improved Business Operation Services (iBOS), the feasibility and piloting of CBO and Common Premises
- Promote **location-independent** common services for Global Shared Service Centers
- Strengthen WFP's contribution to the United Nations Digital Service Centre and other scalable services
- Operationalize and integrate **Mutual Recognition and Client Satisfaction principles**

Paras. 272-276

SLIDE 35

# Programme and Partnership Support Facility

Amount

Timeframe

USD 5.7 million

Over a two-year period



A facility to assist countries in designing programmes and pursuing funding opportunities beyond existing donor sources



**Develop a more structured and systematic approach** for diversifying resources base



**Optimize internal processes and coordination** to enable large-scale solutions, fostering partnerships and the RBA approach



**Enhanced technical, geographic and contextual capacity and expertise** to support field-based proposal design

Phase 1: undertake landscape analysis of relevant investment sources and take stock of expertise

Phase 2: Establishment of multi-functional technical teams to regional bureaux and country offices

Paras. 277-280

# Private Sector strategy

Amount	Timeframe
<b>USD 13.1 million (2020)</b> <b>USD 22.2 million (2021)</b>	Over a two-year period



To fund **start-up investment** required to scale-up individual giving (IG) fundraising activity



**Boosting** high ROI yielding donor acquisition and retention activities such as Digital Paid Media, Direct Response Television and Face to Face building on recent successes of PGP and Share the meal



**Achieving USD 225 million** over the MP period, **USD 684 million** by 2025 and **USD 1.6 billion** by 2030 cumulatively



**Enabled** through three distinct funding streams: CCI, CBF loan and retention mechanism from IG income

## Strict monitoring and control mechanisms:

- CCI disbursement in two tranches, first tranche covering activities in 2020 and 2021
- Second tranche released in early 2022 only if certain KPIs are met at least with 80% success rate
- Examples of KPIs:
  - 2020 paid acquisition income of USD 16.5m
  - Average year 1 ROAS (return on advertising spend) of 1.7:1
  - Digital paid year 1 ROAS 2:1
- Additional KPIs include donor retention, gift size and acquisition cost

# Section-by-Section Review of the Document



## Section 5: Management Performance Measurement

## Category II Key Performance Indicators

United Nations system and coordination performance indicators	Baseline	2020 target	Comment
Percentage of achievement of QCPR commitments	100% (2016)	100%	KPI remains
Percentage of UN-SWAP 2.0 indicator targets achieved	93% (2016)	100%	KPI remains
Percentage of cluster user surveys that reach their satisfaction targets	100% (2017)	100%	KPI remains
Executive thematic priorities	Baseline	2020 target	Comment
Percentage of employees completing mandatory trainings on HSHAPD and PSEA	73% (2016)	100%	KPI remains (additional KPIs in corporate targets)
Percentage of country offices with functioning complaints and feedback mechanism	8% (TBD)	TBD	Target to be revised
Percentage of WFP cash beneficiaries supported digitally	41% (2018)	80% (TBD)	Target to be revised

# Section-by-Section Review of the Document



## Section 6: Trust Funds and Special Accounts



# WFP anticipates total expenditure of USD 72.7 million for Trust Funds in 2020

## Trust Fund expenditure by thematic area

	WFP expenditure projections (2020)	
	USD million	%
Government capacity strengthening	15.8	22 %
Nutrition	12.3	17 %
Climate change and disaster risk reduction	6.1	8 %
Food security	5.4	7 %
Innovation accelerator	5.0	7 %
Emergency preparedness and response	4.6	4 %
Supply chain	4.2	4 %
Others	20.3	31 %
<b>TOTAL</b>	<b>72.7</b>	<b>100%</b>

