

**Extracts of the WFP
management plan (2023–2025)**



Second informal consultation

20 September 2022

**World Food Programme
Rome, Italy**

Section I: Introduction

Reader's guide

1. The WFP management plan for 2023–2025 presents a summary of WFP's planned programme of work for 2023–2025 and the budgetary support required to implement that programme in 2023. The figures quoted include projected operational needs and forecasts of the resources available to meet those needs. The comprehensive programme support and business operations budget includes three categories of activities (baseline activities, other services and direct activities) and outlines the funding required to support the organization's projected level of operations.
2. The programme support and administrative (PSA) budget – approved annually by the Executive Board – is a subset of the baseline budget and is funded from the indirect support costs (ISC) recovered from contributions in accordance with the full cost recovery policy.

Structure of the document

3. The management plan for 2023–2025 comprises an executive summary, a draft decision, five sections and six annexes.
4. The five sections are as follows:
 - *Section I: Introduction.* This section outlines WFP's planning given the commitments outlined in the new strategic plan and corporate results framework (CRF) for 2022–2025 and the global food security, economic and political situation.
 - *Section II: Funding context and resourcing assumptions.* This section sets out the current funding situation and provides details on the projected contributions for 2023 and an overview of resourcing trends. It also outlines WFP's plans for diversifying its funding base and pursuing innovative funding modalities with the aim of achieving greater efficiency and effectiveness.
 - *Section III: Operational requirements and provisional implementation plan for 2023.* This section provides an overview and analysis of the operational requirements for 2023 and presents a provisional implementation plan based on projected available resources. It also highlights services provided by WFP to the humanitarian community in accordance with its mandate, policies, activities and comparative advantages.
 - *Section IV: Programme support and business operations.* This section presents the programme support and business operations budget, including analysis of the baseline and proposed PSA budgets; the proposed ISC rates; the status of the PSA equalization account (PSAEA) and its potential use; and the status of the unearmarked portion of the General Fund and its potential use.
 - *Section V: Strategic financing facilities.* This section describes the three strategic financing facilities that enable WFP to provide internal services to headquarters divisions and country offices economically and efficiently. A proposed increase to the strategic financing facilities and in the IRA target are presented for the Board's approval.
5. The annexes include details of the amounts in the PSA budget, an overview of the evaluation workplan for 2023–2025, information on relevant trust funds and special accounts, concept notes for the four CCIs that are proposed in 2023 and details on the management key performance indicators (KPIs) and WFP's corporate high-level targets.

Organizational context

6. WFP's strategic plan for 2022–2025 frames the organizational context for this management plan, which covers the period 2023–2025. In particular, the strategic plan fully commits WFP to supporting countries in their efforts to achieve the Sustainable Development Goals (SDGs), focusing the organization's vision on eradicating hunger and malnutrition (SDG 2) and strengthening and revitalizing partnerships (SDG 17). Those goals will be achieved by ensuring that people are better able to meet their urgent food and nutrition needs, improve their nutrition, health and education outcomes and achieve improved and sustainable livelihoods. WFP will strengthen national programmes and systems and support humanitarian and development actors in becoming more efficient and effective.
7. WFP's operating landscape will also be shaped by renewed commitments to the 2030 Agenda for Sustainable Development, United Nations development system reform, [United Nations Security Council resolution 2417](#) and the [Agenda for Humanity](#). In addition, improvements resulting from WFP's support for the [Secretary-General's 2018 strategy on new technologies](#), 2020 [roadmap for digital cooperation](#) and [data strategy](#) for 2020–2022 will enhance digital cooperation among United Nations country teams.
8. The strategic plan outlines seven principles that will guide WFP's action: putting people at the centre of its work; promoting humanitarian principles; fostering country ownership by working through and strengthening national programmes and systems; adapting to country contexts and needs; applying integrated programming to break the "silos" between saving lives and changing lives and to work across the humanitarian–development–peace nexus; adopting a risk-informed approach to decision making and programming; and using evidence to inform decisions and generate impact.
9. The new CRF, approved by the Executive Board at its 2022 first regular session and covering the period 2022–2025, will become effective on 1 January 2023. The new CRF sets out the expected results and targets to be achieved and the indicators that WFP will use to monitor and report on its programmes; links WFP's activities to the SDGs and aligns WFP more closely with other United Nations organizations; and strengthens accountability. For the first time, high-level targets and related indicators for each of the strategic plan outcomes have been identified and included in the CRF, as described in annex VI.
10. Seven management results are also included in the new CRF to capture WFP's performance at all stages of managing its operations, from planning to reporting. Following consultation with corporate stakeholders, four of the seven management results were prioritized for attention in 2023 in order to support WFP's response strategy more effectively as it scales up and optimizes its programmes in an increasingly challenging operating environment. The four priority management results are "effectiveness in emergencies"; "people management"; "evidence and learning"; and "leverage technology".
11. As highlighted in the strategic plan, WFP will assign the highest priority to saving lives in emergencies. This will entail strengthening its efficiency and effectiveness so that it can meet urgent food and nutrition needs with optimal speed, assistance modalities, skills, partnerships and staff. Where possible, WFP will seek to build national and local capability to respond to crises.
12. WFP will use its crisis response as an opportunity to change lives by building the resilience of households and communities so that they can withstand and rapidly recover from recurring shocks and stressors. With the aim of "leaving no one behind", WFP will exploit its global field presence, extensive partnerships and strong track record of addressing chronic hunger to build human capital and address structural vulnerabilities.

13. The new strategic plan and CRF commit WFP to four cross-cutting priorities that will maximize programme effectiveness. First, WFP's emphasis on *protection and accountability to affected populations* will empower people to express their views and preferences and support their safe and dignified access to food, nutrition and other essential needs. By continuing its investment in and progress towards *gender equality and women's empowerment*, WFP will seek to ensure that all people have equal opportunity, equal access to resources and an equal voice in decision making. To implement *nutrition integration* at scale, WFP will expand access to nutrition services and invest in programmes, operations and platforms that tackle the underlying and immediate drivers of poor diets and malnutrition. Finally, WFP will pursue *environmental sustainability*, seeking to reduce any negative environmental impacts of its activities by implementing best practices and maintaining appropriate safeguards.
14. WFP will continue to prioritize the actions it is taking in response to the 2021 management review, which found that WFP faced significant risk and control issues in workplace culture and conduct; talent management and workforce planning; the management and mentoring of non-governmental organizations (NGOs); and beneficiary management and information technology solutions. Those actions will be supported by enhanced use of WFP's PSA budget to achieve management results and through new and continued investment in critical corporate initiatives.

Global context

Food security situation

15. With less than a decade remaining to achieve the SDGs, the world is not on track in its efforts to reach zero hunger. Progress towards SDG 2 was being reversed even before the economic turmoil caused by the coronavirus disease 2019 (COVID-19) pandemic, and in 2022 the ripple effects of the conflict in Ukraine further eroded food security by pushing food and energy prices to record high levels.
16. The number of people affected by chronic hunger has grown substantially since the outbreak of the pandemic, rising by about 150 million people between 2019 and 2021 to reach a total of between 702 and 828 million.¹ Nearly 670 million people are projected to still be facing chronic hunger in 2030 – nearly 8 percent of the world's population, the same percentage as in 2015 when the 2030 Agenda was launched.²
17. The global burden of malnutrition is enormous, with 149 million children under 5 suffering from stunting and 45 million from wasting in 2020.³ Despite progress in some regions, malnutrition persists in many forms in all parts of the world; the situation may be worse than the statistics suggest because the impact of the COVID-19 pandemic on nutrition outcomes persists. Reaching the 2030 global nutrition targets will require immense effort to counteract these severe setbacks.
18. Acute food insecurity has worsened dramatically in recent years. In the 82 countries where WFP has an operational presence and where data are available, up to 345 million people are estimated to be acutely food insecure or at high risk of food insecurity in 2022. That figure represents an increase of almost 200 million people compared with pre-pandemic levels.⁴ The estimate for 2022 includes up to 47 million people expected to experience acute hunger

¹ Food and Agriculture Organization of the United Nations and others. 2022. *The State of Food Security and Nutrition in the World 2022. Repurposing food and agricultural policies to make healthy diets more affordable.*

² *Ibid.*

³ *Ibid.*

⁴ WFP. 2022. *WFP Global Operational Response Plan 2022 – Update #5.*

because of the crisis in Ukraine.⁵ More than half of the population in Yemen and half of the population in Afghanistan face acute hunger.⁶

19. Acute hunger has also become more deeply entrenched, with up to 50 million people facing emergency or worse levels of acute food insecurity in 45 countries; that figure includes 882,000 people in catastrophic food insecurity.⁷ Together, these alarming figures indicate that the world is facing the largest global food crisis in recent history.

Economic outlook

20. As the effects of the pandemic, including new variants of COVID-19 and ongoing supply chain disruption, continue to hamper economic recovery, full labour market recovery will remain elusive until at least 2023.⁸ Many countries struggle with a dangerous debt burden and face a significant slowdown in economic growth. The International Monetary Fund projects that global growth will slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, before declining further to about 3.3 percent over the medium term.⁹
21. Meanwhile, fuel and food prices are at very high levels. The Food Price Index of the Food and Agriculture Organization of the United Nations (FAO) reached a record high in March 2022 and had decreased by August, remaining 8 percent higher than at the same time in 2021.¹⁰ Such increases, along with broadening price pressures, have pushed expected inflation for 2022 to 5.7 percent in advanced economies – the highest level in almost four decades – and 8.7 percent in emerging markets and developing economies. While global inflation is forecast to decrease in 2023, inflation in emerging markets and developing economies is expected to remain at 6.5 percent.¹¹ High prices for agricultural inputs, in particular fertilizer and energy, will probably keep prices elevated and threaten to exacerbate the current crisis by causing food shortages in 2023.
22. Rising energy and food prices combined with slowing economic growth increase the risk of stagflation – the combination of high inflation, tepid growth and high unemployment – and of sharply tightening financial conditions. Such a situation could lead to a vicious cycle of economic deterioration. To contain inflation, central banks are already raising interest rates.¹² More stringent monetary policies in advanced economies will make refinancing the immense debt loads more expensive at a time when 60 percent of the poorest countries are already experiencing, or at high risk of, debt distress.¹³
23. Such adverse economic developments have devastating effects on people’s lives. Households are currently experiencing the greatest global cost of living crisis in a generation. Compared with pre-pandemic projections, up to 95 million more people are expected to live in extreme poverty in 2022.¹⁴ Meanwhile, 1.2 billion people reside in countries that are highly exposed and

⁵ WFP. 2022. *Projected increase in acute food insecurity due to war in Ukraine*.

⁶ Integrated Food Security Phase Classification (IPC) Global Platform. 2022. *Yemen: Acute Food Insecurity Situation January-May 2022 and Projection for June–December 2022*; and *Afghanistan: Acute Food Insecurity Situation for March-May 2022 and Projection for June-November 2022*.

⁷ Emergency food insecurity is phase 4 in the IPC/cadre harmonisé analysis or equivalent sources. Catastrophic food insecurity is phase 5 of the IPC/cadre harmonisé scale. Based on the most recent IPC estimates, the number of people in IPC 5/Catastrophic food insecurity conditions comprises 20,000 in Afghanistan, 401,000 in Ethiopia (as of September 2021; no more recent IPC data are available), 213,000 in Somalia, 87,000 in South Sudan and 161,000 in Yemen.

⁸ International Labour Organization. 2022. *World Employment and Social Outlook: Trends 2022*.

⁹ International Monetary Fund (IMF). 2022. *World Economic Outlook: War Sets Back the Global Recovery*.

¹⁰ FAO. *World Food Situation*.

¹¹ IMF. 2022. *World Economic Outlook: War Sets Back the Global Recovery*.

¹² World Bank. 2022. *Global Economic Prospects, June 2022*.

¹³ Chabert, G., Cerisola, M. and Hakura, D. 2022. *Restructuring Debt of Poorer Nations Requires More Efficient Coordination*.

¹⁴ Mahler, D.G. and others. 2022. *Pandemic, prices, and poverty*.

vulnerable to all three dimensions of the crisis: high food and energy prices and financial distress.¹⁵

Insecurity, conflict and displacement

24. While food crises arise from multiple and often concurrent causes, armed conflict is the single greatest driver of global food insecurity. The number and severity of conflicts have risen markedly in the last decade: state-based armed conflicts roughly doubled between 2010 and 2020,¹⁶ and in 2022 the Global Peace Index deteriorated for the eleventh year since its inception 14 years ago.¹⁷ Violent conflict and insecurity disrupt all aspects of food systems, from production to consumption, and were the main drivers of food insecurity for 7 out of 10 acutely hungry people in 2021.¹⁸ At the same time, the vast majority of chronically food-insecure and malnourished people live in countries affected by conflict.¹⁹
25. The estimated number of people who were forced to flee their homes owing to conflict, violence, fear of persecution and human rights violations has risen every year in the last decade, reaching 89.3 million at the end of 2021.²⁰ That number is more than double the 42.7 million forcibly displaced people reported in 2012 and the highest since the Second World War.²¹ By June 2022, emergencies around the world had pushed the number of forcibly displaced people worldwide beyond 100 million.²² In 2021, low- and middle-income countries hosted 83 percent of the world's refugees and Venezuelans displaced abroad; least developed countries hosted 27 percent.²³ Forcibly displaced people are among the most vulnerable to food insecurity: refugees and internally displaced persons accounted for 22 percent of WFP's beneficiaries in 2021.²⁴

Climate crisis

26. The accelerating climate crisis is a key driver of hunger. In developing countries the number of weather-related disasters – droughts, floods and storms – has more than doubled since the early 1990s.²⁵ By damaging the systems by which food is produced, processed and brought to people's tables, weather extremes were the main drivers of acute food insecurity in eight African countries in 2021²⁶ and triggered 22.3 million internal displacements,²⁷ a number that is projected to reach 216 million by 2050.²⁸ In addition, climate variability and climate-related stressors increase the vulnerability of people living in climate hotspots and play an increasing role in driving chronic hunger. The climate crisis also acts as a risk multiplier for development by amplifying existing inequality in access to natural resources and intensifying conflict in situations that are already prone to social tension. Twelve of the 20 countries that are most

¹⁵ United Nations Global Crisis Response Group on Food, Energy and Finance. 2022. *Global impact of the war in Ukraine: Billions of people face the greatest cost-of-living crisis in a generation.*

¹⁶ Black, R. and others. 2022. *Environment of Peace: Security in a New Era of Risk.*

¹⁷ Institute for Economics and Peace. 2022. *Global Peace Index 2022: Measuring Peace in a Complex World.*

¹⁸ Food Security Information Network and Global Network Against Food Crises. 2022. *Global Report on Food Crises 2022.*

¹⁹ FAO and others. 2017. *The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security.*

²⁰ Office of the United Nations High Commissioner for Refugees (UNHCR). 2022. *Global Trends. Forced Displacement in 2021.*

²¹ *Ibid.*

²² UNHCR. 2022. *UNHCR: Global displacement hits another record, capping decade-long rising trend.*

²³ UNHCR. 2022. *Global Trends. Forced Displacement in 2021.*

²⁴ "Annual performance report for 2021" (WFP/EB.A/2022/4-A/Rev.1).

²⁵ United Nations Office for Disaster Risk Reduction. 2020. *Human Cost of Disasters – An overview of the last 20 years, 2000–2019.*

²⁶ Food Security Information Network and Global Network Against Food Crises. 2022. *Global Report on Food Crises 2022.*

²⁷ Internal Displacement Monitoring Centre. 2022. *Global Report on Internal Displacement 2022. Children and youth in internal displacement.*

²⁸ Clement, V. and others. 2021. *Groundswell Part 2: Acting on Internal Climate Migration.*

vulnerable to the effects of climate change and least able to adapt are currently experiencing conflict.²⁹

27. Recent global climate extremes conditions have been driven by two consecutive La Niña events that began in late 2020 and may extend into a third consecutive La Niña event lasting until early to mid-2023, a situation that has only occurred twice since 1950. The effects of this exceptional event would probably extend beyond 2023 in some of the most vulnerable regions of the world. The climate crisis has been linked to the deadliest monsoon rains and flooding in over a decade in Pakistan, where rainfall reached nearly three times the national 30-year average since the monsoon began in mid-June 2022. In late 2022, Somalia, eastern Kenya and southeast Ethiopia are likely to endure a fifth consecutive drought season and to face severe and long-term food insecurity. The resulting devastation of pastoralist livelihoods will last for several years until livestock herds can be rebuilt. In addition, poor rainfall is forecast for the 2022/2023 agricultural season in Afghanistan and several countries in the Middle East, including Iraq and the Syrian Arab Republic.
28. Increased climate variability has major and long-lasting humanitarian implications. Two examples of long-lasting hazard events that continue to have devastating impacts are the severe multi-year drought in parts of Madagascar, which has been ongoing for seven years in some areas, and a protracted, landscape transforming flood event in South Sudan that began in late 2019.

International humanitarian assistance

29. In the current global context, international humanitarian assistance faces a triple threat. The growing cost of food and fuel not only exacerbates food insecurity but also drives up the cost of delivering humanitarian assistance. For example, by the beginning of 2022 the rise in food prices had increased WFP's operational costs by USD 42 million per month compared with the 2019 average. By June 2022, the rise in global food and fuel prices had increased WFP's monthly costs to USD 73.6 million above the 2019 average.³⁰
30. Meanwhile, governments have spent extraordinary amounts to safeguard lives and livelihoods during the COVID-19 pandemic. As global financial conditions continue to tighten, that expenditure poses the risk of WFP's resource gap widening at a time when the need for food assistance is at a record level and the key drivers of hunger persist. Such factors suggest that humanitarian assistance faces a sobering outlook in 2023.

²⁹ International Committee of the Red Cross. 2020. *When Rain Turns to Dust. Understanding and Responding to the Combined Impact of Armed Conflicts and the Climate and Environment Crisis on People's Lives.*

³⁰ WFP. 2022. *WFP Global Operational Response Plan 2022 – Update #5.*

Section II: Funding context and resourcing assumptions

Overview

31. After reaching a record level of USD 9.6 billion in contributions in 2021, WFP forecasts that global contributions will reach more than USD 11 billion in 2022 and a similar amount in 2023.
32. By 7 August 2022, WFP had received USD 8.2 billion in confirmed contributions for 2022 from 80 donors, including governments, private sector entities, United Nations entities, international financial institutions (IFIs) and others. The high level of contributions received reflects a strong donor response to the concurrent global economic effects of the ongoing COVID-19 pandemic and escalating operational requirements including for the global food crisis and the crisis in Ukraine, where WFP launched a new operation in early 2022.
33. In 2023 government donors are expected to account for 82 percent of contributions, IFIs for 11 percent (including contributions made pursuant to agreements directly between WFP and IFIs and IFI resources allocated from national governments), other United Nations entities for 4 percent and private sector donors for 3 percent. WFP expects contributions from its top four donors to grow more moderately than those from its other donors, resulting in a decrease in the proportion of WFP's total revenue attributable to those four donors. The trend in contributions from 2018 to 2021 shows an average increase of 10.7 percent per year.
34. WFP's contribution income is expressed in United States dollars. The currencies in which several major donors pay their contributions to WFP continue to depreciate against the United States dollar. The overall effect is to amplify donor funding cuts and to reduce the expected increase in contributions for 2022 and, potentially, 2023. The full extent to which currency fluctuations will affect WFP's funding forecasts is uncertain. However, for 2022 the negative impact of exchange rate fluctuations on WFP's overall contribution income is projected to amount to 4 percent.
35. WFP's resource requirements are expected to outpace the increase in funding. To attain the increased funding required to support implementation of the new strategic plan, WFP will increase its advocacy and fundraising activities by leveraging its strong partnerships with donors, seeking more flexible funding, and adapting its partnership approaches in response to change. Further efforts will be made to diversify funding through partnerships with national governments, IFIs, thematic funds, the private sector and multilateral funds. Recognizing the decentralized nature of fundraising, headquarters will use structured and consistent dialogue and tailored tools to provide regional bureaux and country offices with strategic guidance and support on approaches to resource mobilization.

Figure II.1: Evolution of donor contributions to WFP, 2018–2023 (confirmed and projected)

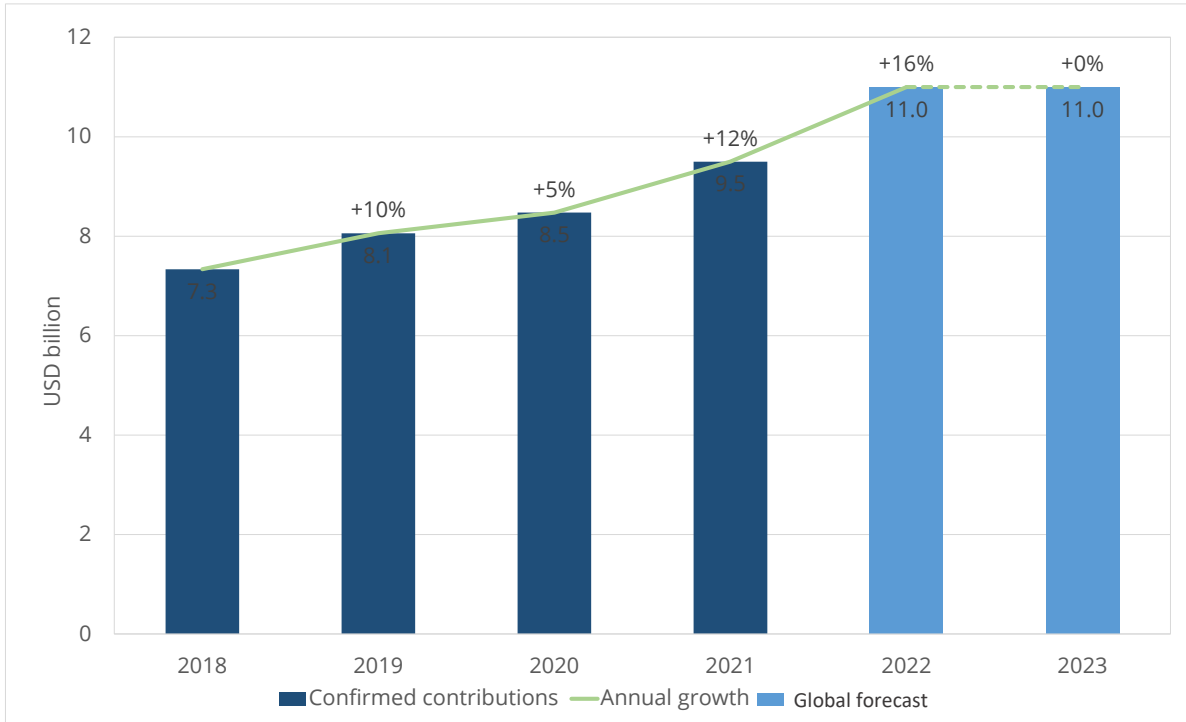
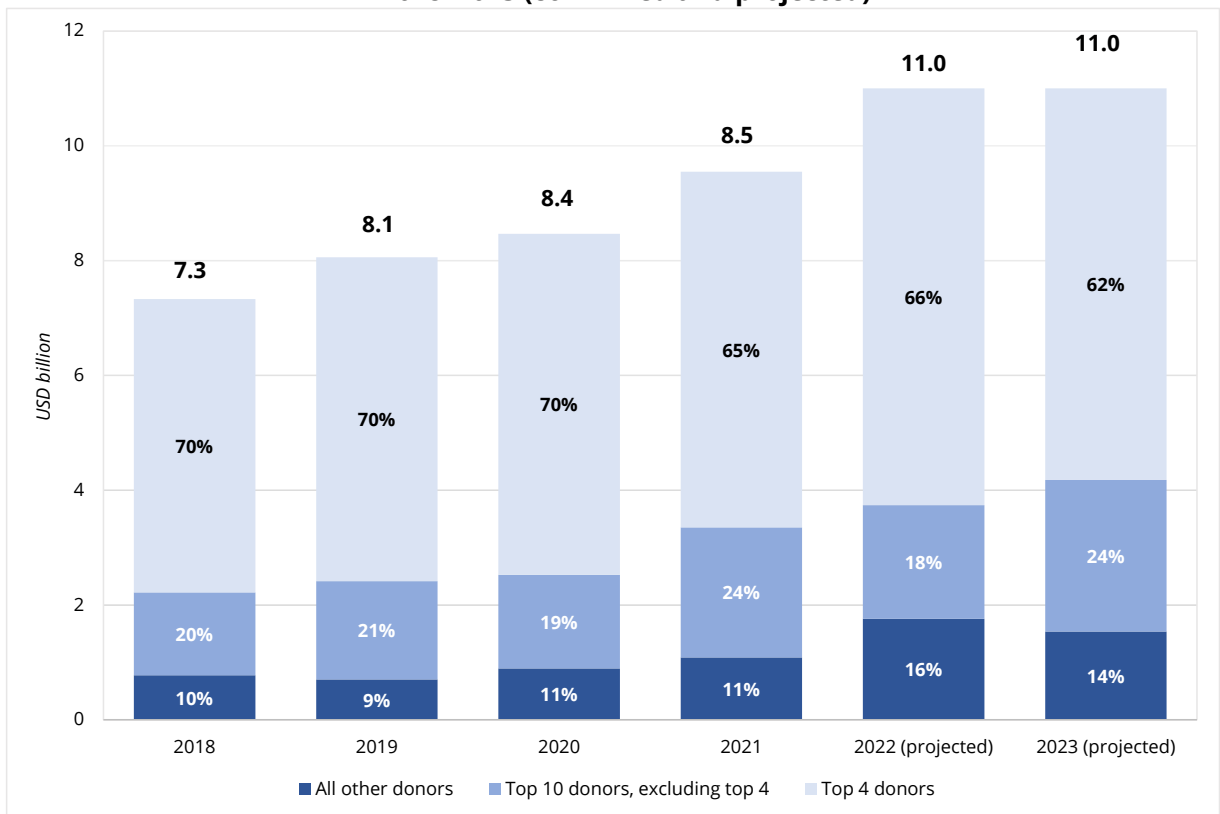


Figure II.2: Donors to WFP by value of contributions and percentage of total contributions, 2018–2023 (confirmed and projected)



Diversifying the funding base

36. To enable implementation of the strategic plan, WFP will increase its efforts to diversify its funding base by strengthening engagement with emerging donors that are not members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development. Examples of those efforts include facilitating South–South and triangular cooperation, increasing fundraising from private sector businesses, foundations and individuals, thematic funds and United Nations funding instruments and fostering joint approaches with IFIs.
37. *International financial institutions:* In particular, WFP will reinforce its provision of analysis and technical support to enable country offices to better leverage national funding. This will entail drawing on resources from, and strengthening partnerships with, IFIs and strengthening collaboration with host governments and alignment with their priorities and capabilities in the implementation of WFP’s second-generation country strategic plans (CSPs). Through this approach, WFP aims to secure USD 1 billion from countries in which it operates for the implementation of activities in support of national government zero hunger objectives, building on its context-specific comparative advantages.
38. The newly approved *Changing Lives Transformation Fund* will allow country offices to invest in areas of comparative advantage and complementarity that position WFP to support national development priorities and gain access to new streams of financing, including for implementing government-led approaches that contribute to SDG 2, thereby also contributing to efforts to diversify resource partnerships.
39. *Thematic approaches:* WFP will further explore thematic opportunities, including in social protection, climate financing and school feeding. This will involve active engagement in key international events such as the first global ministerial-level meeting of the School Meals Coalition in Helsinki, in October 2022, the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Egypt in November 2022 and subsequent events in 2023.
40. WFP aims to integrate its work on saving lives with a sustained focus on changing lives by promoting resilience so that people and communities on the brink of hunger can reduce their reliance on humanitarian support. WFP will make evidence-driven proposals to longstanding and new donors with a view to diversifying its funding streams beyond traditional sources of humanitarian funding. Resilience building is a pathway to self-subsistence, with a high return on investment. It requires WFP to attract additional, multi-year contributions from new development and thematic funding streams. CSPs will be designed so that WFP can attract contributions from humanitarian, development and thematic sources and thereby operationalize the humanitarian–development–peace nexus effectively.
41. To optimize the efficient and effective use of financial resources WFP will continue to promote anticipatory action, including through the use of forecast-based financing. Such an approach enables WFP to support government and community-level disaster mitigation by linking the allocation of resources to seasonal and weather forecasts, which allows needs to be met during the critical window between the forecast of an extreme weather event and its occurrence, and reduces the costs of humanitarian assistance. WFP will also continue to enable governments to scale up and strengthen their national early warning systems and will mobilize predictable and pre-arranged financing to implement anticipatory action in Africa, Asia and Latin America.
42. *Private sector:* Income from the private sector (corporations, foundations and individuals) is projected to continue to grow rapidly, reaching USD 300 million in 2023. Of that amount, USD 135 million is expected to be generated by the individual fundraising programme, which comprises the headquarters-based individual giving team, the ShareTheMeal platform and WFP friends’ organizations, predominantly those based in the United States of America and Japan.

43. As projected in the private sector partnerships and fundraising strategy, partnerships with foundations continue to grow. As of mid-year 2022, WFP had secured USD 167 million from foundations, predominantly in support of the changing lives agenda. This positive growth trend is expected to continue into 2023 and beyond.³¹
44. WFP expects to see continued sustainable and significant growth in flexible income through its digital-based individual fundraising programme. As the programme has achieved maturity and reached a growing global audience by issuing online content in multiple languages, WFP will focus on reaching and retaining regular supporters in order to generate a sustainable income stream from them, with more than USD 50 million in flexible funding from individuals expected in 2023.
45. WFP aims to cultivate in 2023 long-term relationships with new corporate partners that have made contributions in response to major emergencies, in particular the crisis in Ukraine and neighbouring countries. Those efforts are expected to generate strong new partnerships in 2023 and 2024, given the 18–24-month lead time that partnerships often take to develop.
46. WFP continues to explore innovative private sector fundraising modalities, ranging from public-private partnerships to zakat fundraising from individuals. As part of the new global philanthropy function, WFP has developed an engagement strategy for generating income and promoting innovative solutions based on the exploration of new areas and technologies in 2023.
47. Adequate human resources, in terms of the number of staff and their skills, are key to the achievement of private sector income results in 2023 and beyond. Staffing changes in 2022, including the establishment of a new business intelligence hub, will also drive results in 2023. The newly created dedicated global philanthropy team will develop relationships with, and raise funding from, ultra-high-net-worth individuals.
48. *United Nations partnerships:* Funding from United Nations entities is an important strategic pathway for WFP's engagement on the achievement of national and global priorities with the wider United Nations system. Pooled financing can also be used to promote coherence and improved collaboration within, the United Nations system. Tailored guidance and support will continue to be provided to country offices and regional bureaux to inform them of potential partnerships, funding opportunities and entry points in their local settings.
49. From 2019 to 2021, the average annual contribution to WFP from the United Nations Central Emergency Response Fund was USD 169 million. That level is expected to be maintained in 2023, driven by the unprecedented rise in hunger and famine and the overall increase in global humanitarian needs.
50. WFP will also continue to strengthen its engagement in key pooled funds, such as the joint SDG fund and the United Nations Peacebuilding Fund, and to engage in financing for development work in line with the Funding Compact. From 2019 to 2021, the average annual contribution to WFP from United Nations funds other than the United Nations Central Emergency Response Fund was USD 170 million, although 2020 was an exceptional year, with USD 201 million received because of the response to the COVID-19 pandemic. WFP expects to receive a similar amount of funding (USD 180 million) from pooled funds in 2022.
51. *Leveraging domestic resources:* From the revitalization of the Emerging Donor Matching Fund (EDMF) in 2019 to June 2022, more than USD 22 million was allocated to 25 countries to cover the associated costs of national government contributions valued at approximately USD 35 million. The EDMF supports national crisis response plans, safety nets and social

³¹ Timelines of foundation grants are aligned with often multi-year project cycles, as opposed to financial years, which can result in lower income secured in subsequent years after agreement signature, significantly affecting forecasts.

protection programmes, livelihoods activities, institutional capacity strengthening and technical assistance relating to food security data and evidence-driven policy development.

52. WFP will continue to use the EDMF to secure new and additional resources from eligible national governments for its crisis response, resilience building and root cause activities in support of national priorities. WFP will align the EDMF framework with the priorities outlined in the strategic plan for 2022–2025, which include the expansion of the funding base through the addition of non-traditional donor governments. At its 2022 annual session the Board approved a USD 30 million recapitalization of the EDMF to advance priorities in line with the evolution of WFP’s partnerships with national governments.
53. *Innovative funding modalities:* In 2023, WFP will focus on exploring additional opportunities and building capacity to mobilize resources beyond traditional financing mechanisms, including those associated with co-financing, capacity strengthening services such as South–South and triangular cooperation and debt relief arrangements. As noted in paragraph 41, WFP will also focus on the financing of anticipatory action.
54. Co-financing initiatives can give national, provincial and municipal governments and the private sector strong incentives to provide more resources for work on SDG 2 and supporting WFP’s mandate. WFP will continue to promote twinning arrangements, mobilizing its own resources and those from other donors to meet the costs associated with contributions from eligible countries.
55. WFP’s work on twinning will include efforts to expand it in line with a recent change in WFP’s General Rules to classify private sector donors as non-traditional donors.³² As a result of that change, management can now twin contributions from the private sector with those from other private sector donors to cover the full operational and support costs of the contributions. The rule change does not, however, permit twinning through use of the WFP Fund or the monetization of in-kind contributions.
56. Enhancing WFP’s role as a broker for South–South and triangular cooperation in pursuit of SDG 2, as well as national governments’ support for capacity strengthening initiatives with WFP, will help to unlock new opportunities by mobilizing funds and technical cooperation for countries in need.
57. Debt relief efforts, in particular debt-for-development swaps that redirect resources towards national development goals, also help to mobilize valuable resources for WFP. WFP has been successful in funding operations through debt swaps in such countries as Egypt, Guinea-Bissau, Mauritania and Mozambique. It will apply that experience and advocate more debt swap arrangements for the achievement of SDG 2 results in other countries.

Funding flexibility and predictability

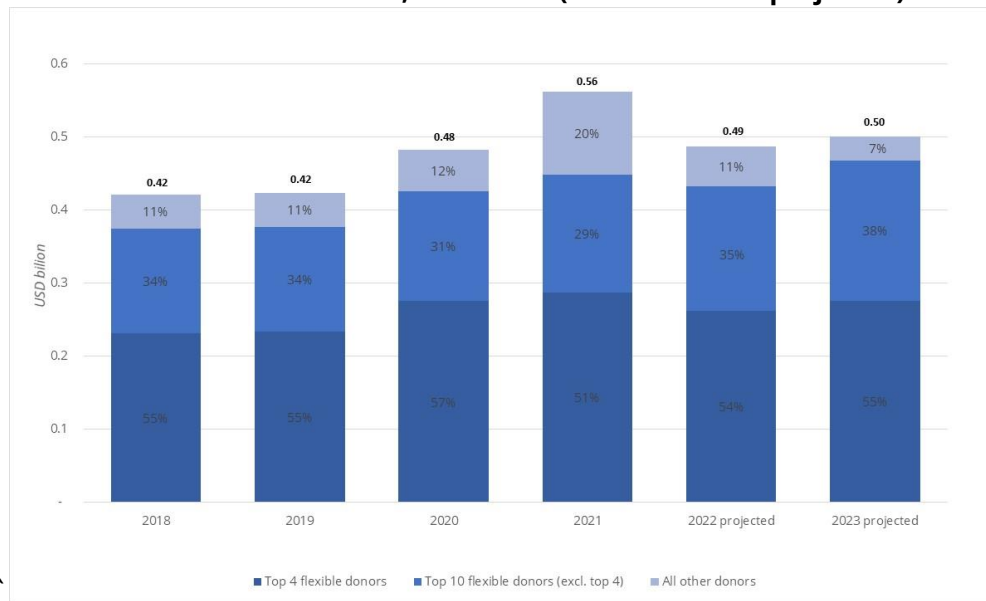
58. As a voluntarily funded organization, WFP relies on the full range of support provided by its partners. To address the growing gap between needs and available resources, WFP and its partners must maximize the effectiveness of every dollar and explore opportunities for greater complementarity. WFP will continue to engage with partners to identify opportunities to reduce earmarking and other donor conditions and to increase flexible and multi-year contributions.
59. Flexible contributions are one of WFP’s core funding modalities and are instrumental to its ability to deliver on its mandate, bridge immediate and long-term activities and reduce needs over time. Flexible resources optimize WFP’s response by strengthening its capacity to prioritize funding strategically, respond more quickly and proactively and guarantee operational continuity in forgotten crises. Multi-year agreements and flexibility improve programme and

³² “Classification of private sector donors as non-traditional donors under General Rule XIII.4 (c)” (WFP/EB.A/2022/6-C/1/Rev.1).

cost-efficiency and lessen the administrative burden on WFP, partners and donors. Ultimately, flexible contributions ensure that more resources can be used to reach people in need.

60. Unearmarked contributions have increased in recent years in terms of absolute value; however, as a proportion of funding, these have remained stable, at 5–6 percent of total funding. Maintaining the growth in unearmarked contributions will require intensified efforts by WFP and its partners to strengthen advocacy at all levels. The total value of contributions earmarked for the IRA is expected to increase by 19.1 percent in 2022 – from USD 67.1 million in 2021 to USD 79.9 million in 2022 – and to continue increasing in 2023. The IRA will continue to serve as a major flexible funding mechanism that enables WFP to cover pipeline breaks in the delivery of life-saving assistance. Contributions, directly confirmed to the IRA or used for revolvment, are the primary means of replenishing the IRA.
61. To create an enabling environment for increased flexible and multi-year funding, WFP will continue to enhance the visibility, transparency and reporting related to such funding, at both the global and country levels. In 2023, WFP will also start to report on “softly earmarked” funding, which will provide due recognition of contributions that are earmarked at the regional or thematic level.
62. Most confirmed contributions to WFP are tightly earmarked at the activity level. However, the proportion of contributions earmarked at the country level increased from 6 percent in 2020 to 11 percent in 2021. WFP aims to maintain this positive trend in 2023 and beyond. The new CSP line of sight, underpinned by the new CRF results chain, is designed to support the shift to reduced earmarking or to earmarking at higher levels of the results chain. When the Grand Bargain 2.0 ends as scheduled in mid-2023, WFP will advocate renewed commitments to high-quality funding.
63. Steady growth in WFP’s income from the private sector, particularly unrestricted income from individual fundraising, is expected to also contribute to a higher level of unearmarked resources over time. By 2025, WFP expects to have doubled the unrestricted income raised from individuals, to reach USD 70–90 million annually.
64. WFP has continued to expand and invest in its corporate forecasting and partner relationship management tool, Salesforce. In 2023 WFP will continue these efforts and will use Salesforce to improve impact measurement and evidence generation. In addition, close monitoring of donor contributions has been automated through real-time reporting tools such as FACTory and Grants 360, which enable more efficient management of contributions and help WFP consolidate analysis and trends to support decision making and forecasting.

Figure II.3: Flexible donors to WFP by value of contributions and percentage of total unearmarked contributions, 2018–2023 (confirmed and projected)



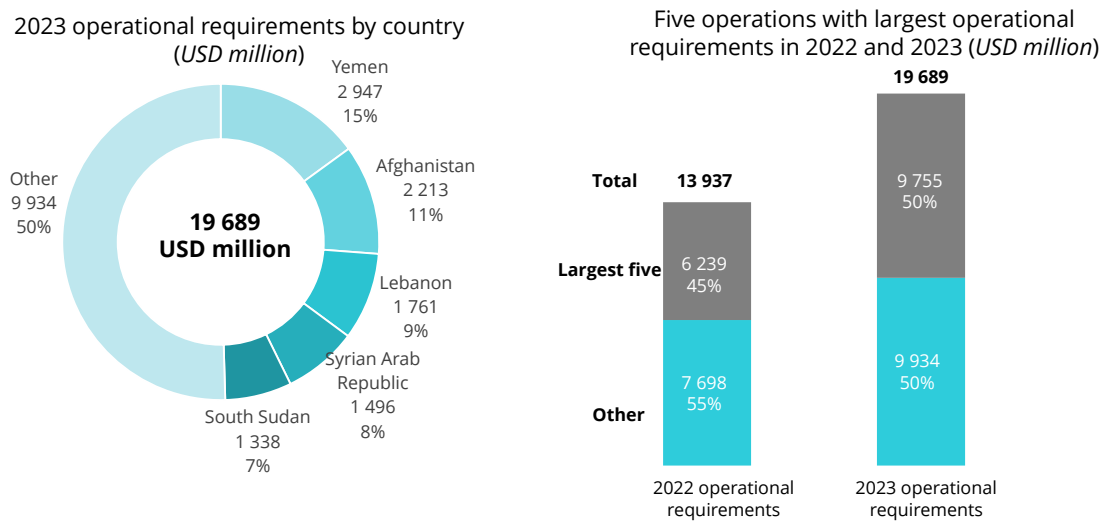
Section III: Operational requirements and provisional implementation plan for 2023

Overview

65. In response to the unprecedented growth in worldwide hunger and malnutrition fuelled by ongoing conflict, the climate crisis, economic shocks and the COVID-19 pandemic, as of June 2022 WFP's operational requirements for 2023 were estimated at USD 19.7 billion, a 41 percent increase over the previous management plan. As in previous years the bulk of the needs relate to crisis response activities. Overall, through 86 operations WFP plans to reach 150 million people in need, a 21 percent increase over the previous management plan; this will require more funding than any previous management plan.
66. WFP will leverage its ability to work with partners to assist people in meeting their food needs and to help reduce humanitarian need, improve food security and support countries in their efforts to achieve the SDGs.
67. The challenging global context and operating environment may be aggravated by major increases in fertilizer prices that may affect food production this year and the next. Continued disruption of supply chains, export restrictions and the high costs of procuring and shipping commodities will also affect WFP's projected operational costs for 2023. Meanwhile, the crisis response capacity of many governments is constrained by the macroeconomic impacts of the pandemic. Such conditions will increase the demand for WFP's services while posing major challenges to its ability to deliver assistance as planned.

Response to the global food crisis

68. WFP is scaling up its life-saving food and nutrition assistance in order to meet the essential needs of the most vulnerable people during crises, overcoming access challenges, expanding its use of cash-based transfers (CBTs) and treating acute malnutrition. WFP is complementing its emergency response with efforts to build resilience at the individual, household and system levels with the aim of reducing and preventing the need for humanitarian response in the future. This includes working with partners to invest in disaster risk management and preparedness, food systems and social protection.
69. In June 2022, WFP activated a corporate scale-up response to address the immediate impacts of the global crisis in food and nutrition security while strengthening the foundations, analysis and partnerships needed to mitigate the medium-term impacts. WFP's response strategy prioritizes emergency response in coordination with partners and proposes complementary humanitarian and development investments aimed at supporting countries' progress towards zero hunger. WFP's response planning for the global crisis covers an 18-month period, to the end of 2023.
70. WFP has seen a surge in 2022 in the number of CSPs being revised; this reflects the increased need in many countries and the resulting changes in the operational requirements for 2023.

Figure III.1: Requirements for WFP's five largest operations, 2022 and 2023

71. WFP's five largest country operations collectively account for half of total operational requirements, up from 45 percent in 2022. All other country operations account for the other half, which suggests that need is rising more in the worst existing crises than in the others (see figure III.1).
72. Compared to management plan for 2022–2024, the largest increases in country-level operational requirements in absolute terms have occurred in Afghanistan, the Democratic Republic of the Congo, Lebanon, Somalia, South Sudan, Ukraine and Yemen.

Analysis of 2023 operational requirements

Analysis by focus area

Focus area	2022 operational requirements		2023 operational requirements	
	(USD million)	(%)	(USD million)	(%)
Crisis response	10 770	77	15 347	78
Resilience building	2 614	19	3 768	19
Root causes	553	4	574	3
Total	13 937	100	19 689	100

73. In 2023, crisis response will continue to account for the largest share of requirements, 78 percent of the total. That figure reflects unprecedented growth in humanitarian needs globally and WFP's priority of saving lives in emergencies. In accordance with the new strategic plan, WFP will continue to address both life-saving and life-changing objectives, the budgets for which are growing in equal proportion.
74. The overall operational requirements for resilience building in 2023 represent a 44 percent increase over 2022, with the largest increases occurring in countries facing protracted crises such as South Sudan, Lebanon, Yemen, the Niger and the Syrian Arab Republic.

Analysis of beneficiary numbers

TABLE III.2: BENEFICIARIES BY REGIONAL BUREAU, 2022 and 2023			
Regional bureau	2022 (million beneficiaries)	2023 (million beneficiaries)	Variation (%)
Asia and the Pacific	20.4	30.0	47
Middle East, Northern Africa and Eastern Europe	31.5	39.6	26
Western Africa	16.2	20.2	25
Southern Africa	15.0	17.5	17
Eastern Africa	32.1	35.0	9
Latin America and the Caribbean	9.0	8.2	(9)
Total	124.1	150.5	21

75. The operations in three regional bureaux – those for Asia and the Pacific, the Middle East, Northern Africa and Eastern Europe, and Eastern Africa – account for almost 70 percent of total beneficiaries; that proportion has not changed since 2022. The humanitarian crises in Afghanistan, Somalia, Ukraine and Yemen will require large operational responses and account for the largest increases in beneficiaries at the country level.
76. Operations in the Asia and the Pacific region account for the largest percentage increase in the number of beneficiaries of any region, mainly owing to the unprecedented need in Afghanistan, which has led to the addition of 8 million beneficiaries; the majority of direct beneficiaries in Afghanistan are assisted through crisis response activities. In 2023, WFP plans to assist 21.3 million beneficiaries in Afghanistan, the highest number of its operations.
77. Meeting emergency needs and improving food security are WFP's core responsibilities. The management plan for 2023–2025 reflects WFP's continued commitment to assisting governments in achieving SDG 2 and SDG 17 through strengthened partnerships that leverage the contribution of food security and nutrition to the attainment of other SDGs. Activities that support the achievement of SDG 2 will account for 93 percent of total operational requirements in 2023, and those contributing to SDG 17 will account for 7 percent.

Delivering results towards the achievement of the SDGs

TABLE III.3: OPERATIONAL REQUIREMENTS BY STRATEGIC OUTCOME AND ACTIVITY CATEGORY, 2023 (USD million)						
	SDG 2			SDG 17		
Activity category	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	Total
WFP programmes						18 483
Unconditional resource transfers	12 162	394	42			12 598
Nutrition activities	979	1 056	15	1		2 051
Community and household asset creation	334	34	1 119			1 487
School-based programmes	332	819	77	31		1 259
Household and individual skill and livelihood creation	140	9	168	1		318
Actions to protect against climate shocks	8		302	4		314
Social protection sector support programmes		62	18	162		242
Smallholder agricultural market support		4	176	1		181
Emergency preparedness and early action	16		0	17	0	33
WFP advisory solutions and service delivery						1 206
On-demand services	0	0			690	690
United Nations Humanitarian Air Service					428	428
Logistics cluster					72	72
Emergency telecommunications cluster					16	16
Total	13 971	2 378	1 917	217	1 206	19 689

78. Table III.3 shows operational requirements by activity category and strategic outcome in line with the framework presented in the strategic plan and the CRF for 2022–2025. In 2023, activity categories classified as “WFP programmes” will account for the majority of projected operational requirements, at USD 18.5 billion, and those classified as “WFP advisory solutions and service delivery” will account for USD 1.2 billion. Activities under strategic outcome 1 (people are better able to meet their urgent food and nutrition needs) account for almost USD 14 billion, or 76 percent of operational requirements related to SDG 2. Activities aimed at achieving strategic outcome 5 (humanitarian and development actors are more efficient and effective) account for USD 1.2 billion, or 85 percent of SDG 17 operational requirements.
79. Unconditional resource transfers are expected to reach USD 12.6 billion in 2023 and continue to constitute the largest proportion of operational requirements.

Cross-cutting priorities

Gender equality and women's empowerment

80. The rising cost of living is deepening gender inequality and leading to increased violence against women and girls and exposing women and girls to high levels of food insecurity and poverty. To meet the essential needs of the most affected groups, WFP supports human capital investment to reduce structural vulnerabilities and create favourable conditions for improving livelihoods and building resilience to current and future shocks and stressors. WFP will continue to consult all affected people, particularly women and girls, in its efforts to ensure effective gender mainstreaming and gender-targeted actions. To ensure inclusive and sustainable outcomes in its responses to protracted crises, WFP will address the social norms and structural barriers that prevent equitable access to and control over the means of achieving food security and nutrition. This work includes creating the conditions for women and girls to compete for livelihood opportunities as equals with men and boys, thereby strengthening their economic prospects and resilience and improving their individual and household food security and nutrition outcomes.