## TRUST FUNDS

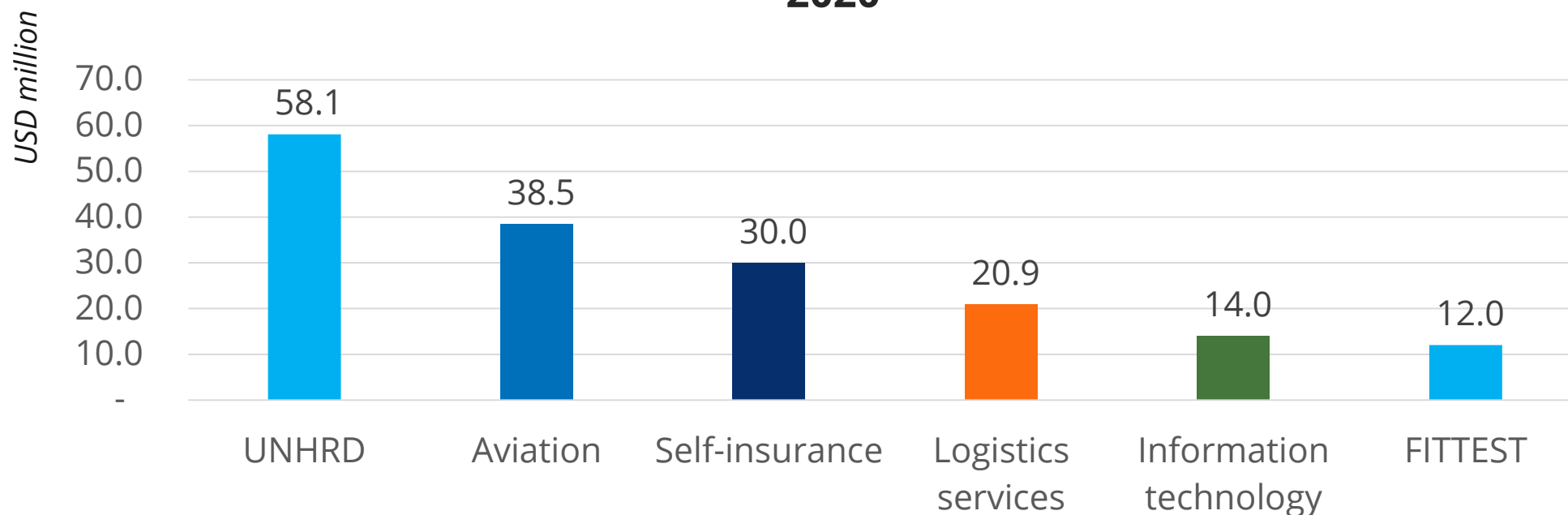
- support enhancement of WFP's organizational capacity and effectiveness
- supplement core PSA-funded activity
- have funding provided directly by donors or through internal SRAC allocation of multilateral funding for corporate priorities

# Special accounts enable WFP to provide critical services to country offices and the humanitarian community

Special Account	Description
<b>UNHRD</b>	<ul style="list-style-type: none"><li>Manages donor contributions and revenue from services provided through its six-hub network</li></ul>
<b>Aviation</b>	<ul style="list-style-type: none"><li>Supports transport by air of both humanitarian cargo for relief operations and humanitarian workers</li></ul>
<b>Self-Insurance</b>	<ul style="list-style-type: none"><li>Risk mitigation tool to minimize the economic effects of losses on food under WFP control and custody</li></ul>
<b>Logistics services</b>	<ul style="list-style-type: none"><li>Provision of efficient, reliable and predictable services to the humanitarian community</li></ul>
<b>Information technology</b>	<ul style="list-style-type: none"><li>Providing continuous support to WFP divisions and offices for the development, implementation and maintenance of internal IT projects and applications</li></ul>
<b>FITTEST</b>	<ul style="list-style-type: none"><li>Providing life-saving IT connections and solutions to maintain an IT infrastructure when the humanitarian community is called to respond to an emergency</li></ul>

# Special accounts enable WFP to provide critical services to country offices and the humanitarian community

Estimated expenditure of significant special accounts for 2020 \*



\* Excluding corporate services financing mechanism special accounts

# Draft decisions



## Draft decisions

At the second regular session 2019 the EB will be asked to **take note**:

- that the Programme Support and Administrative appropriation assume a funding level of USD 7.45 billion in 2020
- of the projected operational requirements of USD 11.1 billion for 2020



## Draft decisions (cont'd)

At the second regular session 2019 the EB will be asked **to approve:**

- a **2020 PSA appropriation of USD 423.7 million**, to be allocated as follows:

Strategy and Direction	USD 71.1 million
Business Services to Operations	USD 237.0 million
Governance, independent oversight and Fundraising	USD 115.6 million
- a **corporate Indirect Support Cost recovery rate of 6.5 % for 2020**
- an **indirect support cost recovery rate of 4.0 % for 2020** for:
  - Host government contributions to programmes in their own countries
  - Contributions made by developing countries or countries with economies in transition

**No changes  
from 2019**

## Draft decisions (cont'd)

**At the second regular session 2019 the EB will be asked to approve:**

a ceiling of USD 82 million for corporate services for 2020 and look forward to reviewing this as part of future management Plans

*No changes  
from 2019*

**At the second regular session, the EB will be asked to authorize:**

the Executive Director to adjust the Programme Support and Administrative component of the budget in accordance with a change in the level of the forecasted income for the year, at a rate not to exceed two % of the anticipated change in income

# Acronym List

**CBF** Capital Budgeting Facility

**CBT** cash-based transfer

**CCI** critical corporate initiative

**CPB** country portfolio budget

**CRF** Corporate Results Framework

**CSP** country strategic plan

**DSC** direct support costs

**GVLP** Global Vehicle Leasing Programme

**ICSP** interim country strategic plan

**IRA** Immediate Response Account

**IRM** Integrated Road Map

**ISC** indirect support costs

**IT** information technology

**PSA** Programme Support and Administrative (budget)

**PSAEA** PSA Equalization Account

**SDG** Sustainable Development Goal

**SO** strategic objective

**SPA** strategic partnership agreement

**SPC** standard position cost

**SRAC** strategic resource allocation committee

**T-ICSP** transitional interim country strategic plan

**UNHRD** United Nations Humanitarian Response Depot



# Thank You