Protection and accountability to affected populations

81. As outlined in the strategic plan for 2022–2025, WFP will ensure that it fulfils its commitments regarding protection and accountability to affected populations and will use conflict-sensitive approaches in its programme design and implementation. This will foster more effective and efficient programmes by ensuring that WFP's response provides a protective environment for beneficiaries while addressing their individual risks and requirements.
82. WFP will focus on analysing and addressing risks to affected populations and integrating related activities into CSPs and programmes. The targeting and prioritization of beneficiaries, the implementation of community engagement and feedback systems and the monitoring of WFP action to reduce risks to populations and increase access to food will be prioritized. In addition to partnerships with local organizations and institutions, WFP will seek to form alliances with organizations that have specialized expertise in protection monitoring, conflict analysis, conflict-sensitive programming and access negotiation that country offices can draw on to make informed choices on the design and implementation of food assistance programmes.

Environmental sustainability

83. In 2023, WFP will continue to identify and manage any potential harm that its operations might cause to the environment, people and communities, as outlined in the section of the strategic plan that describes environmental sustainability as a cross-cutting priority. The aim is to maximize the effectiveness of all CSP activities. WFP will further mainstream the sustainability framework into all of its processes, collaborate with donors and governments on the harmonization of frameworks and tools for the assessment of environmental and social risks at the strategic level and implement and monitor risk management measures and community feedback mechanisms.
84. WFP will extend its training initiatives on environmental and social safeguards to regional bureaux, country offices and cooperating partners. It will also increase organization-wide capacity to comply with the eight environmental and social standards set out in WFP's environmental and social sustainability framework, track information on risk and mitigation measures and measure and report on established targets and core corporate indicators.

Nutrition integration

85. WFP will deliver life-saving nutrition support to help prevent and treat malnutrition and will scale up its programmes in the countries that are most affected by the unfolding global food crisis. Second-generation CSPs will be designed with explicit nutrition and healthy diet objectives such as programmes aimed at achieving the nutritional adequacy of emergency support, preventing and treating malnutrition and facilitating access to healthy diets.
86. Nutrition integration harnesses WFP's efforts to improve nutrition in ways that maximize nutrient adequacy and reach the most vulnerable people. In 2023, WFP will strengthen the consistency and accountability of its nutrition systems by advocating procurement approaches and supply chains that provide specialized nutrition products and fortified staple foods to people in need and maximize local value chains for nutritious foods. WFP will also invest in and support early warning systems that can highlight the areas where malnutrition risks are of particular concern, help country offices to prepare for and manage shocks and link WFP's vulnerability and food security analysis to nutrition programme options to achieve multiple results in addressing food insecurity and malnutrition. The systematic integration of nutrition will be supported by reporting systems that can track whether WFP is reaching its targets in addressing malnutrition and improving diets.
87. Such efforts will require an engaged, competent and equipped workforce and adequate financial resources. WFP will develop and deploy nutrition capability and support the implementation of strategic workforce planning for nutrition, mobilizing its resources accordingly. A proposed increase to the Global Commodity Management Facility will contribute to addressing challenges related to sourcing specialized nutritious food.

Analysis by transfer modality and cost category

88. Table III.4 compares the transfer values and associated costs that make up WFP's operational requirements in 2022 and 2023. The overall 45 percent increase in total transfer costs is driven more by the 50 percent increase in CBTs than the 41 percent increase in in-kind food. Although small in terms of dollar value, the increases of 127 percent in commodity vouchers and 35 percent in capacity strengthening transfers reflect WFP's ability to leverage various modalities in challenging settings and the growing demand for WFP capacity strengthening activities for individuals, communities and governments.

Transfer and associated costs	2022 operational requirements (USD million)	% of total transfer costs (%)	2023 operational requirements (USD million)	% of total transfer costs (%)	Increase (decrease) (%)
Food	5 770	50	8 114	48	41
CBTs	4 141	35	6 219	37	50
<i>Cash</i>	2 820	24	4 613	27	64
<i>Value vouchers</i>	1 321	11	1 606	10	22
Commodity vouchers	252	2	571	3	127
Capacity strengthening	664	6	894	5	35
Service delivery	859	7	1 107	7	29
Total transfer costs	11 686	100	16 905	100	45

TABLE III.4: TRANSFER VALUES AND ASSOCIATED COSTS, 2022 AND 2023					
Transfer and associated costs	2022 operational requirements (USD million)	% of total transfer costs (%)	2023 operational requirements (USD million)	% of total transfer costs (%)	Increase (decrease) (%)
Implementation costs	908		1 024		13
Direct support costs	525		601		15
Total direct costs	13 119		18 530		41
Indirect support costs	818		1 159		41
Total	13 937		19 689		41

Food transfers

89. WFP's needs-based plan for 2023 calls for 7.5 million mt of in-kind food valued at USD 8.1 billion.³³ This represents an increase of more than 40 percent compared with 2022 (USD 5.8 billion). The top five operations in terms of United States dollar requirements for food transfers are Yemen, Afghanistan, South Sudan, the Syrian Arab Republic and Ukraine, which together account for 62 percent of the total requirements.
90. Cereals account for the majority of planned food needs, at 4.9 million mt, or 66 percent of the total in tonnage terms, and 51 percent of the plan's requirements in United States dollars. By contrast, mixed and blended foods and vegetable oil are planned at lower tonnages but account for significant shares of the overall value, at 19 percent for mixed and blended foods and 11 percent for vegetable oil.
91. In 2023 almost 50 percent of the planned tonnage is to be procured on local and regional markets, including more than 50 percent of sorghum maize and maize meal and nearly 70 percent of beans. WFP is making efforts to diversify its sourcing options for specialized nutritious foods by buying such commodities closer to distribution areas where possible, which could reduce delivery lead times and allow a better match with the food preferences of beneficiaries. The increasing trend in local and regional procurement of fortified blended foods and lipid-based nutrient supplements will therefore continue.

Cash-based transfers

92. WFP's use of CBTs continues to grow. In 2023 WFP's estimated operational requirements for CBTs will amount to USD 6.2 billion in 73 countries, representing an increase of USD 2.1 billion or 50 percent over 2022. Cash transfers account for 86 percent of the increase, and value vouchers for the remaining 14 percent. Operations in Lebanon, Ukraine and Yemen account for almost 40 percent of total CBT requirements for 2023.
93. During the COVID-19 pandemic, governments across the world relied on WFP support to transfer money to their people efficiently and accountably. To date, WFP has provided more than 50 governments with expertise and services for government-to-person payments, primarily through technical assistance but also by making such payments on behalf of governments or in the absence of an internationally recognized government. CBTs and government-to-person payments are WFP's fastest growing area of work and have the potential to assist many more people than direct in-kind food assistance alone.

³³ The value of in-kind food assistance includes the value of the food transferred and the costs of transferring it.

94. Lebanon accounts for one of the largest increases in the use of cash-based modalities, as reflected in its forthcoming CSP. WFP's CBT interventions in Lebanon have improved food consumption and dietary diversity, reduced the use of negative coping strategies, had a stabilizing effect and acted as a lifeline for the most vulnerable people.³⁴

Commodity vouchers

95. WFP chooses from among its wide variety of transfer modalities to suit the settings in which it operates. Commodity vouchers have proved particularly useful in unstable environments and where collaboration with market operators provides WFP with the best option for assisting beneficiaries.
96. In 2023 the operational requirements for commodity vouchers will be USD 571 million, or 3 percent of total transfer costs. That figure represents an upward trend, in contrast to the downward trend observed in previous years. The significant increase is attributed largely to operations in Afghanistan and Yemen.
97. In Afghanistan, in response to rising inflation and liquidity constraints, WFP is scaling up a new commodity voucher programme in partnership with the private sector to increase the coverage of the programme as circumstances permit. In Yemen, the projected operational requirements for commodity vouchers will increase by 26 percent over 2022; the programme will use established traders' networks and be implemented in areas with retail infrastructure where it can support local markets. This approach demonstrates WFP's ability to implement life-saving activities while utilizing local infrastructure.

Capacity strengthening

98. Capacity strengthening transfers include the provision of materials and equipment, knowledge and skills and other resources that are directly transferred to individual beneficiaries, communities, partners or government counterparts to complement the objectives of food and cash-based transfers. In 2023, operational requirements totalling USD 894 million are planned for capacity strengthening transfers in 86 operations. Compared with 2022, capacity strengthening transfers are expected to increase by 35 percent, marking an upward trend in the use of the modality. In 2023 operations in South Sudan, the Syrian Arab Republic and Yemen will account for the largest increases in capacity strengthening transfers, which together represent 24 percent of the total increase.

Service delivery

99. Service delivery transfers in 2023 are estimated at USD 1.1 billion, an increase of almost USD 250 million compared with 2022. WFP contributes to United Nations development system reform and the overall cohesion of the United Nations system through the provision of mandated services – those provided through the United Nations Humanitarian Air Service (UNHAS), the United Nations Humanitarian Response Depot (UNHRD) and the logistics and emergency telecommunications clusters – and on-demand services such as the procurement and transport of food. Through its service provision, WFP makes its expertise available to the wider humanitarian community, governments, regional institutions, the private sector and IFIs. Approximately 60 percent of the increase in service provision is for on-demand service activities. The largest service delivery activities in 2023 are planned in Lebanon, Afghanistan, South Sudan, Yemen and Burkina Faso and together account for 64 percent of the total.
100. The increasing trend in on-demand service provision activities is expected to continue in 2023, as governments request WFP to procure and transport food, and possibly fertilizer (in coordination with FAO), on their behalf. Concurrently, WFP is establishing a capacity

³⁴ Tschunkert, K. 2021. *The World Food Programme's Contribution to Improving the Prospects for Peace in Lebanon*. Stockholm International Peace Research Institute.

strengthening element of its service provision, which focuses on the transfer of skills and resources to empower governments over the medium and long term to develop their own capacity to procure goods and services and build resilience to shocks.

Implementation costs

101. Based on country office projections for 2023, implementation costs³⁵ will amount to USD 1.0 billion. Despite the increase of USD 116 million compared with 2022, implementation costs will account for a smaller share of total direct costs in 2023, at 5.5 percent compared with 6.9 percent in 2022. The decrease is mainly a result of the economies of scale that can be achieved with regard to facilities, infrastructure and core staff at the sub-office level for WFP and its cooperating partners.

Direct support costs

	2021 planned*	2021 actual**	2022 planned*	2023 planned*
Total direct costs (USD billion)	11.6	8.8	13.1	18.5
Direct support cost rate (%)	4.2	4.3	4.0	3.2

* Planned data for 2021, 2022 and 2023 are based on the management plans for 2021–2023, 2022–2024 and 2023–2025, respectively.

** Actual data for 2021 are based on statement V of WFP's [2021 audited annual accounts](#).

102. Direct support costs³⁶ (DSC) will increase by USD 76 million in 2023, a 15 percent increase compared with 2022. Owing to the high proportion of fixed costs within DSC, DSC as a percentage of total costs decrease as transfer values increase. Globally, DSC will be 3.2 percent of total costs in 2023. Because the rate is driven by the size of an operation, the modality used, the operational setting and the local economic environment, the DSC rate ranges from 1 percent (Lebanon and the Syrian Arab Republic) to 25 percent (Indonesia and the Philippines).

Cost per beneficiary and cost per ration

103. The average daily cost per beneficiary reflects the estimated budgeted amount that can be attributed to the daily food ration or CBT provided to each beneficiary in order to achieve programme objectives. The main component of the daily cost per beneficiary is the cost of providing the transfer (the sum of the transfer value and the costs of transferring it), which in 2023 is expected to constitute an average of 86 percent of the total cost per beneficiary. The ration size and type of commodities used in food transfers, and the value of CBTs, are the main factors driving the daily cost per beneficiary. Those costs are influenced mainly by the type of assistance provided, followed by the economic environment and the operational setting.
104. WFP expects that the global surge in food prices caused by the global economic crisis will cause the cost per beneficiary to increase under all transfer modalities in 2023. The cost per metric ton of key commodities, including wheat flour, is expected to rise significantly in 2023 compared with 2022. Retail market prices are also expected to increase and will require WFP to increase the daily value of its CBTs to support a nutritious diet. Because WFP focuses on the most vulnerable population groups, its crisis response activities are implemented primarily in areas

³⁵ Implementation costs are the in-country costs that can be associated with specific strategic outcomes and activities under a CSP. They include the costs of activity management, relations with beneficiaries, assessments and monitoring.

³⁶ DSC are the costs that WFP incurs to support an entire CSP. They are managed and determined at the country level and support multiple activities.

affected by conflict, failed harvests and other shocks. Such shocks drive up the cost of providing assistance, for example as a result of challenges with access to distribution sites during rainy seasons or periods of insecurity. For 2023, the overall daily cost per beneficiary is estimated at USD 0.45, an 18 percent increase over the USD 0.38 reported in the 2021 annual performance report and the management plan for 2022–2024.

Modality	Number of rations (million)	Average daily cost per beneficiary, including indirect support costs (USD)
Food	25 014	0.38
CBTs	11 317	0.64
Commodity vouchers	1 924	0.34
Total	38 255	0.45

105. WFP’s operational requirements for 2023 are equivalent to 25 billion in-kind food rations, 11.3 billion food ration equivalents in the form of CBTs and 1.9 billion ration equivalents provided as commodity vouchers. As shown in table III.6, the budgeted daily average cost per beneficiary is USD 0.38 for in-kind food, USD 0.64 for CBTs and USD 0.34 for commodity vouchers. The daily cost per beneficiary tends to be higher for CBTs because they often provide higher transfer values to beneficiaries than in-kind food owing to prevailing market conditions and the opportunity to incorporate more nutritious food options. Multi-purpose cash transfers and related standardized rates asked at the inter-agency level may cover more than food needs alone. However, efficiency gains can be made in implementation and other costs for both modalities, depending on the situation and the nature of the operation, because WFP’s systems and operations are designed to benefit as much as possible from economies of scale and the use of supply chain best practices.
106. The daily cost per beneficiary is calculated for food rations, CBTs and commodity vouchers. No daily cost is provided for institutional capacity strengthening or service delivery because they do not provide direct transfers to beneficiaries. The detailed calculation of the projected daily cost per beneficiary for the 2023 operational requirements can be found in annex VI.

Corporate high-level targets³⁷

107. In defining WFP’s ambition towards achieving the five strategic outcomes in the strategic plan, the CRF identifies 25 high-level targets, to be reached by the end of 2025. Annex VI of this management plan defines the high-level targets for 2023, through an analysis of needs and WFP’s operational response. In most cases, the 2023 targets reflect continuous progress from the baseline to the end 2025 targets. Beginning in 2023, WFP’s annual performance report will analyse progress towards the 2023 outcome- or output-level targets established in this management plan.

Provisional implementation plan for 2023

108. The operational requirements for a given year are calculated from evidence-based assessments and projections. When the resources received are less than the requirements, prioritization becomes necessary. To manage resource shortfalls, country offices make difficult choices to

³⁷ For more details on the high-level targets, refer to the [“WFP corporate results framework \(2022-2025\)”](#) (WFP/EB.1/2022/4-A/Rev.1).

align their plans with the projected funding availability. These may include prioritizing beneficiaries by vulnerability or geographic area, reducing the size of rations or limiting the duration of assistance.

109. Table III.7 shows that the global provisional implementation plan for 2023 is estimated at USD 12 billion to assist 140 million beneficiaries. The provisional implementation plan constitutes 61 percent of the USD 19.7 billion in operational requirements and would enable WFP to provide assistance to 93 percent of the 150.5 million beneficiaries originally targeted.
110. In many cases beneficiaries will receive smaller rations or assistance for a shorter duration than originally planned as a result of funding shortfalls. This allows WFP to serve the greatest possible number of targeted beneficiaries. In Yemen, for example, WFP has implemented prioritization measures since December 2021, reducing rations to ensure that the most food-insecure people continue to receive assistance. That has enabled 5 million people in IPC phases 4 and 5 to receive slightly reduced rations while 8 million people in IPC phase 3 have received 55 percent of WFP's standard minimum food basket.³⁸ With this approach the country office plans to reach up to 93 percent of planned beneficiaries in 2022.

	Operational requirements	Provisional implementation plan	Provisional implementation plan versus operational requirements (%)
Requirements (<i>USD billion</i>)	19.7	12.0	61
Beneficiaries (<i>million</i>)	150.5	140	93

Methodology used to develop the 2023 provisional implementation plan

111. The provisional implementation plan takes into account the severity of global needs, the expected availability of funding, the expected earmarking of contributions and the historical relationship between the implementation plan, operational requirements and expenditures. The provisional implementation plan for 2023 has been formulated at the global level, and its total value is limited by three factors: the updated global contribution forecast for 2022 of USD 11 billion, the estimated net use of carry-over contribution balances of USD 500 million³⁹ and projected on-demand service provision revenue of USD 500 million.

³⁸ WFP. 2022. *WFP Global Operational Response Plan – Update # 5*.

³⁹ The carry-over is the difference between the resources available and the expenditures made in previous financial periods.

112. The resulting provisional implementation plan of USD 12 billion for 2023 aims to minimize the negative effects of funding shortfalls on targeted population groups and on performance targets and objectives. It shows prioritization by focus area, strategic outcome and output, activity category and transfer modality and outlines how WFP intends to make the most efficient use of its forecast resources and available funds to assist beneficiaries.
113. Each country office team will create a 2023 implementation plan in the fourth quarter of 2022. The country-specific implementation plans will be made available on the CSP portal and will form the basis for reporting in financial statement V (statement of comparison of budget and actual amount for the year) and annual country reports.

Analysis by focus area

114. The global prioritization process results in a slightly greater emphasis on crisis response and life-saving interventions, which at USD 9.5 billion account for 79 percent of the 2023 provisional implementation plan, compared with 78 percent of projected operational requirements. Accordingly, resilience building activities are proportionally reduced from 19 percent of operational requirements to 18 percent of the 2023 provisional implementation plan. Responses to root causes account for 3 percent of both the provisional implementation plan and the operational requirements.
115. Table III.8 compares the provisional implementation plan with the operational requirements, by focus area.

Focus area	Operational requirements		Provisional implementation plan	
	(USD million)	(%)	(USD million)	(%)
Crisis response	15 347	78	9 485	79
Resilience building	3 768	19	2 174	18
Root causes	574	3	341	3
Total	19 689	100	12 000	100

Analysis by strategic outcome and output

116. The CRF for 2022–2025 introduces 12 outputs under five strategic outcomes. The outputs represent the products and services that WFP commits to delivering during the implementation of its programmes and reflect the direct outputs of WFP's global operations.
117. As part of its commitment to assisting governments in the achievement of SDG 2, WFP will aim to ensure that acute hunger does not reach catastrophic levels by undertaking all preventive and response measures within its capabilities and influence. That aim is reflected in WFP's prioritization of activities under strategic outcome 1 (people are better able to meet their urgent food and nutrition needs), and strategic outcome 2 (people have better nutrition, health and education outcomes), which account for 72 percent and 12 percent of the provisional plan, respectively.
118. To facilitate the achievement of SDG 17, WFP uses its expertise to support humanitarian and development actors through the provision of high-quality mandated and on-demand services. WFP's efforts under strategic outcome 5 (humanitarian and development actors are more efficient and effective) are part of that strategy and account for 7 percent of the provisional implementation plan.

TABLE III.9: PROVISIONAL IMPLEMENTATION PLAN BY SUSTAINABLE DEVELOPMENT GOAL, STRATEGIC OUTCOME AND OUTPUT

SDG	Strategic outcome		Output		2023 provisional implementation plan	
					(USD million)	(%)
2	1	People are better able to meet their urgent food and nutrition needs	1.1	Food-insecure and crisis-affected populations have access to nutritious food and cash-based assistance, restored assets and services to meet their urgent needs	8 008	67
			1.2	Crisis-affected children, pregnant women and girls and new mothers, and other nutritionally vulnerable populations benefit from programmes to prevent and treat malnutrition and improve diets	569	5
	2	People have better nutrition, health and education outcomes	2.1	Food-insecure populations have increased and sustained access to nutritious food, cash-based assistance, new or improved skills and services to meet their food and nutrition needs	377	3
			2.2	Children, pregnant women and girls and new mothers, and other nutritionally vulnerable populations benefit from programmes to prevent and treat malnutrition and improve diets	521	4
			2.3	School-aged children and adolescents access school-based health and nutrition packages	496	4
	3	People have improved and sustainable livelihoods	3.1	People and communities have access to productive assets to better cope with shocks and stressors	445	4
			3.2	People and communities have increased skills, capacities and access to financial, energy and climate services for climate-adapted and sustainable livelihoods	116	1
			3.3	Smallholder farmers and value chain actors have increased capacity to produce and aggregate marketable surplus, reduce post-harvest losses, access markets and leverage linkages to schools	7	0
			Budgets that cannot be mapped to outputs*		433	4

TABLE III.9: PROVISIONAL IMPLEMENTATION PLAN BY SUSTAINABLE DEVELOPMENT GOAL, STRATEGIC OUTCOME AND OUTPUT

SDG	Strategic outcome		Output		2023 provisional implementation plan	
					(USD million)	(%)
17	4	National programmes and systems are strengthened	4.1	National actors have increased capacity and knowledge to enhance policies, strategies, processes and programmes contributing to achieve zero hunger and other SDGs	30	0
			4.2	Components of national emergency preparedness and response, social protection and food systems are strengthened	23	0
			Budgets that cannot be mapped to outputs*		102	1
	5	Humanitarian and development actors are more efficient and effective	5.1	Governments and humanitarian actors utilize mandated services in crisis-settings to set-up, manage and deliver response and services	377	3
			5.2	Partners utilize on-demand services to augment their capacity and ensure more efficient, effective and coordinated interventions	496	4
	Total				12 000	100

* Owing to the timing of the transition to the CRF for 2022–2025 and the end dates of certain CSPs, the 2023 budgets for some CSPs cannot be fully mapped to the outputs introduced in the CRF for 2022–2025.

Analysis by activity category

119. Table III.10 shows the breakdown of the implementation plan by activity category and highlights how life-saving activities remain central in 2023, with overall priority being given to unconditional resource transfers for highly vulnerable people, which account for 65 percent of the total provisional implementation plan, or USD 7.8 billion, and nutrition activities accounting for USD 1.1 billion, or 9 percent of the provisional plan. Asset building activities that build community and household resilience (representing 7 percent or USD 856 million) and school-based programmes (representing 6 percent or USD 750 million) are also key.
120. WFP also provides support through its advisory solutions and service delivery activity categories, which include work through the logistics cluster, the emergency telecommunications cluster and UNHAS in support of the wider humanitarian response. In providing on-demand services, WFP leverages its extensive supply chain capability and logistics expertise to facilitate effective responses from other humanitarian actors whose outcomes are in line with WFP's mandate and operational needs. Those activities account for 7 percent of the 2023 provisional implementation plan, 1 percentage point more than their proportion of the operational requirements.

TABLE III.10: PROVISIONAL IMPLEMENTATION PLAN BY ACTIVITY CATEGORY, 2023		
Activity category	Provisional implementation plan	
	(USD million)	(%)
WFP programmes		
Unconditional resource transfers	7 812	65
Nutrition activities	1 128	9
Community and household asset creation	856	7
School-based programmes	750	6
Social protection sector support	164	1
Action to protect against climate shocks	156	1
Household and individual skill and livelihood creation	149	1
Smallholder agricultural market support programmes	92	1
Emergency preparedness and early action	21	0
WFP advisory solutions and service delivery		
On-demand services	495	4
United Nations Humanitarian Air Service	329	3
Logistics cluster	40	0
Emergency telecommunications cluster	8	0
Total	12 000	100

Analysis by transfer modality

121. Table III.11 shows the breakdown of the provisional implementation plan by transfer modality. WFP will continue to use the most effective transfer modality to achieve the best outcomes. In-kind food assistance continues to account for the largest share, at 49 percent of the total prioritized transfer costs for 2023. This highlights the food shortfalls that exist in many places where WFP works.
122. CBTs account for USD 3.4 billion, or 34 percent of the total transfer costs for the provisional implementation plan, a slightly higher proportion than in the 2022 prioritized plan. WFP's CBT programmes have a positive impact on local markets, nutrition and beneficiary choice by promoting the provision of fresh and diverse food.
123. Compared with the 2022 provisional implementation plan, a large increase in commodity vouchers is projected in 2023. The increase is mainly attributable to operations in Afghanistan and Yemen, where significant scale-ups of commodity voucher programmes are planned, if circumstances permit.

TABLE III.11: PROVISIONAL IMPLEMENTATION PLAN BY TRANSFER MODALITY, 2022 and 2023					
Transfer and associated cost	2022 provisional implementation plan (USD million)	% of total transfer cost (%)	2023 provisional implementation plan (USD million)	% of total transfer cost (%)	Increase (decrease) (%)
Food	3 920	55	5 046	49	29
CBTs	2 208	31	3 444	34	56
<i>Cash</i>	1 606	23	2 564	25	60
<i>Value vouchers</i>	603	8	880	9	46
Commodity vouchers	158	2	371	4	135
Capacity strengthening	322	5	552	5	71
Service delivery	510	7	797	8	56
Total transfer costs	7 118	100	10 210	100	44
Implementation costs	555		634		14
Direct support costs	320		440		38
Total direct costs	7 993		11 284		41
Indirect support costs	507		716		41
Total	8 500		12 000		41

Special accounts and trust funds supporting Sustainable Development Goal 17 and country strategic plan activities

124. In 2023 trust funds and special account activities will continue to strengthen WFP's efforts by focusing on specific programme areas that contribute to the achievement of SDG 17. A comprehensive list of trust funds and special accounts and their projected 2023 expenditures can be found in annex IV.
125. Trust funds for headquarters and regional activities will be used to support the enhancement of WFP's organizational capacity and effectiveness in the following areas:⁴⁰
- The *African Risk Capacity facility*, with an estimated expenditure of USD 17.9 million in 2023, is a pan-African risk pool⁴¹ designed to help member states of the African Union to improve their capacity to plan and prepare for, and respond to, extreme weather events and natural disasters such as droughts, floods and cyclones. In 2023 the facility will develop more effective products and strategies for responding to outbreaks and epidemics of pests and diseases and will establish an extreme climate facility that will help member states of the African Union adapt to possible future climate shifts.

⁴⁰ Information on notable trust funds and special accounts and their associated 2023 expenditure estimates is provided in annex IV.

⁴¹ A risk pool is a group of insurance companies that come together to provide mutual protection against risks such as floods and earthquakes.

- A *School Feeding trust fund* was established at headquarters in 2010 to support strategic global school feeding efforts through contributions from public and private sector donors. In 2023 it will continue to help WFP address several of the recommendations of a corporate strategic evaluation on school feeding.⁴² For example, the trust fund will enable WFP to implement regional school feeding implementation plans, establish a new international research consortium for school feeding, conduct evaluations of WFP's work, provide country offices and governments with technical support and roll out digital school feeding solutions. The estimated expenditure for such activities in 2023 is USD 6.8 million.
 - In 2021, a corporate trust fund was established between WFP headquarters and Africa Centres for Disease Control and Prevention (CDC). Through this trust funding, WFP and Africa CDC work on two initiatives: 1) "Saving lives and livelihood" initiative (financed by MasterCard Foundation): WFP supports Africa CDC in implementing critical supply chain services and activities for the delivery of COVID-2019 vaccines across the African continent; 2) capacity strengthening activities (financed by the European Civil Protection and Humanitarian Aid Operations): WFP strengthens Africa CDC's capacity in the field of supply chain and logistics operations to enable more risk-informed decision-making on vaccine planning and prioritization, and to enable Africa CDC to efficiently manage public health emergency operations. The estimated expenditure for 2023 is USD 36.4 million.
 - Other examples, accounting for a total of USD 10.5 million in estimated expenditures in 2023 include the Joint United Nations Programme on HIV/AIDS (UNAIDS) trust fund established in 2003 to support WFP's efforts as a United Nations co-sponsor of UNAIDS and other WFP organizational capacity endeavours such as capacity building to enhance humanitarian protection in the context of food assistance.
126. The following are examples of the main services managed at WFP headquarters and accounted for through special accounts:
- The *United Nations Humanitarian Response Depot* is a critical emergency preparedness and response service provided by WFP to the entire humanitarian community, including United Nations, international, government and non-governmental organizations. It consists of strategically positioned hubs that hold stocks of supplies and emergency relief to facilitate the response of humanitarian organizations. An expected outcome in 2023 is the development of partnerships that support the achievement of the corporate goals of WFP and its partners. Projected expenditures related to UNHRD in 2023 are USD 61.3 million.
 - The *aviation special account* is a mechanism for funding the administrative and management structure of the WFP Aviation Service, which provides services to internal and external customers. The account facilitates the management of the income that is generated to enable the Aviation Service to respond promptly in emergencies. In 2023 WFP will strive to expand its current aviation services donor base by advocating sustainable funding streams that enable UNHAS to achieve its mandate and continue to provide air transport services for the humanitarian community. Expenditures from the aviation special account are estimated to be USD 30.4 million in 2023.

⁴² WFP. 2020. *Strategic Evaluation of the Contribution of School Feeding Activities to the Achievement of the Sustainable Development Goals*.

- The *humanitarian logistics special account* is aimed at ensuring the cost-effective provision of logistics services to the humanitarian community. In 2023, WFP intends to focus the activities funded through the account on the themes of shared value, strategic partnerships, in-kind support and financial resources. Projected 2023 expenditures from the account amount to USD 40.4 million.
- The special account for the *emergency telecommunications cluster* facilitates the provision of shared communication services in humanitarian emergencies and supports WFP's emergency response capacity. When the humanitarian community is called upon to respond to an emergency, life-saving information technology connections and solutions are deployed for specific operations. Transactions funded from the emergency telecommunications cluster special account are expected to cost USD 11.7 million in 2023.

Section IV: Programme support and business operations

Overview

127. The 2023 corporate budgeting framework builds on the methodology adopted during the BUSBE launched by the Executive Director in 2020. The BUSBE objectives were to determine the optimal programme support and business operations requirements for headquarters divisions and regional bureaux; ensure that WFP's internal resource allocation processes result in allocations that are in line with its priorities and are sufficient to support programme needs using the most appropriate funding sources; ensure transparency in the funding for headquarters divisions and regional bureaux; and examine the PSA budgets of country offices.
128. To facilitate the achievement of those objectives, the annual corporate budget exercise was expanded to capture all activities managed by global headquarters (i.e., headquarters divisions in Rome, regional bureaux and WFP liaison offices), regardless of their funding source. This new approach enables WFP to provide a comprehensive overview of the global headquarters and core country office budget, as shown in table IV.1

WFP's 2023 comprehensive programme support and business operations budget

TABLE IV.1: PROGRAMME SUPPORT AND BUSINESS OPERATIONS (USD million)							
	Baseline				Other services	Direct activities	Total
	PSA	CCIs	Trust funds, special accounts and other	Total			
2023	576.3	58.2	118.1	752.6	55.7	139.2	947.5
2022	496.1	40.6	96.1	632.8	67.8	123.7	824.3
Increase (decrease)	16%	43%	23%	19%	(18%)	13%	15%

129. WFP's comprehensive programme support and business operations budget for 2023 is USD 947.5 million, which reflects the planned programme support and business operations budget required to support the organization's projected level of operations efficiently and effectively. The budget covers the activities managed by headquarters divisions, regional bureaux and country offices described in this section. The operational costs of country offices are presented and analysed in section III.
130. The 2023 comprehensive programme support and business operations budget increased by USD 123.2 million (15 percent) over the 2022 budget. Among the primary drivers of the increase are the growth in size and complexity of WFP's operational activities in response to the rise in global hunger, as reflected by the 41 percent increase in the 2023 provisional implementation plan; inflation is another major driver of the cost increase.
131. All activities included in the 2023 comprehensive programme support and business operations budget have identified funding sources and are classified according to whether they are "baseline activities", "other services" or "direct activities". Baseline activities, which account for USD 752.6 million or 79 percent of the total 2023 comprehensive budget, are essential activities that contribute to the efficient and effective delivery of WFP's annual implementation plan but cannot be readily traced to individual CSPs. Such activities include the fulfilment of WFP's institutional obligations through corporate management, representation and administrative

functions, operational services, policy and advisory functions and oversight functions. Essential activities enable WFP to achieve its goals, strategic direction and priorities, ensure value for money in its operations and position itself to contribute to the mitigation of emerging risks. They may be recurring or one-time activities, the latter of which may span more than one year. Baseline activities are funded primarily through indirect support cost revenue and may also be funded through directed contributions and other sources, but not through CSP budgets.

132. Increases in the baseline budget emphasize WFP's commitment to improving the culture of its workplaces and the contractual conditions of employees; ensuring that it has the capacity to act effectively in emergencies; generating and using evidence in informed decision making; adopting digital technologies that transform WFP's ways of working; and delivering efficient and high-quality services for the benefit of its own operations, other United Nations entities and the wider humanitarian and development community.
133. Activities in the "other services" category complement baseline activities by including surge or scale-up activities, activities that bridge resource shortfalls and initiatives that are timebound or new. They are incidental, supplementary or discretionary activities that relate to the maintenance of operations and the achievement of priorities but do not directly support WFP operations. Examples include:
- the scale-up of the operations of the African Risk Capacity Group, including increased coverage of the African Risk Capacity insurance scheme, strengthened disaster risk management in Africa and research and development on related tools and insurance products;
 - the design and delivery of innovation and accelerator programmes focused on WFP's work to achieve SDG 2 and the launch of start-ups through WFP's Innovation Accelerator; and
 - the provision of secretariat services for the School Meals Coalition launched at the 2021 United Nations food systems summit.
134. Activities classified as "direct", accounting for 15 percent of the total budget, are those that can be traced to country operations or other activities. Expenditures for and cost recovery from such activities are managed through special accounts. Most of the cost recovery comes from CSP budgets because the cost drivers, such as the number of staff required or the tonnage of commodities purchased, are concentrated in country operations. Some activities have been subject to cost recovery for many years while others were added under the BUSBE cost recovery workstream. There were no additions to the direct activities in 2023. Examples of direct activities include the provision of information technology (IT) services, the sourcing of food, goods and services, beneficiary data management services and the processing of UNHAS transactions.
135. During the development of the 2023 budget the classification of activities was reviewed, resulting in the reclassification of a number of activities between the baseline, other services and direct activity categories. For an accurate comparison of baseline activities between 2022 and 2023, the new classification introduced in 2023 has been applied to the activities carried out in 2022, resulting in a net decrease of USD 15.5 million in the 2022 budget for baseline activities. The adjusted figures are reflected in all the tables showing baseline activities in this section.
- Activities that were moved from the baseline to the other services category include those related to support for health systems supply chains, accounting for USD 2.9 million, and scale-up in response to the COVID-19 pandemic, accounting for USD 16.3 million.
 - A few activities categorized as baseline in 2022 (passenger and light cargo transport and provision of heavy vehicle fleet and related services), accounting for a total of USD 9.1 million, have been reclassified as direct.

- Two activities classified as direct in 2022 – one related to data foundation, digitization and governance, accounting for USD 11.5 million, and one activity overseeing investment management, accounting for USD 2.3 million – have been reclassified as baseline.

Overview of baseline funding sources

136. Baseline funding comprises resources from three main sources: the PSA budget, the PSAEA for funding CCIs, and directed contributions and management cost recovery fees within trust funds and special accounts.

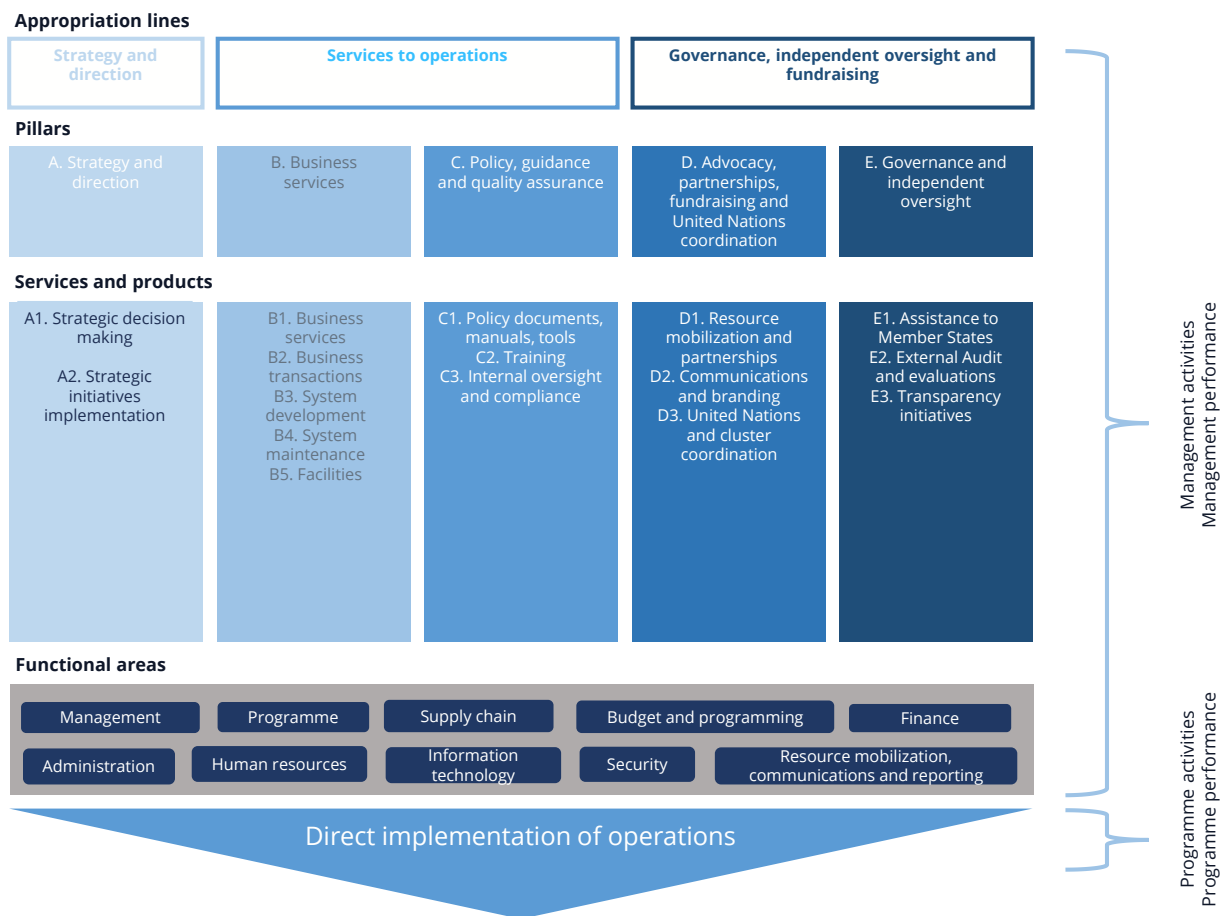
TABLE IV.2: BASELINE FUNDING SOURCES FOR RECURRING AND NON-RECURRING COSTS (USD million)				
	PSA	CCIs	Trust funds, special accounts and other funding sources	Total baseline
Recurring	571.8	0.0	113.9	685.7
Non-recurring	4.5	58.2	4.2	66.9
Total	576.3	58.2	118.1	752.6

137. The PSA budget provides essential programme and administrative support for WFP's operations and is funded from the ISC recovered from contributions, in accordance with WFP's full cost recovery policy. The PSA budget covers mainly the recurring costs of global headquarters and the basic costs of country offices. It is the primary funding source of the baseline budget.
138. The Board endorsed the use of the PSAEA to fund CCIs in 2015; CCIs are focused on organizational change or transformative initiatives, are aligned with the priorities established by the leadership group and are typically one-off in nature. In 2023 four CCIs with estimated expenditure of USD 58.2 million are proposed, as shown in table IV.1 and described in detail below. Because two CCIs will have carry-over balances from funding approved in 2022, only USD 50.4 is requested as new funding for 2023.
139. Trust funds are established by the Executive Director under Financial Regulation 5.1 and account for special contributions of which the purpose, scope and reporting procedures have been agreed with the donor. Such funds are outside WFP's regular operational programmes but are consistent with the organization's policies, aims and activities. In 2023, trust funds account for USD 24.1 million as described in annex IV.
140. Special accounts, accounting for USD 75.6 million in 2023, are established by the Executive Director to manage special contributions, business services and support activities on a no-profit basis. They also include the user fees paid and charges levied for the services provided by WFP to external parties or WFP operations. A comprehensive presentation and analysis of special accounts can be found in annex IV.
141. The category "other funding sources", which is included in the "trust funds, special accounts and other" category in table IV.2 above, includes the general fund and in-kind contributions earmarked for specific corporate purposes such as the in-kind contribution of the rent-free use of WFP's headquarters premises.

The 2023 baseline budget structure

142. When analysing how the baseline budget is used to achieve organizational objectives, WFP uses a structure comprising three high-level appropriation lines,⁴³ five pillars and the services and products related to each of the pillars. The five pillars define the nature of the support provided to country offices for the successful implementation of their CSPs and the achievement of results. Figure IV.1 shows the relationship between appropriation lines, pillars and services and products. Each budgeted activity can be assigned to only one service or product, allowing WFP to accurately account for the amount of the baseline budget assigned to each specific area of work.

Figure IV.1: Management plan appropriation lines, pillars and outputs



⁴³ Appropriation lines are the largest subdivision of the comprehensive budget and of the PSA from which the Executive Director is authorized to make transfers without the prior approval of the Board. See Financial Regulation 1.1 (defining “appropriation line”).

Pillar	2023	2022	USD value difference	% change
A – Strategy and direction	136.6	133.0	3.6	3
B – Business services	265.5	217.3	48.2	22
C – Policy, guidance and quality assurance	128.5	99.7	28.8	29
D – Advocacy, partnerships, fundraising and United Nations coordination	173.3	139.5	33.89	24
E – Governance and independent oversight	48.7	43.3	5.4	12
Total	752.6	632.8	119.8	19

Baseline prioritization and management results

143. WFP's leadership group played a critical role in defining the 2023 budget priorities by identifying four of the seven management results established in the CRF for 2022–2025 as key priority areas for 2023. Based on the assumption that the response to the global food crisis would continue into 2023, the leadership group continued to emphasize the importance of efforts to reduce mortality. In addition, activities were prioritized according to their contributions to effectiveness in emergencies (management result 1), people management (management result 2), evidence and learning (management result 5), and leverage technology (management result 6) with a view to ensuring that WFP is well positioned to respond effectively in 2023.

Management results: Tracing resources to results through key performance indicators

Management results support effective implementation of the strategic plan at the global level. They are measured through management KPIs that contain a strategic mix of WFP's corporate metrics and United Nations common and complementary indicators, including those established through the United Nations quadrennial comprehensive policy review. The management KPIs reflect WFP's overarching priority to support the achievement of collective results in accordance with the new CRF.

The measurement of KPIs related to our management results serves three purposes. First, they define the standards to which WFP holds itself accountable in implementing the strategic plan and programming. Second, doing so actively reflects the *management* of this support. The measurement and reporting of management KPIs allows for the identification of areas that require additional support, providing management with more information for decision making and budgeting. Finally, management results assigned to activities during the budgeting process allow WFP to assess the impact of resources on results by tracking the performance of management results alongside the allocated budget.

Each management result is broken down into a small number of outputs to which KPIs have been assigned. Annex VI lists selected outputs, KPIs and their targets as defined in the new CRF for each management result. Performance will be assessed against the targets at the end of the year and reported on in the annual performance report along with performance under the remaining KPIs listed in the CRF for 2022–2025.

144. During the budgeting exercise, activities are assigned to a single management result whenever they relate to the defined outputs of that management result. Activities that do not contribute directly to any management result, which include transactional activities and the majority of central appropriations, are marked as “not directly tied to a management result”. Table IV.4 shows the distribution of the 2023 baseline budget by each of the seven management results and by pillar.

TABLE IV.4: BASELINE ANALYSIS OF BUDGET BY MANAGEMENT RESULT AND PILLAR							
Management result	2023 baseline (USD million)	% of total 2023 baseline	% of 2023 baseline by pillar				
			A Strategy and direction	B Business services	C Policy guidance and quality assurance	D Advocacy, partnerships, fundraising and United Nations coordination	E Governance and independent oversight
1 – Effectiveness in emergencies*	121.8	16	26%	45%	18%	11%	
2 – People management*	92.5	12	24%	49%	23%	4%	
3 – Engage in effective partnerships	136.7	18	23%	7%	10%	58%	2%
4 – Effective funding for zero hunger	99.7	13	3%	14%	13%	70%	
5 – Evidence and learning*	103.3	14	10%	23%	35%	3%	29%
6 – Leverage technology*	66.0	9	10%	78%	11%	1%	
7 – Leverage innovation	18.7	3	30%	25%	41%	3%	
Not directly tied to a management result	113.9	15	22%	54%	8%	3%	13%
Total	752.6	100	18%	35%	17%	23%	7%

* Prioritized management result for 2023.

145. The baseline budget is distributed fairly evenly among the first five management results, with each accounting for between 12 and 18 percent of the baseline budget. Management results 6 and 7, which account for 9 and 3 percent of the total budget, are understandably lower because only a small number of activities involve exclusively technology and innovation, as many activities aligned with other management results use technology and have innovative characteristics.

Management result 1: effectiveness in emergencies

146. The purpose of management result 1 is to ensure that WFP has adequate resources, capacities and enabling systems and processes in place to deliver on its highest priority: saving lives in emergencies. Guided by the core commitments to achieving zero hunger, leaving no one behind and responding at speed, WFP will seek to strengthen its ability to efficiently and effectively prepare for and respond to emergencies worldwide. In 2023, the effectiveness in emergencies management result will have the second highest baseline budget, accounting for 16 percent (USD 121.8 million) of the total baseline budget; 76 percent of the activities under management result 1 are funded through the PSA budget. Nearly three fourths of the planned budget for the management result is for pillar B (business services) and pillar A (strategy and direction) activities; the Supply Chain Operations Division accounts for the largest share of the budget.
147. Prominent activities under management result 1 include:
- building a skilled surge and emergency workforce that is qualified for immediate deployment and long-term employment in crisis response settings;
 - supporting supply chain field operations and emergencies through coordination, operational support and deployment capacity, including by revising logistics guidance and providing training; and
 - providing mandated UNHRD services to enable WFP and humanitarian partners to procure, pre-position and dispatch emergency relief items and support equipment.
148. Management result 1 includes the corporate alert system – WFP’s principal early warning and early action mechanism – that facilitates the classification of operations according to the new emergency activation protocol and the prioritization of corporate support and resource mobilization efforts. WFP will seek to improve the actions triggered by the corporate alert system and to strengthen their implementation.
149. Effectiveness in emergencies also captures WFP’s coordination with partners to activate internal, national and system-wide preparedness and early action systems for the purpose of anticipating and mitigating impacts while enabling timely and effective humanitarian response. In 2023 such work will include building new partnerships, strengthening the clusters, intensifying work with the Inter-Agency Standing Committee and collaborating with FAO on early warning and the Integrated Food Security Phase Classification system.

Management result 2: People management

150. WFP’s ability to save and change lives depends on its commitment to the people who work for it, on the value attributed to their contributions, and on their commitment to WFP’s mission.⁴⁴ Management result 2 prioritizes all of WFP’s people, regardless of their contract status, race, ethnicity, gender, sexual orientation, beliefs, disability, age or any other aspect of their identities. Twelve percent of the baseline budget, or USD 92.5 million, is assigned to management result 2. Funding for the result is concentrated in pillars A and B, although 23 percent is for pillar C (policy, guidance and quality assurance), reflecting the implementation of the WFP people policy.
151. People management includes the following prominent activities:
- managing staff security, ensuring compliance with United Nations Security Management System policies at headquarters, at UNHRD in Brindisi and in WFP premises in countries;

⁴⁴ “WFP people policy” (WFP/EB.A/2021/5-A).

- supporting, through the “invest in WFP people” CCI, implementation of the vision, established in the WFP people policy, for the current and future WFP workforce and achievement in four related priority work areas: “nimble and flexible”; “performing and improving”; “diverse and inclusive”; and “caring and supportive”;
- promoting strategic workforce planning at the global, functional and country levels in order to identify the skills required to deliver the people strategy and to implement action plans aimed at bridging any skill gaps; and
- supporting implementation of WFP’s new corporate staffing framework for guiding managers on which contract modalities to use in various circumstances, including modalities that help the organization to meet its short-to-medium-term needs while providing competitive and fair employment conditions for employees currently on short-term contracts.

Management result 3: Engage in effective partnerships

152. Management result 3 refers to the ongoing efforts to engage in effective partnerships at all levels – global, regional, national and local – for the design and implementation of WFP policies, programmes and projects and to support partners in their efforts to achieve their objectives.
153. WFP systematically seeks to strengthen collaboration and achieve coherence and greater synergies with all partners on the humanitarian–development–peace nexus and to promote the interests of the crisis-affected communities it serves. During 2023 WFP will continue to engage early and regularly with partners including governments, other United Nations entities, IFIs, NGOs, private sector entities and community-based and civil society organizations. WFP’s engagement, including its support for United Nations development system reform, will support governments’ efforts to achieve the SDGs. Management result 3 accounts for 18 percent of the baseline budget, or USD 136.7 million; more than half of that funding is assigned to activities under pillar D (advocacy, partnerships, fundraising and United Nations coordination), primarily to support core functions at the country office level not directly attributable to operations. The budget for core functions at the country office level that are not directly attributable to operations and are funded by PSA is assigned to this management result because those activities reflect the importance of partnerships as a basic representational function.

Management result 4: Effective funding for zero hunger

154. Management result 4, on ensuring effective funding for the achievement of zero hunger, focuses on maintaining a strong funding base for WFP, ensuring the effective and efficient planning and allocation of resources for the organizational priorities of strategic importance and the successful leveraging of programmatic support for development-related activities.
155. WFP will build on the results achieved under the previous strategic plan and CRF, which covered the period 2017–2021, and on its ongoing dialogue on sustained financing by advocating multi-year and flexible financing but will continue to recognize the value of all contributions. Over the past five years WFP has boosted the transparency of and accountability for its expenditures and expanded its work with a range of actors. Looking ahead, WFP will improve mechanisms for making its operations more efficient, for example by exploring innovative financing mechanisms. To finance multisectoral, integrated programmes, WFP will seek to diversify its funding sources by increasing fundraising from private sector businesses, foundations and individuals, thematic funds and United Nations funding instruments and fostering joint approaches with IFIs (see section II for more detail). Thirteen percent of the baseline budget, or USD 99.7 million, is allocated to management result 4, with more than half of that amount assigned to activities under pillar D (advocacy, partnerships, fundraising and United Nations coordination).

Management result 5: Evidence and learning

156. The strategic plan firmly commits WFP to the collection and use of robust, timely and relevant evidence throughout its programme cycle. The evaluation, innovation and knowledge management and audit functions play important roles in the timely generation and dissemination of evidence to inform organizational learning. Overall, USD 103.3 million is allocated to activities under management result 5 in 2023, representing 14 percent of the baseline budget. Significant amounts of that funding are assigned to pillar B (business services), pillar C (policy, guidance and quality assurance) and pillar E (governance and independent oversight).
157. The most prominent activities under the evidence and learning management result will be intended to:
- implement the centralized evaluation workplan and the impact evaluation strategy in order to ensure effective planning and budgeting for all types of evaluation throughout WFP;
 - enable effective knowledge management to ensure that knowledge, good practices and crucial learning regarding WFP interventions and new solutions are effectively identified, stored, shared and scaled up;
 - strengthen disaster risk management and improve access to insurance products in Africa by enhancing the ability of African Union member states to anticipate, plan for and respond to natural disasters in an efficient and effective manner; and
 - strengthen capacity and systems needed to ensure high quality field monitoring to enhance implementation, including for country office efforts to track progress and inform decision making.

Management result 6: Leverage technology

158. Activities under management result 6 ensure that digital transformation remains a priority in supporting the vision underlying WFP's new strategic plan, which stresses the importance of implementing accessible digital solutions to improve decision making and safeguarding beneficiary data collection and information management activities. Building on its tradition of embracing technology in support of operations, WFP has committed to becoming a digitally enabled and data-driven organization by investing in new technology and data. In addition, WFP will obtain more and better data for decision making and develop improved technology support for beneficiary management. Nine percent of the baseline budget, or USD 66.0 million, is allocated to management result 6, with nearly 80 percent of that amount assigned to pillar B (business services).
159. The main activities under management result 6 are intended to:
- ensure that WFP personnel around the globe have uninterrupted, secure and reliable access to WFP's networking resources and corporate platforms, including through the extension of connectivity services to beneficiaries and third parties where possible;
 - operationalize and enable a full data value chain by collecting and integrating data sources, visualizing data and drawing insights for decision making, promote data literacy and community building and assess obstacles to effective data access and use;
 - deliver fit-for-purpose technological solutions that strengthen WFP's capacity to meet increasing demand and improve collaboration, agility and value to the organization; and
 - create, develop and implement WFP's digital transformation, including the scale-up of DOTS pilots, to address and deliver business-critical needs.

Management result 7: Leverage innovation

160. The leveraging of innovation encompasses activities that explore and implement cutting-edge innovations in WFP's business models and processes. Two percent of the baseline budget, or USD 18.7 million, is assigned to management result 7. More than 70 percent of that amount is dedicated to activities under pillar A (strategy and direction) and pillar C (policy, guidance and quality assurance).
161. As stated in the strategic plan, "WFP has a longstanding culture of innovation and the conditions are in place to scale the innovations that will help those furthest behind. Piloting, implementing and scaling new ideas lie at the heart of WFP's innovation work, which spans its entire footprint and operations ranging from predictive analytics, supply chain, food systems, support to smallholders and cash-based transfers to innovative financing to change lives".⁴⁵ Technology and innovation are central to WFP's operations in emergency and non-emergency settings because they enable the organization to respond to new challenges and problems while maximizing limited resources. WFP will continue to explore and implement pioneering innovations and new technologies such as artificial intelligence, blockchain, biotechnology, cutting-edge computing and robotics to enable humanitarians to deliver on their mandates more effectively while ensuring equitable benefits and results.

Efficiency gains

162. Efficiency is a core value for WFP and has become increasingly critical as WFP's funding is insufficient to assist the increasing number of people facing hunger. Every dollar saved allows WFP to reach more hungry people with food assistance. Over time, WFP has modified and refined its business practices and policies in the pursuit of greater efficiency.
163. Currently WFP is promoting efficiency through two main workstreams:
- *Internal WFP initiatives* aim to pursue efficiency within WFP's own operations and in the enabling services that support those operations.
 - *Inter-agency initiatives* contribute to the United Nations development system reform objectives of establishing unified business operation strategies, common back offices and shared services among United Nations entities.
164. In line with the United Nations Development Coordination Office's definitions, efficiency gains relate to the reduction of costs associated with a given task and are quantifiable in monetary terms. They consist of cost efficiencies and time efficiencies.
165. All efficiency gains are generated by, and linked to, local-level entities, programmes and projects that are related to WFP activities. The end result is that more resources are made available for programme and project implementation at the local level. For example, use of the Global Commodity Management Facility (GCMF) results in shorter procurement lead times and lower food prices than can be achieved through conventional procurement, and the amount saved is available to fund WFP programmes.
166. In addition, WFP may generate efficiency gains for the broader United Nations system through mechanisms such as the United Nations booking hub. The hub was established by WFP to manage its own accommodation arrangements and was later extended to cover the contracting of WFP drivers. As a result of their success, both solutions were adopted by other United Nations entities, which achieved time and cost efficiencies.

⁴⁵ "WFP strategic plan (2022–2025)" (WFP/EB.2/2021/4-A/1/Rev.2).

167. In 2023 WFP will seize opportunities to achieve additional efficiencies through the structural reorganization of its business model through a proposed CCI. The CCI aims to address overlaps and duplication in the provision of support to country offices at the global, regional and local levels. Another area prioritized for the achievement of potential efficiencies is global shared services. For example, by automating more than 50,000 payments a year, the global beneficiary payment solution would enable efficiencies through reduced lead times and more efficient processes for assessing risks and monitoring financial service providers. WFP will continue to report to the Board on each year's top ten efficiency gain initiatives in the annual performance report.

Employee and non-employee baseline budget for 2023

TABLE IV.5: BASELINE ALLOCATIONS BY EMPLOYEE AND NON-EMPLOYEE (USD million)					
	Employee	Non-employee	Total 2023	Total 2022	% increase
Recurring	488.2	197.5	685.7	584.0	17
One-time	33.6	33.3	66.9	48.8	37
Total	521.8	230.8	752.6	632.8	19

168. Table IV.5 shows the 2023 baseline budget split between employee and non-employee costs and between recurring and one-time costs. The higher percentage increase in one-time costs is driven by the USD 17.6 million increase in the CCI budget.
169. Employee costs cover all employees irrespective of contract type and location, while non-employee costs cover all other expense categories.⁴⁶ Employee baseline costs account for 69 percent of the total baseline budget for 2023, a slight drop from 71 percent in 2022. Baseline fixed-term staff account for USD 423.0 million, or 56 percent of the total baseline budget.
170. Table IV.6 compares WFP's post count for 2023 and 2022 baseline activities, by post category. The total planned number of posts in the proposed 2023 baseline budget is 4,258, compared with 3,792 in 2022, an increase of 12 percent. The greatest number of staff are in the "professional and higher" category, which increases by 23 percent. Short-term professional staff show a decrease of 27 percent, and consultants an increase of 10 percent, a lower percentage than the overall increase. These planned changes reflect WFP's shift to more stable contract types in 2023. The increase of 32 percent in temporary assistance, while high, involves relatively few employees. The growth in short-term employees reflects the ongoing need for temporary employees to implement one-time activities, especially when specific expertise is required, and to support surges in the volume of activity.

⁴⁶ Non-employee costs include overtime, duty travel, training, rental of premises and equipment, utilities, cleaning and maintenance, office supplies and expenditures, communications and IT services and equipment, IT per capita, insurance, vehicle leasing and operation, hospitality, services from other United Nations entities, contributions to other United Nations entities, governing bodies, legal services and others.

TABLE IV.6: BASELINE ALLOCATION BY EMPLOYEE POST COUNT			
Post category	Total 2023	Total 2022	% change
Professional and higher	1 542	1 253	23
General service	548	489	12
Local staff (national officers and general service in regional bureaux and country offices)	788	779	1
Fixed-term subtotal	2 878	2 521	14
Professional and higher (short-term)	104	142	(27)
General service (short-term)*	37	37	1
Consultants	1 025	930	10
Temporary assistance**	214	162	32
Short-term subtotal	1 380	1 271	9
Total	4 258	3 792	12

* This excludes general service staff in regional bureaux and country offices, who are included in the "local staff" category.

** This comprises people engaged globally as short-term local staff, daily consultants, service contractors, interns, volunteers, and others engaged under similar arrangements.

Programme support and administrative budget

Overview

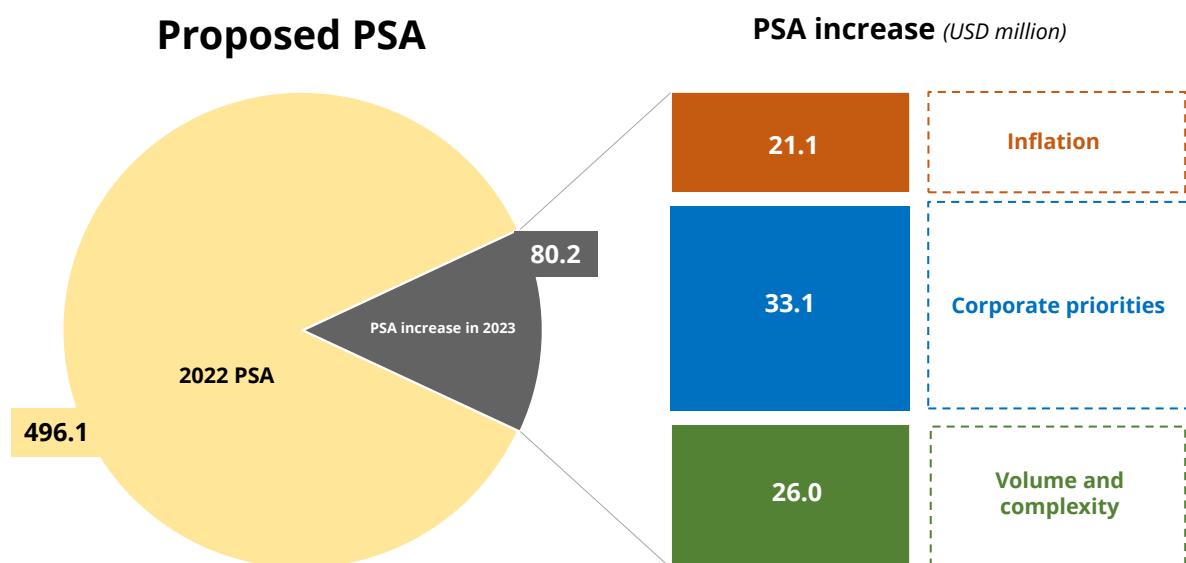
171. This section outlines the proposed PSA budget for 2023 and the rate charged for ISC. The PSA budget is a subset of the baseline budget described above. It provides essential programme and administrative support for WFP's operations, in compliance with the organization's governance and fiduciary responsibilities.
172. The funding for the PSA budget is derived from amounts that are recovered from contributions to cover ISC. The ISC rate is approved by the Board each year. Management proposes that the rate be maintained at 6.5 percent in 2023, subject to specific exceptions for a reduced 4 percent rate subject to conditions that have previously been approved by the Executive Board.
173. Management proposes a 2023 PSA budget of USD 576.3 million. That figure takes into consideration the operational needs and provisional implementation plan of USD 12 billion described in section III.
174. Table IV.7 presents an overview of the proposed PSA budget for 2023 by appropriation line.

TABLE IV.7: PSA BUDGET BY APPROPRIATION LINE (USD million)	
Appropriation line	Total 2023
Strategy and direction	113.7
Services to operations	293.3
Governance, independent oversight and fundraising	169.3
Total	576.3

Changes in the programme support and administrative budget between 2022 and 2023

175. Although WFP's global contribution forecast is projected to increase by 31 percent (from USD 8.4 billion in 2022 to USD 11 billion in 2023) and the provisional implementation plan is projected to increase by 41 percent (from USD 8.5 billion in 2022 to USD 12 billion in 2023), the 2023 PSA budget increase of USD 80.2 million is an increase of only 16 percent. This reflects WFP's adoption of a prudent budget planning approach aimed at ensuring efficient and effective support for the projected level of operations while ensuring that the PSA budget can be covered from projected ISC income.
176. Figure IV.2 shows the main drivers of the proposed increase in the PSA budget for 2023.

Figure IV.2: The proposed 2023 PSA budget increase



177. A substantial portion of the 2023 proposed PSA increase of USD 80.2 million derives from the global economic outlook, over which WFP has no control. The world economy has entered a phase of heightened inflationary pressure that is expected to persist in 2023. Current estimates of global annual inflation are 9.2 percent for 2022 and 5.7 percent for 2023. In the Eurozone countries, inflation is estimated at 7.3 percent for 2022 and 3.6 percent for 2023⁴⁷. Increases in WFP's budget due to inflation are tempered somewhat by the strengthening of the United States dollar. The net impact of inflation in the proposed PSA budget is a 4 percent increase.
178. The largest portion of the proposed PSA increase reflects how WFP intends to address and invest in its corporate priority areas, "effectiveness in emergencies", "people management", "evidence and learning" and "leverage technology", as well as in addressing significant and critical risk areas not covered by the four prioritized management results. The budget for these activities accounts for approximately 6 percent of the 2023 PSA budget.
179. The increase of USD 3.5 billion in the provisional implementation plan between 2022 and 2023 reflects an increase in the volume of WFP operations while the context in which WFP is operating has increased the complexity of its work. The additional costs related to the increase in volume and complexity drives up the budget by 5 percent.

⁴⁷ Global Outlook of the Economist Intelligence Unit (EIU) – August 2022

Inflation

180. Approximately USD 21.1 million of the overall increase in the 2023 proposed PSA budget is attributed to inflation. This includes four inflationary components: 6 percent inflation of staff costs; 3 percent inflation of non-staff costs; an exceptional increase in headquarters energy costs; and a contingency fund for country offices.
181. For the euro component of the costs incurred at headquarters and global offices, WFP makes a forward purchase of the projected euro amounts to provide greater certainty regarding the United States dollar value of euro denominated expenditures. The strengthening of the United States dollar against the euro partially offsets increases related to inflation.

Standard position costs

182. The international professional and general service staff positions proposed in the PSA budget are costed using standard rates. Those rates are recalculated each year to reflect the actual costs of employing staff members at each grade and location, including the costs of staff entitlements, benefits and allowances, and the anticipated exchange rates for euro-based expenditures. The standard position costs for 2023 are based on the actual costs in 2021, increased to reflect inflation and accruals for after-service costs, based on an actuarial estimate, and security costs, staff wellness costs and termination indemnities.
183. To compensate for the underestimated inflation rate of only 2 percent for staff costs in the PSA budget for 2022, the 6 percent inflation rate applied in the 2023 budget is higher than the forecast 2023 inflation rate.
184. A comparison of the total costs for staff in the 2023 PSA budget using the 2022 standard position costs and the total costs for staff using the 2023 standard position costs shows an increase of USD 10.9 million.
185. For 2023 the reassignment cost for PSA-funded positions, which had been funded from a separate provision under central appropriations since 2008, has been moved to the standard position cost rates. This technical budgetary change provides consistency with the calculation of non-PSA rates and does not affect the overall 2023 PSA budget amount.
186. Long-term employee benefit liabilities include costs incurred under the after-service medical plan, the separation payment scheme, the staff compensation plan and other separation-related benefits. At its 2010 annual session the Board approved USD 7.5 million of annual incremental funding for employee benefit liabilities for a period of 15 years in view of projections suggesting that such funding should be provided in order to achieve full funding of long-term employee benefit liabilities. At the end of 2021 the assets-to-liabilities ratio was 108 percent; however, the ratio had dropped to 86 percent as of 30 June 2022 due to rising global interest rates, higher inflation expectations and the increasing risk of stagflation affecting high-risk assets. As a consequence, USD 7.5 million to fund employee benefit liabilities continues to be included in the standard position costs.

Non-staff costs

187. Aligned with estimated inflation in the eurozone, non-staff costs inflation of 3 percent amounts to approximately USD 5 million. This is spread across all non-staff-related costs in the proposed 2023 PSA budget.

Energy costs for office facilities

188. An exceptional increase in the cost of electricity and gas of approximately USD 3.2 million for WFP headquarters has been factored into the 2023 PSA budget. WFP's current utility contracts will expire in the last quarter of 2022 and suppliers have informed it that rates will be significantly higher in 2023. The increase also takes into account the cost of occupying additional office space in Rome in early 2023.

Country office contingency fund

189. The country office PSA budget has been increased by USD 2 million to meet unforeseen increases in support costs incurred at the local level because of potential decreases in host government contributions, rampant inflation and the widening funding gap, which jeopardize country offices' ability to cover their fixed costs, especially in the case of smaller country offices. This contingency fund, managed by the Operations Management Support Office, will be allocated to countries as needed throughout the year to address exceptional budget shortfalls.

Corporate priorities

Effectiveness in emergencies

190. During 2023 the emergency preparedness and response function will focus on strengthening existing expertise and will further develop field staff capacity to adapt to evolving needs. In this context, a PSA budget allocation of USD 5.1 million for the Emergency Operations Division will reinforce the division's leadership role in coordinating emergency workforce planning and deployment, including by institutionalizing the rapid response team and the Young Emergency Talent Initiative, creating emergency response job profiles, redesigning the emergency response roster and improving training; the 2023 PSA allocation will also address the need for normative guidance, deploying expertise to the field and maintaining WFP's civilian-military coordination capabilities.
191. To maintain the flexibility and capacity to respond to emergencies, additional PSA will be allocated to augment the planning, management and deployment of supply chain staff. This will ensure a structured recruiting process and the development of staff capacity through field assignments for succession planning.
192. The scale-up of WFP's humanitarian operations has added to the security challenges faced in remote field locations. To mitigate those growing security risks, the PSA budget for field security has been increased by USD 1.8 million to build the strategic and technical leadership skills of country security officers and to recruit additional field security officers for deployment at the subregional level.
193. With the main objective of supporting country offices in bridging funding gaps during emergencies, and given the substantial growth in WFP's programme of work and the increases in strategic financing facilities, a PSA allocation of USD 0.8 million will be invested in adding staff capacity to manage the increase in volume, improve data analysis for decision making and streamline processes for strategic financing facilities.

People policy

194. *Implementation of the staffing framework:* In accordance with the prioritization of management result 2, people management, a significant increase in the 2023 PSA budget is for the implementation of the WFP people policy. WFP will continue to improve the contractual conditions of its employees, especially those who have been performing essential functions for several years yet remain on short-term professional and consultancy contracts. Within the PSA budget, the number of fixed-term professional full-time equivalent positions will grow by 275. An estimated 185 new fixed-term positions will be created through the conversion of short-term and consultancy positions, at a cost of approximately USD 11 million. The departments planning to convert the highest proportions of short-term professional and consultant contracts to fixed-term professional contracts in 2022 will see the highest increase in the PSA budget to reduce inequities in contract types by department and division.
195. *Strengthen recruitment, promotion and staff development:* In 2023 USD 4.5 million from the PSA budget will be allocated to the augmentation of WFP's operational capacity, primarily for managing corporate recruitment and contracting services to better meet WFP's growing staff requirements. In addition, WFP functions will be provided with specialized support for their

learning needs and programmes (functional learning) and for the development of global learning programmes and other initiatives on cross-cutting skills.

196. The PSA budget for 2023 includes funding for the roll-out of strategic workforce planning and the implementation of related divisional action plans. Work will include the establishment of departmental or divisional workforce management units to design and implement professional development programmes and develop tailored tools and a succession plan that builds and equips the workforce to operate in a complex and rapidly evolving environment.
197. A new central appropriation budget line of USD 0.4 million relates to the implementation of the WFP policy on reasonable accommodation for persons with disabilities, which was approved through an Executive Director's circular in February 2022. The 2023 budget will cover the costs of implementing approved reasonable accommodation allowances for employees, recurring costs for the reasonable accommodation request management system and resources for managing the corporate process and related efforts.

Evidence and learning

198. A PSA allocation of USD 2.4 million to the Programme and Policy Development Department will be used for strengthening field monitoring activities, in particular staff, system and structures for addressing critical risks. This will reinforce the use of robust, timely and relevant evidence throughout the programme cycle.
199. The Management Department will continue to focus on methodologies for supporting corporate and field risk management. With a PSA allocation of USD 0.4 million, the Department will fund specific activities related to corporate and field risk management support and management oversight and accountability.
200. With WFP's important investment in evaluation and the resulting increase in the number of evaluations, the Management Department will also receive a PSA budget allocation of USD 0.4 million for the resulting increase in the work of following up on evaluations.
201. A PSA allocation of about USD 0.4 million will support the integration of gender into data collection and analysis, including with regard to intra-household and qualitative data, and ensure that the CRF and country-level results encompass WFP's work in gender as a cross-cutting element of the strategic plan.

Leverage technology

202. WFP is a recognized leader in technology and data and has identified them as enablers of its new strategic plan. In 2023, USD 3.0 million will fund an activity initiated in 2022 to operationalize the full data value chain (collecting and integrating data sources, visualizing data and generating insights for decision making). This activity also includes improving data governance at scale by reviewing, recommending and overseeing the implementation of data governance for digital solutions and data products and platforms.
203. Inherent cyber risks are ever present and growing by the day. In 2023 both the vulnerability management and incident response programmes will expand to cover a greater range of IT assets, including more that are based in the cloud, and to continuously scan WFP's networks and assets for cyber risks and threats. Work will centre on maturing the frameworks used in performing assessments and rolling out technologies that provide better protection of applications and advanced encryption of sensitive data.

Mitigating corporate risks

204. The 2023 PSA increase also reflects the commitment to address risks. In particular, risks and controls around NGO management and beneficiary management as other significant risks and control issues have been prioritized through the respective management results.

205. A PSA allocation of USD 1.6 million in 2023 is planned for strengthening cooperating partner management, a critical area for which a one-time investment is also budgeted in a CCI. The funds will be used to add staff capacity to the NGO Partnerships Unit and regional bureaux to strengthen their role in supporting country offices; provide training to regional bureau and country office staff; support change management and the roll-out of end-to-end digitalization of cooperating partner management processes.
206. USD 1.4 million is being budgeted for strengthening beneficiary management through improved delivery and assurance services and enhanced business processes. This includes the management of the service catalogue; CBT subject matter experts and business analysts; and advisory services for identity management. In this context policy and normative guidance, including on cash for people in crises, identity management norms and standards, and normative coherence, will be further developed.

Volume and complexity

207. Key drivers of the budget increase are the continued growth in the size and complexity of WFP's operations in response to the rise in global hunger. This requires WFP to expand the breadth and depth of its partnerships, maintain flexibility and agility in its programmatic responses and manage greater strategic, fiduciary and operational risks.
208. The increased complexity, scale and number of operational responses affects the work of all WFP divisions and regional bureaux. This is seen for example in the impact on the fundraising, resource management and legal functions of having more contributions to record, allocate and spend, as well as new and often more complex donor agreements to design and implement; challenges facing the procurement, programme, resource management and legal functions in expanding the number of suppliers; a need for regional bureaux and programme functions to implement new strategic and operational partnerships and increase the reach of programmes and strengthen monitoring; and greater demands in respect of information (in terms of both type and timeliness) for supporting outreach, advocacy, fundraising, transparency and accountability, which affect all units that generate, compile, analyse and present data.
209. The volume and cost of operations has a tangible impact on WFP's portion of United Nations cost-shared budgets, which are expected to increase by approximately USD 1.7 million in 2023. This cost is budgeted for in the 2023 central appropriations. United Nations jointly financed bodies include the Chief Executives Board for Coordination, the International Civil Service Commission, the Joint Inspection Unit of the United Nations System and the Department of Safety and Security (DSS). The cost increase is dictated mainly by the cost drivers used in the calculation of the cost of United Nations jointly financed bodies, which are the number of positions and the level of expenditure.
210. With the significant increase in the size and complexity of the WFP programme of work and contribution revenue, the Management Department will further strengthen budget management and governance processes, with adequate capacity and specialized expertise to provide the support needed for increasing WFP resources and addressing funding gaps. This PSA activity is valued at USD 0.9 million.

Central appropriations

211. The proposed central appropriations budget for 2023 is USD 32 million, which is USD 3.3 million or 11.5 percent more than the 2022 budget.

212. To improve the presentation and comparability of the central appropriations budget, a new categorization of budget lines has been made and is shown in table IV.8 below for 2022 and 2023. The “corporate inter-agency positions and union” budget line has been removed and the following two new lines have been added:

- The “partnership activities (United Nations/non-United Nations)” budget line includes costs relative to inter-agency positions and contracts, which were previously included in the “corporate inter-agency positions and union” line.
- The “United Nations staff unions” line accounts exclusively for staff positions under pillar D, which were previously included in the “corporate inter-agency positions and union” line.

In addition, the former budget line “others” has been renamed “other United Nations fees”. This category includes USD 0.3 million for the new United Nations ID project, which aims to solve data fragmentation and data transportability challenges across United Nations organizations.

213. In the partnership activities (United Nations/non-United Nations) budget line, an increase of USD 2.6 million is planned for 2023 to cover the costs of increasing the number of staff secondments and non-staff contributions to WFP’s strategic partnerships, including the Farm to Market Alliance, a public–private sector initiative that promotes collaboration between producers and other agri-related businesses, and an agreement with the International Committee of the Red Cross on enhancing cooperation in the attainment of WFP’s strategic objectives.

214. Other notable changes are as follows:

- Following the cancellation of the 2021 global management meeting, the PSA allotment for 2021 was used to cover the cost of the meeting in 2022. The budget for the 2023 meeting is at the same level as the budget for 2021.
- Reassignment costs, which accounted for USD 3.5 million in 2022, were removed from the central appropriations budget and are included in the standard position cost rates for 2023 in order to maintain consistency with the calculation of non-PSA standard position cost rates.
- A new budget line of USD 0.4 million for “disability inclusion” has been added, in accordance with WFP’s commitment to ensuring that its programmes reach persons with disabilities.

215. Table IV.8 provides a comprehensive list of 2023 central appropriations compared with 2022.

TABLE IV.8: CENTRAL APPROPRIATIONS FOR STATUTORY REQUIREMENTS AND OTHER CENTRALLY MANAGED COSTS (USD million)			
	2023	2022	% difference
Pillar A: Strategy and direction	1.8	0.9	103
Chief Executives Board for Coordination	0.7	0.4	61
Global management meeting	0.6	0.0	100
Recruitment costs	0.4	0.4	12
Senior management and alumni network	0.1	0.1	10
Pillar B: Business services	19.6	20.9	(6)
Emergency medical evacuation	0.2	0.2	10
International Civil Service Commission	1.1	0.8	43
Insurance and legal fees	2.7	2.1	27

TABLE IV.8: CENTRAL APPROPRIATIONS FOR STATUTORY REQUIREMENTS AND OTHER CENTRALLY MANAGED COSTS (USD million)			
	2023	2022	% difference
Programme Criticality and Standing Committee on Nutrition	0.4	0.5	(14)
Services from other agencies	0.7	0.5	36
Reassignment costs	0.0	3.4	(100)
Staff awards, settlement and survey	0.4	0.4	0
WFP DSS cost share	13.7	13.0	6
Disability inclusion	0.4	0.0	100
Pillar D: Advocacy, partnerships, fundraising and United Nations coordination	8.2	4.7	72
Partnership activities (United Nations/non-United Nations)	4.4	1.4	214
Resident coordinator system cost-sharing and assessment centre	2.7	2.6	7
United Nations agencies' legal fees	0.2	0.2	9
Other United Nations fees	0.5	0.1	245
United Nations staff unions	0.4	0.4	0
Pillar E: Governance and independent oversight	2.4	2.2	9
Independent Oversight Advisory Committee	0.2	0.2	0
External Audit	0.4	0.4	0
International Aid Transparency Initiative membership fee	0.2	0.2	0
Advisory services	0.1	0.2	(69)
Joint Inspection Unit	1.5	1.2	29
Total	32.0	28.7	11

2023 organizational structure of the Secretariat

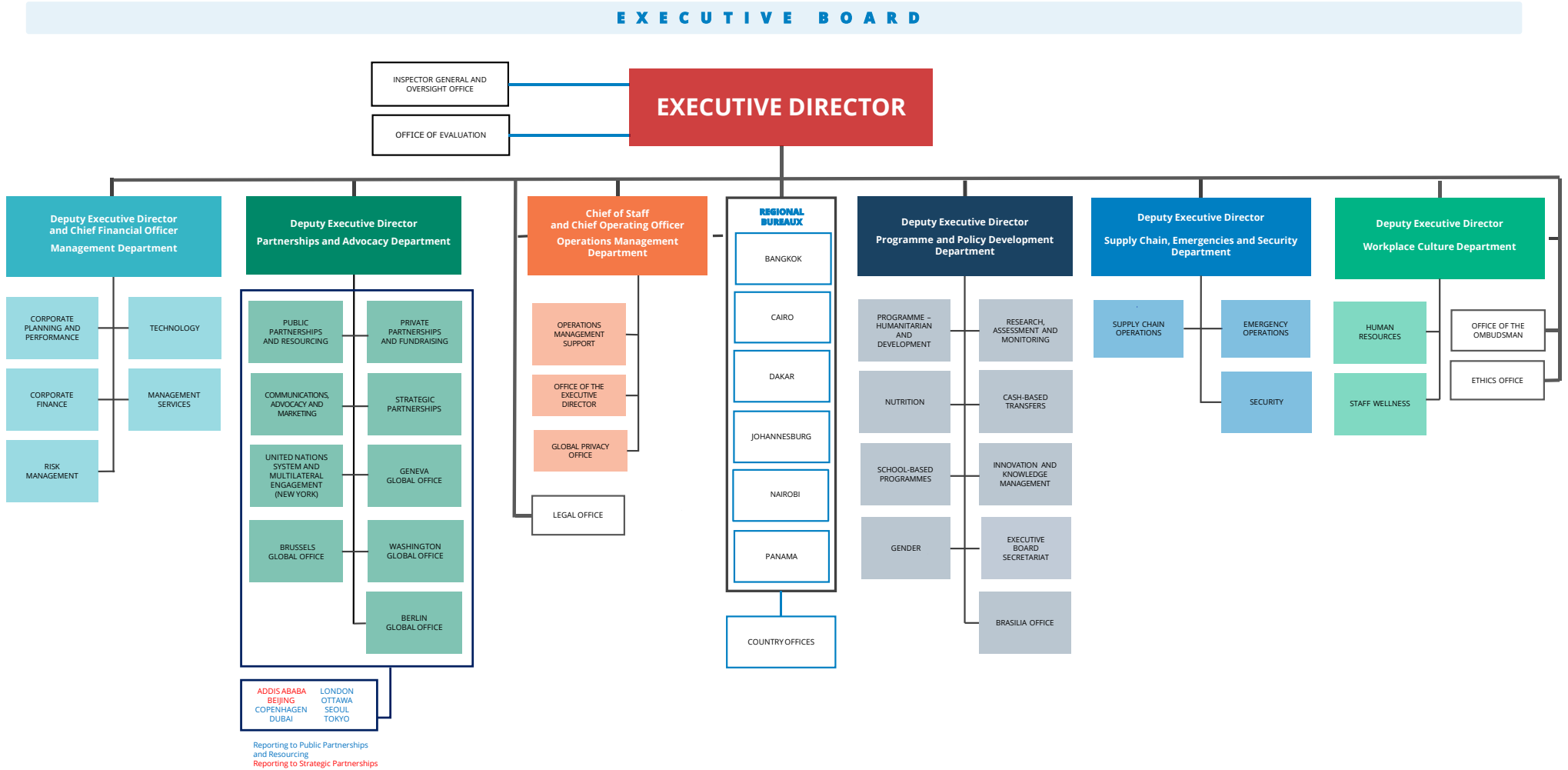
216. As shown in figure IV.3, WFP's organizational structure is headed by the Executive Director and is divided into six interrelated areas: the Workplace Culture Department, the Management Department (formerly referred to as the Resource Management Department), the Programme and Policy Development Department, the Supply Chain, Emergencies and Security Department (formerly the Office of the Deputy Executive Director), the Operations Management Department (formerly the Office of the Chief of Staff) and the Partnerships and Advocacy Department. With the exception of the Operations Management Department, which is headed by the Chief of Staff, the other five departments are headed by a Deputy Executive Director. Work in the six areas will enhance strategic collaboration in headquarters and support for the field through the delivery of refined global policies and strengthened quality control and oversight activities.
217. A structural change introduced in the current management plan is the move of the Executive Board Secretariat Division from the former Office of the Deputy Executive Director to the Programme and Policy Development Department. The change is reflected in the 2023 summary tables and retroactively applied to all the 2022 summary tables presented in this management plan.

Figure IV.3: Organizational structure of the Secretariat

UPDATED: 4 Aug 2022



WFP ORGANIGRAM 2023



218. Table IV.9 shows the proposed 2023 PSA budget by department compared with the 2022 PSA budget.

TABLE IV.9: PSA ALLOCATIONS BY DEPARTMENT (USD million)						
	2023 PSA budget	Inflation	PSA budget before inflation	2022 PSA budget	USD value difference	% change
Country offices	48.4	4.8	43.6	43.0	0.6	1
Regional bureaux	116.4	4.7	111.7	105.3	6.5	6
Headquarters	379.5	11.5	368.0	319.1	48.8	15
Operations Management Department	9.6	0.2	9.4	9.1	0.3	3
Divisions reporting to the Executive Director	49.6	1.0	48.6	45.0	3.6	8
Supply Chain, Emergencies and Security Department	63.6	1.5	62.1	47.4	14.7	31
Partnerships and Advocacy Department	65.7	1.3	64.4	58.7	5.7	10
Programme and Policy Development Department	64.1	1.5	62.6	52.1	10.5	20
Management Department	90.1	5.3	84.8	76.9	7.9	10
Workplace Culture Department	36.8	0.7	36.1	29.9	6.2	21
Central appropriations	32.0	0.1	31.9	28.7	3.2	11
Total	576.3	21.1	555.2	496.1	59.1	12

Non-inflationary increases by organizational unit

219. Table IV.9 above shows the proposed 2023 PSA budget of USD 576.3 million by organizational unit, the impact of inflation across the organizational units and the 2023 PSA by department, excluding inflation. The 2023 PSA budget excluding inflation is compared to the 2022 PSA budget to reflect budgetary allocations related to corporate priorities and volume and complexity.

Country offices

220. The country office PSA budget is designed to support core functions that are not directly attributable to operations. For each country office, the PSA budget covers the country director position, a national staff assistant for the country director, a driver and essential office running costs. The country office allocation for 2023 shows an increase of USD 0.6 million to cover an allocation to the Ukraine country office that was not included in the 2022 management plan.

Regional bureaux

221. The regional bureaux represent the first line of support for country offices, assisting them in the implementation of strategies and policies at the operational level and ensuring management effectiveness, operational oversight and coherence. The 2023 PSA budget for the regional bureaux includes the strengthening of regional strategies, the implementation of corporate guidance, surge capacity and coordination with regional bodies. The regional bureau PSA budget for 2023 net of inflation is USD 111.7 million, 6 percent higher than in 2022. The smallest increase is 3 percent, for the Regional Bureau for Western Africa. The most significant

increases are for the Regional Bureau for Asia and the Pacific (12 percent) and the Regional Bureau for the Middle East, Northern Africa and Eastern Europe (7 percent), with focused initiatives and efforts aimed at strengthening country office technical support and coordination. Those two regions also account for the highest percentage increases in operational requirements.

Headquarters

222. The headquarters PSA increase in 2023 is USD 48.8 million, or 15 percent over 2022. Notable changes from 2022 for the various departments are described below. Decisions about increases in PSA allocations were largely consistent with 2023 budget priorities, favouring primarily effectiveness in emergencies, people management, evidence and learning, leveraging of technology and addressing risks, while also providing additional capacity for the increase in volume and complexity of operations and the operating environment.
223. As shown in table IV.9 above, the three organizational units with the largest absolute increases in the 2023 PSA budget (excluding inflation) compared with 2022 are the Supply Chain, Emergencies and Security Department, the Programme and Policy Development Department and the Management Department. The increases in these three departments accounts for 61 percent of the increase in the headquarters budget.
224. The Supply Chain, Emergencies and Security Department will benefit from additional PSA funding for surge capacity, field security and workforce planning. This department also has the highest proportion of planned conversions of short-term professional and consultancy contracts to fixed-term professional contracts.
225. The additional PSA for the Programme and Policy Development Department is expected to fund, among other things, efforts to address weaknesses in field monitoring, cooperating partner management and beneficiary identity management. This department has the third largest share of planned conversions of short-term positions and consultancies to fixed-term professional positions.
226. The increase in PSA funding for the Management Department will fund efforts to strengthen budget governance to fulfil the objectives of the BUSBE and ensure that the department continues to act as an enabler through the implementation of accessible digital solutions that improve decision making. The department has the second largest share of planned conversions of short-term positions and consultancies to fixed-term professional positions.
227. The 21 percent increase in PSA funding for the Workplace Culture Department will, in particular, provide capacity for coordinating and monitoring the roll-out of strategic workforce planning, managing recruitment and promotion processes and ensuring adequate funding for staff development.

Budget by organizational level and object of expenditure

	2023 plan				2022 plan			
	Employees		Non-employee costs	Total	Employees		Non-employee costs	Total
	Staff*	Other employees			Staff*	Other employees		
Country offices	28.8	5.0	14.6	48.4	26.5	5.4	11.1	43.0
Regional bureaux	63.2	36.4	16.8	116.4	58.9	33.1	13.3	105.3
Headquarters	266.0	53.4	60.1	379.5	213.2	51.4	54.5	319.1
Central appropriations	2.9	–	29.1	32.0	1.1	–	27.6	28.7
Total	360.9	94.8	120.6	576.3	299.7	89.9	106.5	496.1

* Staff category now includes temporary assistant unit costs and is retroactively applied to 2022 for comparative purposes.

228. As in previous years, staff costs include only the cost of international professional staff and general service staff based in Rome, as those categories of staff are budgeted using standard position rates. The increase in PSA staff costs from USD 299.7 million in 2022 to USD 360.9 million in 2023 is due to the higher number of positions in those categories and an increase in standard position rates.
229. In line with the WFP people policy and the strategic workforce planning initiative, WFP will continue to improve the contractual conditions of its employees, especially those who have been performing essential functions for several years but remain on short-term contracts. This commitment has resulted in increased costs associated with the shift of positions from short-term professional and consultancy contracts to fixed-term professional contracts.
230. Table IV.11 shows the number of positions in the PSA budget by organizational level – country offices, regional bureaux, headquarters and central appropriations – and by category, as approved in 2022 and projected for 2023. Compared with 2022, an additional 303 staff positions are planned for 2023, of which 94 percent are in headquarters. Short-term professional positions will decrease by 29 percent, in line with WFP’s commitment to providing more stable, long-term contracts to its core staff.

	2023 plan							2022 plan						
	Professional and higher	Professional and higher (short-term)	Consultants	General service	Temporary assistance	National	Total positions	Professional and higher	Professional and higher (short-term)	Consultants	General service	Temporary assistance	National	Total positions
Country offices	83					171	254	81		1			175	257
Regional bureaux	260	3	118		62	366	809	255	11	118		39	371	794
Headquarters	1 042	74	545	498	113	126	2 398	781	99	571	446	112	105	2 114
Central appropriations	12			1			13	5			1			6
Total	1 397	77	663	499	175	663	3 474	1 122	110	690	447	151	651	3 171

* Post count is FTE = number of full-time equivalent staff member and non-staff employee.

Gender equality and women's empowerment

231. Investment in gender equality and women's empowerment will be guided by WFP's recently updated gender policy⁴⁸ and its associated implementation plan. The policy update was informed by the independent evaluation of WFP's gender policy for 2015–2020,⁴⁹ which confirmed the appropriateness of WFP's strategic approach while observing that overall progress was challenged by human and financial resource investments that fell short of the organizational commitment to policy implementation. The evaluation recommended that WFP embed gender actions more systematically within country-level policy and programming dialogues, reviews and country strategic plans; identify strategies for mobilizing consistent financial and human resources for gender equality, such as the establishment of a cadre of professional gender advisers; and launch a high-level gender equality and women's empowerment steering group to strengthen accountability for policy implementation.
232. The policy positions CSPs as the key entry points for advancing WFP's high-level commitments to accelerating progress towards gender equality in each country where it operates. The Gender Office supports the integration of gender equality and women's empowerment in all of WFP's work and activities, with the aim of ensuring that the specific food security and nutrition needs of women, men, girls and boys are met. Gender budget commitments support WFP in the provision of technical support and training, the implementation of its gender transformation programme, the application of the WFP gender and age marker, and the integration of gender equality and women's empowerment into policies, strategies and other corporate positions. In line with broader United Nations reforms and accountability mechanisms, WFP will continue to

⁴⁸ "WFP gender policy 2022" (WFP/EB.1/2022/4-B/Rev.1).

⁴⁹ "Summary report on the evaluation of WFP's Gender Policy (2015–2020)" (WFP/EB.A/2020/7-B); "Management response to the recommendations of the summary report on the evaluation of WFP's Gender Policy (2015–2020)" (WFP/EB.A/2020/7-B/Add.1).

work to exceed the commitments enshrined in the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women.

233. The procedure for estimating the planned resources to be allocated to gender-related activities was updated as part of the BUSBE exercise in 2021. The procedure takes into account the proportional costs of personnel engaged in, and other costs contributing to, gender equality activities at headquarters, regional bureaux and global offices. Nearly USD 28.3 million for gender equality activities in 2023 is estimated under baseline activities, of which USD 24.5 million is incorporated into the PSA budget, compared with the 2022 estimate of USD 24.4 million. The increase in the planned funding for gender equality, compared with 2022, is in line with the commitments laid out in the gender policy implementation plan and a renewed sense of ownership of efforts to accelerate progress towards gender equality and women's empowerment in all WFP units.

Indirect support cost rate

234. WFP's ISC rate is calculated to ensure that the cost of the activities defined in the PSA budget can be fully funded with projected contribution revenue. At the same time, the rate established should not generate excess income that could otherwise be used for direct programme implementation.
235. A method for calculating the standard ISC rate was established in 2006,⁵⁰ and the derived rate for 2023 has been calculated as shown in table IV.12.

2021 baseline	5.56
Increase for higher indirect expenditures	2.02
Decrease for higher funding forecast	(1.04)
Increase for higher PSAEA balance	0.00
Derived ISC rate for 2023	6.54

236. The calculated ISC rate of 6.54 would cover the costs of the PSA budget and would ensure that a healthy balance is maintained in the PSAEA to fund critical corporate initiatives in 2023 and 2024. As the projected PSAEA balance at the end of 2023 will be higher than the target ceiling of five months, there is no need to increase the ISC rate to raise the PSAEA balance.
237. For 2023, management proposes to maintain a standard ISC rate of 6.5 percent and a lower rate of 4 percent, in line with General Rule XIII.4 (e), for contributions from: governments of developing countries and countries with economies in transition, as determined by the Board; governments for contributions to programmes in their own countries; and IFIs under such conditions as shall be determined by the Board. The Board decided at its 2022 annual session to apply a 4 percent ISC rate for such IFI contributions during the remainder of 2022; management proposes to extend this rate into 2023 for all contributions received under General Rule XIII.4 (e). The 6.5 percent rate continues to be one of the lowest standard ISC rates among the funds, programmes and specialized agencies of the United Nations.

⁵⁰ ["Review of indirect support costs rate"](#) (WFP/EB.A/2006/6-C/1).

Status of the programme support and administrative equalization account

238. The PSAEA, established in 2002, records the differences between WFP's ISC revenue and the PSA expenses for the financial period. The balance acts as a safety net for underwriting the risk of a shortfall in ISC income needed for PSA expenditure. In 2015, the Board endorsed the use of the PSAEA for CCIs,⁵¹ which enables WFP to invest in sustainable initiatives that require non-recurring investment and improve the delivery of services to beneficiaries. Subject to the approval of the Board, the PSAEA may also be used for thematic support funds and to strengthen WFP's reserves.
239. Following a review of the optimal balance of the PSAEA,⁵² a target balance of five months of PSA expenditure and a "floor" of two months of PSA expenditure were adopted for the PSAEA. The projected opening and closing balances and movements in the PSAEA in 2022 and 2023 are shown in table IV.13. The projected 2022 closing balance of USD 337.7 million will be equivalent to seven months of 2023 PSA expenditure. Taking into consideration the global contribution forecast of USD 11 billion for 2023, and the proposed uses of the PSAEA in 2023, the projected 2023 closing balance will be USD 284.9 million, which is nearly six months of PSA expenditure.

TABLE IV.13: PROJECTIONS OF THE PROGRAMME SUPPORT AND ADMINISTRATIVE EQUALIZATION ACCOUNT FOR 2022 AND 2023 (USD million)		
	2022	2023
PSAEA balance at 1 January	326.6	337.7
ISC projected revenue (based on global contribution forecast income of USD 11.0 billion)	630.0	630.0
Approved/proposed PSA budget	(496.1)	(576.3)
Additional 2022 PSA released under the Executive Director's authority (estimated)	(27.0)	
Approved/proposed PSAEA drawdowns	(95.8)	(106.5)
– CCIs	(57.8)	(50.4)
– Thematic funding for WFP's wellness programmes	(8.0)	
– IRA replenishment	(30.0)	(50.0)
– ISC shortfall from World Bank contributions		(6.1)
Projected PSAEA balance at 31 December	337.7	284.9
PSAEA target (equivalent to 5 months of 2023 PSA expenditures)		240.1
PSAEA floor (equivalent to 2 months of 2023 PSA expenditures)		96.1

Proposed use of the programme support and administrative equalization account

240. In light of the healthy PSAEA balance projected for the end of 2022, the forecast level of contributions in 2023 and the ISC income versus the proposed PSA budget in 2023, management proposes using the PSAEA to replenish the IRA in the amount of USD 50 million,

⁵¹ "Progress on the Financial Framework Review, including Indirect Support Costs" (WFP/EB.A/2015/6-C/1). The criteria for CCI approval are that the initiative is one-off, not covered by the regular PSA budget, not related to a project, in need of predictable funding, unlikely to generate sufficient additional investment from donors and focused on organizational change.

⁵² "Update on the Financial Framework Review" (WFP/EB.2/2015/5-C/1).

correct an ISC revenue error made in 2021 in the amount of USD 6.1 million and invest USD 50.4 million in four CCIs.

Transfer to the Immediate Response Account

241. The IRA is indispensable to WFP's ability to continue to save lives, and ensuring its sustainability is therefore critical. A yearly target for the IRA has been established, and the account is funded mainly by voluntary contributions from donors and by the repayment of IRA advances from contributions to CSPs. To that end, WFP continues to advocate donor contributions to the IRA. Other sources of funding, such as transfers from reserves and surplus balances, have also been used to fund the IRA on an exceptional basis.
242. In 2022, IRA allocations to country offices are on track to exceed the 2021 record allocations of USD 220 million. In addition, with operational requirements projected at USD 19.7 billion and a global contribution forecast of USD 11 billion, the demand for use of the IRA as a last resort, in the absence of contributions, is expected to increase in 2023. In this context, management proposes that USD 50 million be transferred from the PSAEA to the IRA. While WFP will continue to advocate direct contributions to the IRA that ensure its long-term sustainability, the transfer will improve the availability of funds for IRA allocations.

Year	Directed contributions	Repayments and other sources*	Transfers from reserves	Total revenues	Total allocations
2011	38.1	104.4		142.5	161.9
2012	56.2	82.4		138.6	126.1
2013	52.1	88.6		140.7	165.3
2014	53.1	132.6		185.7	182.0
2015	50.2	102.4	50.0	202.6	164.2
2016	33.9	138.9	-	172.8	215.2
2017	33.2	128.2	15.0	176.4	154.2
2018	29.6	91.4	44.0	165.0	144.2
2019	22.6	173.1	-	195.7	161.0
2020	24.7	107.5	52.5	184.7	188.5
2021	64.0**	124.2	-	188.2	220.0
2022***	23.8	74.9	130.0	228.7	119.2

* Repayments and other sources include multilateral contributions, surpluses and other adjustments.

** This figure excludes USD 3.1 million in confirmed contributions from private donors in 2021 that were transferred to the IRA reserve in January 2022.

*** The data reported for 2022 cover the period up to 30 June 2022.

Adjustment for 2021 indirect support cost income

243. In 2021, WFP entered into three agreements with the World Bank for contributions to WFP operations in Afghanistan and Yemen. At that time, the standard Board-approved ISC rate was 6.5 percent, with a reduced rate of 4 percent for contributions made by governments to programmes in their own countries. At the time of signing the agreements, the World Bank contributions were considered to be government contributions eligible for the reduced ISC rate that would be paid directly to WFP in the absence of recognized governments in the two countries.
244. However, following further review in late 2021 and consultations with World Bank officials, senior management determined that the standard 6.5 percent ISC rate should have been applied to the World Bank contributions and that application of the 4 percent ISC rate was an error. Consistent with that determination, each of the three contributions was registered in WFP's systems at the standard 6.5 percent ISC rate, and the matter was reported to the External Auditor and the Independent Oversight Advisory Committee and disclosed in note 8.2 to the annual audited accounts for 2021.⁵³
245. The 2.5 percent difference between the ISC rate signed in the World Bank agreements and the standard ISC rate resulted in a programme shortfall and an increase in the PSAEA balance of USD 6.07 million as of 31 December 2021.
246. To enable WFP to honour its obligations to the World Bank under the agreements, management proposes that the shortfall be covered through an allocation of USD 6.07 million from the PSAEA to the Afghanistan and Yemen operations. The use of the PSAEA to fund the shortfall is consistent with the account's purpose with regard to ISC income and addresses this error in the application of the reduced ISC rate.

Use of the programme support and administrative equalization account for critical corporate initiatives

247. Management proposes to allocate USD 50.4 million of the PSAEA to fund the 2023 budgets of four CCIs. The four CCIs are described in the following paragraphs, and more details on their expected results, examples of core activities, proposed budgets, implementation plans and KPIs are presented in annex V. WFP's annual performance reports will include a review of the achievements of all CCIs and the use of their approved budgets each year.
248. The four CCIs proposed for 2023 with the corresponding amounts for approval are:
- *Investing in WFP people (USD 27.0 million)*: This CCI is aligned with the 2023 budget prioritization of management result 2, people management.
 - *Strategic plan and corporate results framework implementation (USD 13.6 million)*: This CCI supports WFP's prioritization, in the proposed budget for 2023, of management results 5, evidence and learning, and 6, leverage technology, and of activities aimed at strengthening field monitoring and cooperating partner management.
 - *Country office support model optimization and simplification (COSMOS) (USD 3.2 million)*: This CCI relates to management result 5, evidence and learning, and the BUSBE objective of enabling more efficient funding.
 - *United Nations Sustainable Development Group (UNSDG) efficiency road map (USD 6.6 million)*: This CCI addresses the theme of effective partnerships and the achievement of efficiencies.

⁵³ "Audited annual accounts, 2021" (WFP/EB.A/2022/6-A/1).

249. CCIs are usually multi-year initiatives that have complementary overall objectives and rely on multi-year funding for the effective implementation of activities.⁵⁴ Approximately USD 40 million would be available from the projected PSAEA balance at the end of 2023 for CCI needs in 2024. Nearly half of that amount is expected to support the third and final year of the CCI on investing in WFP people and the second year of the CCI on the UNSDG efficiency road map; plans for the other two CCIs in 2024 will be reviewed. Funding requests for 2024 will be submitted to the Board for approval in 2023.

Second year of the multi-year initiative on investing in WFP people

250. The strategic plan for 2022–2025 identifies WFP’s people as a key enabler of the achievement of the organization’s mission,⁵⁵ and the WFP people policy⁵⁶ established four related work priorities: “nimble and flexible”, “performing and improving”, “diverse and inclusive”, and “caring and supportive”. To effectively operationalize the initiatives required to achieve these priorities, WFP began to implement a long-term, coordinated and incremental process of change in the management of its people. The management plan for 2022–2024 allocated USD 25.3 million for the first year of the CCI on investing in WFP people to support this ambitious change management process.
251. In the first year of the three-year CCI WFP focused on launching 75 activities across the organization aimed at delivering critical technical support, guidance and field-based resources for the change management process, working towards five deliverables: proactive management of structures and positions; acquisition and retention of diverse talent; capability and capacity development; development of respectful and inclusive workplaces; and employee safety, health and well-being. By June 2022, 40 percent of the budget had been utilized and steady progress had been made towards all five deliverables, including progress in focused recruitment and in the planning, design and procurement of employee learning and development services. Several areas have been prioritized for support under the CCI, such as investing in and advancing gender equality and women’s empowerment and making progress in ensuring that all employees have equal opportunities, access to resources and a voice in decision making. The CCI reflects those priorities through activities such as women’s security awareness training and investments in leadership capacity building activities.
252. To accelerate and expand the implementation of those activities in the second year of the CCI, WFP will continue to strengthen its organizational capacity to establish and operationalize corporate and cross-functional processes and activities that achieve the outcomes expected from each deliverable. Planned activities for 2023 are based on the same five deliverables established for 2022 and build on the progress made in that year. For example, in 2023 the diversity and inclusion experts recruited in each regional bureau in 2022 will enable WFP to meet the expectations set out in a new Executive Director’s circular on reasonable accommodation for persons with disabilities.⁵⁷
253. The outcomes and activities that will support the change management process in 2023 have been identified through detailed analysis and validation of the inputs received during more than 40 consultations with the employees and management of headquarters offices and regional bureaux. In 2023, a dedicated CCI coordinator will continue to engage with participating offices to track activities, budget utilization and the delivery of expected outcomes.

⁵⁴ ["Report of the External Auditor on critical corporate initiatives"](#) (WFP/EB.A/2021/6-F/1).

⁵⁵ ["WFP strategic plan \(2022–2025\)"](#) (WFP/EB.2/2021/4-A/1/Rev.2). See p. 3: “Investing in its people [...] – these are the building blocks that enable WFP’s strategic plan (2022–2025).”

⁵⁶ ["WFP people policy"](#) (WFP/EB.A/2021/5-A).

⁵⁷ [Executive Director’s Circular OED2022/006: WFP Policy on Reasonable Accommodation for Persons with Disabilities](#).

254. The funding required for each deliverable in 2023 is shown in table IV.15. An overall budget of USD 32.6 million is planned for 2023. WFP estimates that of the USD 25.3 million approved in 2022, USD 5.6 million will be carried over into the 2023 budget, so USD 27.0 million is the requested funding for approval. In 2024, the third and final year of the CCI, activities carried out in 2023 will be mainstreamed. The final budget for the CCI in 2024 will be determined during the management plan process in mid-2023; it is expected that the budget for 2024 will approximate the approved budget for 2022.

Deliverable	2022 approved budget	2023 total budget	Less: carry over from 2022*	2023 requested Funding
1 Proactive management of structures and positions	7.2	4.7	1.6	3.1
2 Acquisition and retention of diverse talent	4.0	7.4	0.9	6.5
3 Capability and capacity development	8.7	7.3	1.9	5.4
4 Development of respectful and inclusive workplaces	1.0	7.6	0.2	7.4
5 Employee safety, security, health and well-being	4.4	5.6	1.0	4.6
Total	25.3	32.6	5.6	27.0

* The 2022 year-end balance is estimated at 22 percent across deliverables, mainly due to cost savings from delayed start-up of activities in the first and second quarters of the year.

255. Under this CCI, the budget that will increase the most compared with 2022 is that for deliverable 4, which is expected to increase to USD 7.6 million in 2023. Primary activities will focus on supporting inclusive accessibility through a review of WFP premises and developing relevant policies and certification processes covering all areas of diversity and inclusion such as gender parity, disability inclusion and anti-racism.
256. Table IV.16 shows the breakdown of the 2023 CCI budget by department. In 2023, the CCI will engage a minimum of 19 WFP offices in headquarters, regional bureaux and participating country offices to implement 82 activities. WFP functions directly involved include communications, finance, programming, partnerships, human resources, management services, performance planning, security and wellness.

Unit	2023
Regional bureaux and country offices	17.1
Workplace Culture Department	9.4
Programme and Policy Development Department	2.1
Management Department	1.8
Supply Chain, Emergencies and Security Department	1.4
Partnerships and Advocacy Department	0.8
Total	32.6

257. In 2022, the People and Culture Coordination unit in the Workplace Culture Department facilitated the development of new corporate results indicators and a related methodology, which are included in the CRF for 2022–2025 under management result 2. The new indicators will facilitate improved corporate performance monitoring and accountability. For example, the percentage of the workforce on short-term contracts is a key indicator under deliverable 1, which WFP will monitor to ensure that appropriate contract modalities are used in accordance with the established staffing framework. A full list of KPIs and targets is available in annex V.

Second year of the multi-year initiative on the implementation of the new strategic plan and corporate results framework

258. The implementation of the strategic plan and CRF for 2022–2025 focuses WFP’s commitment to improving its corporate performance planning and monitoring processes by incorporating new outcomes, new outputs, management results and revised outcome and output indicators into CSP activities while also strengthening programmatic support to country offices. This commitment, which will be implemented through activities that emphasize enhanced evidence generation and learning and the leveraging of technology, will enable WFP to achieve the goals set out in the new strategic plan.

259. Table IV.17 lists the six deliverables of the CCI. Funding of USD 15.35 million, approved by the Board at its 2022 annual session, includes funds for elements of the first four deliverables. Those deliverables provide support for the realignment of WFP’s systems, platforms, budget and performance management and monitoring processes in ways that enable country offices to align their CSP design, planning, monitoring and reporting systems with the new CRF during the period from mid-2022 to December 2023. Several activities that began in 2022, such as the updating of relevant financial and donor reports and the optimization of field budget processes, with a total budget of USD 2.1 million, are expected to be completed in 2023.

Deliverable	2022/2023 approved budget*	2023 budget	Less: 2023 budget previously approved	2023 requested funding
1 Financial and donor reports, beneficiary counting, systems and platform realignment	5.3	1.4	0.8	0.6
2 Full alignment of planning, budgeting and reporting for all country offices with the new strategic plan and CRF	3.1	1.4	0.2	1.2
3 Optimization of field budget processes to enhance resources-to-results	5.1	2.7	0.9	1.8
4 Project support and change management	1.9	1.5	0.2	1.4
5 Mainstreaming of cross-cutting priorities into WFP operations	-	3.6	-	3.6
6 Strengthening of evidence generation, field monitoring and cooperating partner management	-	5.1	-	5.1
Total	15.4	15.7	2.1	13.6

* This includes USD 2.1 million carried over from the budget of the 2022–2023 CCI approved by the Board at its annual session in 2022.

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260. Relevant technology requirements are budgeted in 2023 with a focus on the realignment of WFP's corporate reporting processes and the design and launch of budget planning solutions and platforms that enable automated reporting. Activities under deliverables 5 and 6 and elements of deliverable 4 are planned for 2023 and have the aim of strengthening the provision of programmatic support to country offices throughout CRF implementation. The total proposed budget for 2023 is USD 15.7 million, of which approval is requested for USD 13.6 million.
261. The new deliverables include guidance and support for a timely transition to the new frameworks (deliverable 4) that align first- and second-generation CSPs with the new line of sight and CRF. In addition, support for effective change management will be provided to country offices, with the development and roll-out of relevant training in 2023.
262. The CCI will also enable WFP to strengthen its guidance, tools and platforms for monitoring and reporting on performance under the cross-cutting priorities (deliverable 5) established in the strategic plan and CRF. Deliverable 5 includes investments in the design, implementation and monitoring of the environmental and social safeguards that will be incorporated into CSPs in order to support environmental sustainability; the incorporation of targets for, and the assessment of progress towards, gender equality and women's empowerment; and the full incorporation of community feedback mechanisms – which are central to accountability and effective programme planning and implementation – into WFP activities, particularly those involving emergency preparedness and response. System-wide changes that reinforce the integration of nutrition and support improved nutrition action in WFP activities will be included, and a road map for thematic funding will be rolled out, setting out the changes that WFP needs to make to its resource mobilization process to ensure that it can fully fund the resilience and system strengthening elements of the strategic plan for 2022–2025, including through resources from thematic funds.
263. Under the CCI WFP will strengthen field monitoring and accountability to affected populations and will enhance cooperating partner management (deliverable 6). Field monitoring is a key instrument for detecting problems such as protection issues and the misuse of assistance, but current country office monitoring systems are fragmented, inefficient and implemented inconsistently. To address this gap, a functional system for effectively identifying, prioritizing, tracking and resolving issues that require corrective action will be rolled out to country offices in 2023. WFP will address the need to further strengthen country office management of cooperating partners by implementing the end-to-end digitalization of related management processes and capacity strengthening activities for partners. Initiatives focused on improving evidence generation and evaluation – from the programme design and targeting stages to the monitoring and evaluation of WFP's efficiency, effectiveness and impact – will be implemented to support WFP's contributions to ending hunger and achieving the SDGs. The initiatives will include the piloting of innovative knowledge management approaches, the design of a mid-term evaluation of the strategic plan and the updating and alignment of the systems and tools used to generate evidence.
264. In late 2023 WFP will identify, assess and design activities to be undertaken in 2024 to ensure that work in any remaining areas can be completed in line with the goals set out in the strategic plan. Potential activities include standardizing data collection processes, streamlining and automating corporate reporting processes, improving data quality, generating new performance insights and strengthening evidence and knowledge management.
265. Table IV.18 shows the 2023 CCI budget split by department. The Programme and Policy Development Department will be allocated more than half of the budget (USD 8.4 million), followed by the Management Department (USD 5.6 million). Together the two departments account for 90 percent of the total planned activities.

TABLE IV.18: CRITICAL CORPORATE INITIATIVE BUDGET BY UNIT, 2023 (USD million)	
Department	2023
Management Department	5.6
Programme and Policy Development Department	8.4
Partnerships and Advocacy Department	1.2
Divisions reporting to the Executive Director	0.5
Total	15.7

266. The KPIs developed under the first four deliverables are consistent with those approved in the 2022 CCI. New KPIs for monitoring progress achieved under deliverables 5 and 6, such as the number of countries using SugarCRM for process monitoring, and the percentage of country offices using WFP's onboarding packages for cooperating partners, will be developed. The full set of KPIs, including targets for 2023, is set out in annex V.

First year of the Country Office Support Model Optimization and Simplification initiative (COSMOS)

267. In the first quarter of 2022, at the request of the Office of the Executive Director, a "functional review 2.0" was launched to examine how WFP's various functional areas are organized at global headquarters. The exercise drew on a "functional review 1.0" carried out in 2019 and 2020 and the BUSBE, which together identified a need for further analysis of WFP's operating structure with a view to define ways of improving the effectiveness and efficiency of the organization. Subsequently, the leadership group endorsed the launch of the COSMOS project to address the needs identified. COSMOS is aimed at improving the effectiveness and efficiency of country office support provided by global headquarters, to enable country offices to focus their efforts on delivering operations. Country office support includes, for example, transactional activities, provision of standard services, technical expertise, operational capacity and ad-hoc support.
268. The first phase of COSMOS began in mid-2022 and includes the design and development of detailed models, the assessment of the impact of the proposed changes and the development of an implementation plan for piloting in 2023. Three initial functional areas – CBT, technology and supply chain – are being considered for the pilot. A dedicated programme secretariat has been put in place to coordinate efforts and ensure consistency with other initiatives that affect WFP's global headquarters and country offices. Senior leadership, including the COSMOS steering committee, is engaged on a regular basis.
269. Based on senior leadership approval, it is expected that in 2023, pilot models for the three functional areas will be launched. If the piloting is successful, WFP will design models for additional functional areas. In case the pilots do not achieve the intended benefits, however, the pilot models have been designed to allow WFP to revert to the original structure and avoid any adverse impacts. The funding requested for 2023 will enable the secretariat team to manage, coordinate and support the overall governance of the project, as well as the functional teams to support the pilot design and implementation. The team will collaborate with several divisions to support change management, knowledge management, performance monitoring and communications.

270. Five deliverables have been identified. The Office of the Executive Director, under the Operations Management Department, will oversee the budget and track performance against KPIs for inclusion in the annual performance report.

TABLE IV.19: CRITICAL CORPORATE INITIATIVE BUDGET BY DELIVERABLE, 2023 (USD million)	
Deliverable	2023
1 Programme governance	1.0
2 Target model validation	0.2
3 Change management coordination	0.5
4 Extension to additional functions	1.3
5 Plan for organization-wide roll-out	0.2
Total	3.2

TABLE IV.20: CRITICAL CORPORATE INITIATIVE BUDGET BY DEPARTMENT, 2023 (USD million)	
Department	2023
Operations Management Department	3.2
Total	3.2

271. Annex V shows KPIs by deliverable. Indicators focus on the achievement of clear targets, such as the development of a knowledge management framework by the end of 2023, and the validation of model design through piloting for the first three functions selected.

Multi-year initiative on the United Nations Sustainable Development Group efficiency road map

272. In a 2017 report⁵⁸ the Secretary-General of the United Nations presented his vision of, and proposals for, the repositioning of the United Nations development system to facilitate a better response to the 2030 Agenda for Sustainable Development. The Secretary-General's report cited several potential areas for simplification and the optimization of business operations and identified targets for common business services and back-office functions. The initial aim was to achieve projected savings of USD 310 million a year throughout the United Nations system by 2022; that timeline has been extended to the end of 2024.

273. During the Secretary-General's second term the momentum for the efficiency agenda was renewed, resulting in the formulation of the UNSDG efficiency road map. The Business Innovations Group is continuing its efforts to deliver on the Secretary-General's overarching efficiency targets and aims to achieve the annual target of USD 310 million in savings through a variety of inter-agency and bilateral initiatives. Over the years, the experience and evidence gained from implementation of those initiatives, and new initiatives launched since 2018, have resulted in adjustments to a number of the original targets. The revised efficiency road map for 2022–2024 is in line with the United Nations quadrennial comprehensive policy review for 2021–2024, effectively extending the original timeframe for the implementation of key United Nations development system reform activities to the end of 2024.

274. The purpose of the requested CCI funding is to ensure that WFP has the capacity to support the Secretary-General's reform during the two-year extension. The funds will ensure that WFP has the capacity to prepare for and respond to inter-agency reform efforts, develop positions and offerings related to United Nations Development System reform, and respond to the requirements of the reform, leading that response where appropriate. The proposed investment includes funding for activities related to the key targets set by the Secretary-General

⁵⁸ *Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet: report of the Secretary-General.*

to realize the USD 310 million in savings. In February 2022, WFP's Executive Director and the United Nations High Commissioner for Refugees proposed the following actions to advance progress in the implementation of the efficiency road map:

- rebalancing implementation efforts between common back-offices, also referred to as local shared services centres and global shared services (GSS), starting with the establishment of a dedicated project team to drive GSS design and implementation going forward;
- re-evaluating the common premises initiative to determine the challenge in meeting the target and exploring the office consolidation opportunities offered by the new ways of working; and
- revising the types of activity that can be considered when deciding how to achieve the USD 310 million target to include new initiatives that show promise and the use of global structures that have deepened United Nations collaboration, such as the United Nations International Computing Centre.

275. The UNSDG efficiency road map CCI replaces a CCI on United Nations development system reform, which received USD 9.3 million between 2019 and 2021 for the design and initial roll-out of the efficiency agenda. The original CCI resulted in the successful development and roll-out to all country offices of corporate guidance on strategic programmatic elements of the reform, including webinars led by the regional bureaux.

276. The new CCI has four deliverables, which are expected to be completed over two years, except for deliverable 4, which is expected to be completed in 2023:

- Deliverable 1, UNSDG activities, comprises the specific United Nations development system reform activities towards which WFP has committed to contributing, in some cases by taking a leading role. Those activities include increasing the use of common premises, adopting a business operations strategy and implementing local shared service centres and global shared services.
- Under deliverable 2, the United Nations booking hub, WFP will deliver further efficiency gains in 2023 and beyond by providing carpooling and ridesharing services for the entire humanitarian community.
- Deliverable 3, United Nations fleet, requires funding to cover the administrative costs of establishing a service to procure light vehicles and lease them to United Nations entities on a full cost recovery basis, similar to WFP's Global Vehicle Leasing Programme. The deliverable anticipates piloting, and subsequently normalizing, the service as a standard source of light vehicles.
- Deliverable 4, global payment solution, aims to consolidate WFP's accounts payable function in a single location in order to alleviate the workload of country offices, regional bureaux and headquarters offices in carrying out routine tasks. In 2023, the project is expected to be launched globally, drawing upon the experience of other organizations such as UNICEF and FAO.

277. It is expected that in 2024 similar levels of funding will be requested for the first three deliverables in order to complete the CCI.

Deliverable	2023
1 UNSDG activities	2.1
2 United Nations Booking Hub	1.8
3 United Nations Fleet	1.4
4 Global payment solution	1.3
Total	6.6

Department	2023
Management Department	5.9
Programme and Policy Development Department	0.7
Total	6.6

278. The KPIs for monitoring results in 2023 under this CCI include but are not limited to those listed below. Additional KPIs and subsequent targets can be found in annex V.

- Percentage of WFP country offices co-locating with other United Nations entities (baseline: 48 percent; target: 50 percent);
- Number of global and regional training sessions and webinars delivered to strengthen capacity building (baseline: 4 regional webinars; target: 1 global and 6 regional training sessions);
- Number of countries where the UNSDG efficiency road map has been rolled out and support has been provided (baseline: 6; target: 50⁵⁹);
- Number of missions to support carpooling operations (baseline: 4; target: 25);
- Number of countries with signed carpooling agreements (baseline: 15; target: 25);
- Number of vehicles leased through the United Nations Fleet (baseline: 0; target: 250).

Unearmarked portion of the General Fund

279. The main source of income for the unearmarked portion of the General Fund is investment income from WFP's cash balances held in investment portfolios and bank and money market accounts and foreign exchange income on treasury transactions, which is credited to the General Fund in accordance with Financial Regulation 11.3.

280. As no one-time drawdown from the unearmarked portion of the General Fund had occurred since 2014, the balance of the unearmarked portion of the fund had grown to USD 324.8 million by 1 January 2022. Subsequently, the Board at its 2022 annual session approved requests for the allocation of funds totalling USD 185 million to the IRA and the EDMF and for the establishment of a changing lives transformation fund. Considering those approved allocations, the projected balance at the end of 2022 is USD 162.7 million. This updated forecast is slightly higher than the USD 151 million presented to the Board at its annual session in 2022 owing to the expected increases in the return on investment and foreign exchange differences. The forecast balance of the unearmarked portion of the General Fund is net of treasury management expenses of up to USD 2.35 million per annum, as approved by the Board for covering investment management, bank and advisory fees and treasury staff costs.

⁵⁹ Baseline and target set by the United Nations Development Coordination Office.

Transfer of the unearmarked portion of the General Fund to the operational reserve

281. In line with its recommendation on internal project lending (IPL) (see section V), management recommends the transfer of USD 34.8 million from the unearmarked portion of the General Fund to the operational reserve of the IPL facility, increasing the reserve from USD 95.2 million to USD 130 million. With a leverage ratio of 10:1, that level of reserve would support an increase in the IPL ceiling to USD 1.3 billion if the global contribution forecast were to reach USD 13 billion.
282. With the transfer of USD 34.8 million, the projected balance of the unearmarked portion of the General Fund is expected to be USD 127.9 million at the end of 2023. The proposed transfer to the operational reserve is fully consistent with the intended use of unearmarked General Fund balances and does not increase financial risks because the funds will not be used for a financial outlay but rather to strengthen a specific reserve. Management generally considers the remaining unearmarked balance to be at a reasonable level to support the financial risk of write-offs and other unexpected financial outlays or for future allocations to unfunded priorities and replenishments of reserves.

Section V: Strategic financing facilities

Overview

283. This section presents information on three strategic financing facilities – corporate services financing, IPL and the GCMF – and the level of authority and agility that are required by WFP to ensure continuous support for its dynamic operational requirements. None of these facilities requires contributions from donors.
284. The section also presents a target level for the IRA, another critical internal funding mechanism, which focuses on critical life-saving activities.

Corporate services

285. The Board approved a ceiling of USD 147 million for corporate services financing in the management plan for 2022–2024. WFP is requesting a further increase in the ceiling to USD 200 million.
286. Corporate services financing operates through a revolving financing mechanism,⁶⁰ which means that all amounts advanced are repaid over a period of time. The facilities enable WFP to provide services economically and efficiently through three mechanisms: the fleet centre, the Capital Budgeting Facility (CBF) and fee-for-service activities. The portion of the overall corporate services ceiling allocated to each mechanism is based on projected demand; if the projections change, the allocation among the mechanisms may be adjusted within the overall ceiling.
287. The proposed ceiling and the allocation to the three mechanisms reflect increased demand associated with growth in WFP’s operations since the mechanisms were adopted, as shown in table V.1.

Description	Current	Proposed
Ceiling for corporate services	147	200
Allocated to:		
Fleet centre Fleet services for all WFP offices and operations	15	25
Capital Budgeting Facility Advances for multi-year projects that can demonstrate quantifiable benefits	82	125
Fee-for-service activities Advances for corporate services or activities, which are normally recovered from CSPs, headquarters units and liaison offices	50	50

⁶⁰ "Financial Framework Review: Restructuring of the Working Capital Financing Facility" (WFP/EB.A/2014/6-D/1).

Fleet centre

288. The fleet centre has hitherto provided advances to WFP offices for fleet-related services. Those services include tools, systems and support for fleet assessment and management; the procurement and deployment of light and armoured passenger vehicles and trucks; the procurement and installation of vehicle accessories and safety equipment; and driver training. The advances are recovered through vehicle leasing fees charged to the budgets of the WFP offices leasing the vehicles and from revenue generated from the disposal of leased vehicles at the end of their lease periods.
289. The fleet centre fund can provide advances to the global vehicle leasing programme, the special account for the insurance of vehicles, the global truck fleet and, from 2023, to the United Nations fleet.
290. The United Nations fleet is an initiative arising out of United Nations development system reform through which WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR) have combined their experience to provide vehicle leasing and fleet management services for all United Nations entities.
291. In 2023 no new advances are expected to be allocated to the global vehicle leasing programme or the self-insurance special account because both are expected to have sufficient balances at the end of 2022 to cover 2023 expenditures.
292. To consolidate all requests for fleet services into one fund, the outstanding amount of USD 14 million associated with the global truck fleet and allocated from the CBF will be transferred to the fleet centre fund at the beginning of 2023.
293. The projected fleet centre balance available at the end of 2022 is USD 5 million. WFP projects that the global truck fleet special account may require advances in 2023 to expand country office truck capacity; furthermore, an advance may be made to the United Nations fleet for the initial purchase of vehicles. Considering the transfer of the global truck fleet to the fleet centre, and based on projected new advances and expected repayments, USD 10 million of the overall increase in corporate services will be allocated to the fleet centre.

Capital Budgeting Facility

294. The CBF is a revolving facility that enables WFP to provide advances for multi-year projects and to receive repayments from country portfolio budgets or other funding sources over agreed time periods. The projected available balance of the CBF at the end of 2022 is USD 25 million. As noted in paragraph 292, the outstanding CBF advances to the global truck fleet will be transferred to the fleet centre at the beginning of 2023 to consolidate fleet activity funding in one mechanism.
295. CBF advances of USD 14.1 million for the private sector strategy and fundraising activities, the human capital management platform and improved premises in Mali have been approved and are scheduled for disbursement in 2023. In addition to those approved advances, requests for new CBF advances of more than USD 50 million are expected, including for infrastructure projects in Burkina Faso, Cameroon and Zimbabwe, the rehabilitation of critical supply routes in South Sudan, the construction of a facility for humanitarian staff in Barbados and a logistics hub in the United Republic of Tanzania.
296. In the light of these approved and expected transactions, USD 43 million of the overall requested increase in the corporate services ceiling would be allocated to the CBF.

Fee-for-service activities

297. The fee-for-service mechanism provides advances to headquarters and country offices for meeting the costs of various services, with repayment of the advances throughout the year from fees collected for services rendered. While the advances outstanding at any given time may not exceed the fee-for-service ceiling, the total amount of the advances made during the year may do so because the advances are recovered throughout the year. Services that may benefit from the fee-for-service mechanism in 2023 include information technology and beneficiary identity management.
298. While the costs of information technology services have been recovered through the fee-for-services mechanism for several years, beneficiary identity management services were approved for cost recovery more recently, as an outcome of the cost recovery workstream of the bottom up strategic budgeting exercise. The year 2023 will be the second year in which costs for beneficiary identity management services are recovered from country portfolio budgets.
299. The projected balance of the fee-for-service mechanism available for allocation at the end of 2022 is USD 49.2 million. That level is deemed sufficient to meet the advances requested.

Proposed approach to setting the ceilings for the internal project lending facility and the Global Commodity Management Facility

300. Over the past two years, WFP has requested the Board to increase the IPL ceiling twice and the GCMF ceiling three times to respond to rapidly escalating humanitarian demand. The most recent increase was approved at the Board's 2022 annual session, when it approved a ceiling of USD 950 million for IPL and a ceiling of USD 950 million for the GCMF. The frequency with which these facilities have had to be increased in the past two years signals that a fixed amount is no longer fit for purpose in an uncertain and rapidly escalating humanitarian environment.
301. To manage the increases in the ceilings more efficiently, avoid the risk that the funds in the two facilities are insufficient and increase the ability to respond to growing and changing needs, management proposes to change the ceilings from a fixed United States dollar amount to a percentage of WFP's global contribution forecast. Such an approach would provide surge capacity for WFP's strategic financing facilities, enabling management to proactively anticipate, prepare for and respond to emergencies with speed and agility, in line with the projected response from donors.
302. The IPL facility allows WFP to spend funds advanced to programmes before forecast contributions are confirmed, with the forecast contributions serving as collateral for the advances. The collateral may be specific forecast contributions or a portion of the total forecast contributions for the programme concerned. IPL based on the latter type of collateral is referred to as macro-advance financing, and it is subject to a ceiling of USD 270 million within the overall IPL ceiling.
303. The GCMF is a strategic working capital financing mechanism through which WFP purchases food before the confirmation of contributions, with the objective of reducing lead times for food deliveries (especially in emergencies), purchasing food when market conditions are most favourable, enabling economies of scale and facilitating local and regional procurement.
304. These strategic financing are vital tools for addressing the increasingly complex challenges that WFP faces as a voluntarily funded organization, because it enhances the predictability of resource availability and provides greater stability for programme implementation. Since the beginning of 2022,⁶¹ USD 1.7 billion has been advanced to programmes through the IPL facility and 1.6 million mt of food, valued at USD 1.3 billion, has been purchased by country offices through the GCMF.

⁶¹ As of August 2022.

Year	Annual contributions (USD million)	GCMF ceiling (USD million)	GCMF ceiling (% of annual contributions)	IPL ceiling (USD million)	IPL ceiling (% of annual contributions)
2016	5 900	350	5.9	570	9.7
2017	6 100	350	5.7	570	9.3
2018	7 300	500	6.8	570	7.8
2019	8 100	560	6.9	570	7.0
2020	8 400	560	6.7	570	6.7
2021	9 600	660	6.9	570	6.8
2022	11 000*	950**	8.6	950***	8.6

* Global contribution forecast.

** The ceiling was increased from USD 660 million to USD 800 million by the Board in January 2022 and subsequently increased to USD 950 million at the Board's 2022 annual session.

*** The ceiling was increased from USD 570 million to USD 760 million by the Board in January 2022 and subsequently increased to USD 950 million at the Board's 2022 annual session.

305. As shown in table V.2, the ceiling for the IPL facility has increased from USD 570 million in 2016 (equivalent to 9.7 percent of the annual contributions of USD 5.9 billion) to USD 950 million in 2022 (equivalent to 8.6 percent of the global contribution forecast of USD 11.0 billion).
306. Similarly, the GCMF ceiling has increased in line with the increase in contributions (see table V.2). In 2016 the ceiling was USD 350 million, representing 5.9 percent of the annual contributions of USD 5.9 billion; the facility enabled country offices to purchase USD 640 million-worth of food in that year within the reduced lead time. In 2021, the ceiling of the GCMF was USD 660 million, representing 6.9 percent of the annual contributions of USD 9.6 billion; the facility enabled country offices to purchase USD 1.5 billion-worth of food in that year, an increase of 140 percent compared with 2016.
307. Since 2021 WFP has seen a surge in requests for IPL and GCMF financing, revealing a need to raise the facilities' ceilings and reflecting the rapidly escalating humanitarian demand in hotspots such as Afghanistan, the Tigray region of Ethiopia, Ukraine and Yemen, the socioeconomic impact of the COVID-19 pandemic, high global food prices, and the unprecedented response from donors. The strategic financing facilities make it possible to provide critical assistance during the period between the projection of requirements and the confirmation of contributions.
308. WFP has requested the Board's approval of increases in the ceilings on a number of occasions. Between June 2021 and June 2022, the Board was asked to approve two increases in the IPL ceiling, raising it from USD 570 million to USD 760 million (by correspondence) in November 2021 and to USD 950 million at the Board's 2022 annual session. Over the same period, WFP also sought the Board's approval for three increases in the GCMF ceiling, raising it from USD 560 million to USD 660 million at the Board's 2021 annual session, to USD 800 million (by correspondence) in November 2021 and to USD 950 million at the Board's 2022 annual session (which at the time represented 10 percent of the global contribution forecast of USD 9.5 billion).

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309. In 2022, with a ceiling of USD 950 million the GCMF ceiling is at 8.6 percent of the USD 11 billion global contribution forecast. The global supply chain context and the humanitarian environment have drastically evolved in the past few years, characterized by longer lead times, higher food and transport prices and rapidly escalating humanitarian requirements in a few hotspots. Lack of suppliers of supplementary nutritious foods is resulting in longer lead times at the same time that demand for them is growing. Long lead times are also a common characteristic of purchases from smallholder farmers. To continue supporting operations in this new context underpinned by a rapid surge in requirements, to increase purchases from smallholder farmers and to implement solutions to address the challenges in the supplemental nutritious food supply chain, WFP recommends setting the GCMF ceiling at 10 percent of the global contribution forecast.
 310. Therefore, management now requests that the Board increase the IPL and GCMF ceilings to a maximum of 10 percent of the prevailing global contribution forecast. Approval of this proposal would raise the ceilings to USD 1.1 billion (10 percent of the USD 11 billion global contribution forecast for 2023). Management would manage the utilization of IPL and GCMF up to the ceilings as the global contribution forecast is changed.
 311. In the event of a decrease in global contribution forecast, the ceilings would drop proportionally and management would take steps to bring the IPL and GCMF balances into line with the lowered ceilings. In the case of IPL, this would entail limiting new advances and accelerating repayments where possible. In the case of the GCMF, it would entail reducing the replenishment of the GCMF stock and accelerating sales to country offices where possible.
 312. Robust risk mitigation measures would remain in place and WFP would continue to report to the Board on the facilities' level of activity through the annual report on WFP's use of its advance financing mechanisms. Over the past five years, WFP's forecasting process for the IPL facility has been strengthened by the adoption of a systematic approach that includes the ongoing incorporation, updating and multi-level validation of trends analysis and information on donors into the Salesforce corporate platform.
 313. Guidelines on the request and approval process for the IPL facility are being streamlined to provide a common approach to be followed throughout WFP. While recognizing the generous support provided by donors, WFP will continue to advocate the extension and increased visibility and predictability of the validity periods of donor grants so that country offices can exercise spending authority in advance of confirmed contributions. The IPL facility would also be backed by an increased operational reserve at the maximum leverage ratio of 10:1. That ratio has been validated through external reviews of the advance mechanism.
 314. Financial Regulation 10.5 calls for the maintenance of an operational reserve to ensure the continuity of operations in the event of a temporary shortfall in resources. An operational reserve of USD 95.2 million is currently used to manage the risks associated with the IPL facility of USD 950 million at a leverage ratio of 10:1. In line with its proposal that the Board increase the ceiling for the IPL, management also recommends that USD 34.8 million be transferred from the unearmarked portion of the General Fund to the operational reserve, bringing the total reserve to USD 130 million, as proposed for Board approval in section IV of this management plan.
 315. With a leverage ratio of 10:1, that level of reserve would provide a safety net for an increase in the IPL ceiling up to USD 1.3 billion if the global contribution forecast reached USD 13 billion. While there are inherent risks with the IPL mechanism because forecast contributions may not always materialize, mitigation measures have been very robust. Such measures have resulted in only one write-off of USD 2.2 million since the facility was mainstreamed into WFP's financial management model in 2006.

316. Robust risk mitigation measures also apply to the GCMF: the facility relies on a well-established planning process that is led by the Chief Financial Officer, builds on insights provided by the Supply Chain Operations Division, country offices and other functional offices and is supported by the upgraded enterprise resource planning system. In addition, WFP's extended self-insurance scheme provides comprehensive insurance coverage to mitigate the risks associated with commodity losses.
317. The GCMF reserve covers losses sustained by the facility that fall outside insurance coverage. The current balance of the reserve is USD 6 million; no movements have occurred in the reserve since its inception in 2014 because there have been no uninsured losses and self-insurance coverage has been expanded.
318. The PSAEA, which is a reserve for funding activities as directed by the Board, will continue to serve as a safety net of last resort⁶² for corporate services. The use of the PSAEA for corporate services would be considered an extraordinary case for which management would seek the Board's authorization.

Immediate Response Account target

319. Communities around the world continue to face the effects of conflict, climate shocks, economic challenges and the consequences of the COVID-19 pandemic. Given this alarming and escalating situation, WFP must always have available resources that it can use to respond rapidly when lives are at risk. The IRA is a flexible funding facility used as a last resort to enable WFP to save lives from imminent threats and to respond to shocks.
320. Under Financial Regulation 4.3, the Board establishes an IRA target level for a financial period. The target level should be maintained by direct contributions from donors and, when possible, by repayment of advances made for eligible operations or activities. Contributions to the IRA have a high degree of flexibility and are not earmarked for a specific activity or country programme. Should the IRA balance fall below the minimum threshold of USD 85 million, which is the average cost of three months of requirements for 2 million people, WFP will make a specific appeal to donors.
321. The IRA does not replace WFP's bilateral contributions from donors or contributions from the United Nations Central Emergency Response Fund; it is funded through donor contributions to the IRA and, on an exceptional basis, the allocation of other discretionary and flexible funding to the account such as fully flexible donor contributions or, subject to Board approval, transfers from reserves. Although the IRA is a revolving fund, IRA allocations can be converted to grants when country offices are unable to repay funds despite extensive efforts.
322. In the context of growing and unprecedented global food insecurity, a record USD 220 million was allocated from the IRA in 2021 – a 17 percent increase compared with 2020 – for emergency response, early action and life-saving preparedness or operational readiness activities under 49 CSPs.
323. In 2022, IRA allocations are providing life-saving assistance to prevent famine in Afghanistan, the Central African Republic, the Democratic Republic of the Congo, Madagascar, Nigeria, Somalia and Yemen and for other critical emergencies. In August 2022, allocations were on track to exceed the record levels of 2021; based on the current average monthly allocation of USD 33.3 million and on growing requirements, the requests from country offices for IRA funding could reach a total of USD 400 million in 2022. Given expected operational requirements of USD 19.4 billion in 2023 and a global contribution forecast of USD 11 billion, the projected funding gap will increase the demands on the IRA in 2023.

⁶² "Financial Framework Review: Restructuring of the Working Capital Financing Facility" (WFP/EB.A/2014/6-D/1).

TABLE V.3: IMMEDIATE RESPONSE ACCOUNT MOVEMENTS, 2011-JUNE 2022 (USD million)			
Year	Total contributions to WFP	IRA target	Target as a % of total contributions
2011	3 700	70	1.9
2012	4 000	70	1.8
2013	4 400	70	1.6
2014	5 500	70	1.3
2015	5 000	200	4.0
2016	5 900	200	3.4
2017	6 100	200	3.3
2018	7 300	200	2.7
2019	8 100	200	2.5
2020	8 400	200	2.4
2021	9 500	200	2.1
2022*	11 000	200	1.8

* 2022 global contribution forecast.

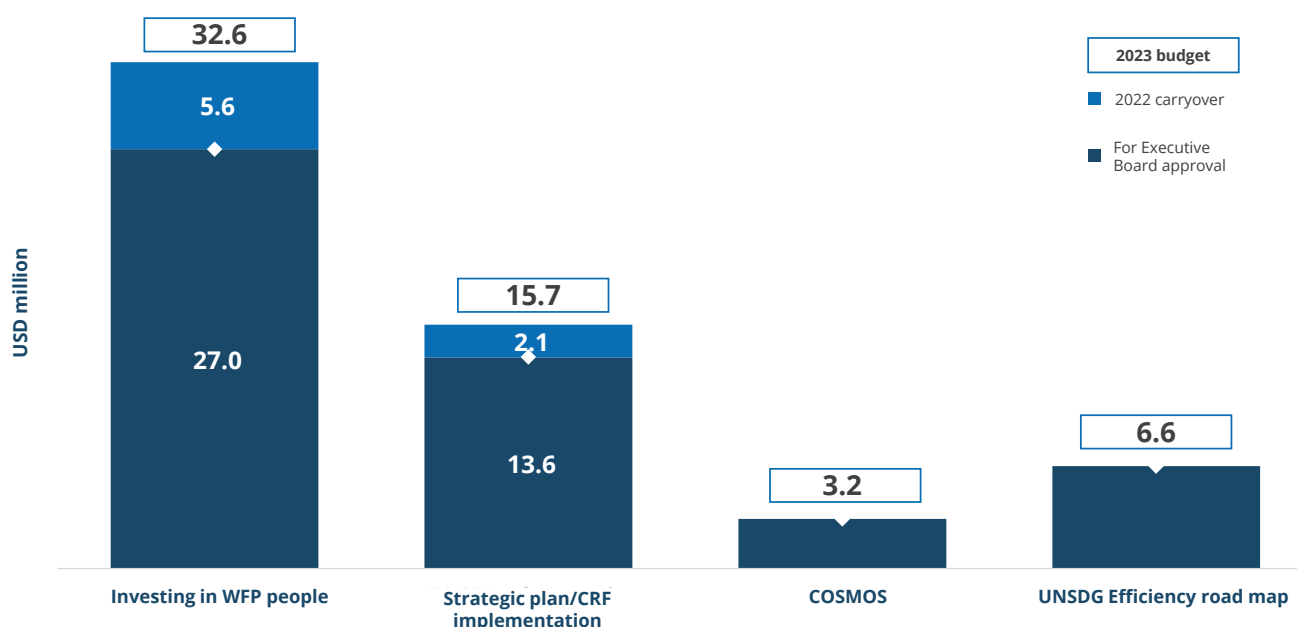
324. The annual IRA target does not represent a commitment by Member States but serves as a signal for resource mobilization. The target has been set at USD 200 million since 2015 and has not reflected WFP's increasing requirements or contributions. When the target was set in 2015 it accounted for 4 percent of annual contributions; as of August 2022, it is just 1.8 percent of global contribution forecast, which have more than doubled since 2015. A considerable increase in the target is therefore needed to regain the previous levels of agility and responsiveness.
325. The IRA is an indispensable component of WFP's frontline role in the initial response to multiple crises and facilitates adherence to the key principles of timeliness, predictability and flexibility. WFP therefore recommends that the IRA target be set at USD 400 million for 2023. The approval of the Board is required under Financial Regulation 4.3 but does not represent a commitment by Member States.

ANNEX V

Concept notes for the proposed critical corporate initiatives for 2023

1. In 2015 the Executive Board endorsed the use of the programme support and administrative equalization account (PSAEA) for critical corporate initiatives (CCIs). The PSAEA was used for similar activities prior to 2015, but a framework defining the parameters for its use was lacking. Since 2015, WFP has used CCIs approved by the Board to strengthen the organization's systems and workforce and ultimately to improve the delivery of services to food-insecure people.
2. The proposed CCIs for 2023, including their expected results and activities in 2023, implementation plans, budgets and key performance indicators (KPIs), are detailed in this annex.¹ As shown in figure A.V.1, the amounts for which the Board's approval is requested represent the PSAEA funding needs in 2023, which for the first two CCIs are less than the 2023 budgets due to amounts carried over from 2022.

Figure A.V.1: Proposed critical corporate initiatives, 2023 (USD million)



¹ "Report of the External Auditor on critical corporate initiatives" (WFP/EB.A/2021/6-F/1).

Multi-year initiative on investing in WFP people (USD 27.0 million for approval for the second year of the initiative)

Lead unit	People and Culture Coordination Unit (PCC)	Proposed 2023 budget <i>For Board approval</i>	USD 32.6 million <i>USD 27.0 million</i>
Participating units	PCC, all regional bureaux and participating country offices and divisions ²	CCI lifespan (year 2 of 3)	Three years (2022–2024)
Links to WFP CRF management results	<input type="checkbox"/> Effectiveness in emergencies <input checked="" type="checkbox"/> People management <input type="checkbox"/> Engage in effective partnerships <input type="checkbox"/> Effective funding for zero hunger <input type="checkbox"/> Evidence and learning <input type="checkbox"/> Leverage technology <input type="checkbox"/> Leverage innovation		

Overview

3. The WFP people policy presents WFP's vision for its future workforce as one in which diverse, committed, skilled and high-performing teams selected on merit, operating in a healthy and inclusive work environment and living WFP's values, work with partners to save and change the lives of those WFP serves. To achieve this, the policy reflects the interdependence of all of WFP's functional policies, strategies, frameworks and action plans and forms the framework for the achievement of four priority areas for people management: "nimble and flexible", "performing and improving", "diverse and inclusive" and "caring and supportive".
4. Effective implementation of initiatives aimed at achieving excellence in the management of WFP's people in the four priority areas requires a sustained, coordinated and incremental change management process.
5. To initiate just such a change management process the Board, as part of its approval of WFP's management plan for 2022–2024 at its 2021 second regular session, approved a budget for the first year of a three-year CCI on investing in WFP's people. To expedite and expand the CCI in its second year and to achieve the required cultural and behavioural change, WFP will continue to strengthen its organizational capacity to establish, operationalize and absorb new and revised corporate and cross-functional processes and activities that achieve the outcomes expected from each deliverable. For continuity, the CCI deliverables for 2023 are the same as they were for 2022: proactive management of structures and positions; acquisition and retention of diverse talent; capability and capacity development; development of respectful and inclusive workplaces; and employee safety, health and well-being.
6. In 2023 plans for the third and final year of the CCI (in 2024) will be developed with a focus on mainstreaming or closing activities and aligning requirements and expected outcomes with changes in WFP's operating environment such as those introduced by the strategic plan for 2022–2025, the accountabilities under the WFP people policy, the implementation of the staffing framework and the human capital management system and functional workforce planning.

² Communications, Advocacy and Marketing Division (CAM), Cash-Based Transfers Division (CBT), Corporate Planning and Performance Division (CPP), Corporate Finance Division (FIN), Human Resources Division (HRM), Management Services Division (MSD), Nutrition Division (NUT), Partnerships and Advocacy Department (PA), PCC, Programme and Policy Development Department (PD), Programme – Humanitarian and Development Division (PRO), School-Based Programmes (SBP), Supply Chain Operations Division (SCO), Security Division (SEC), Staff Wellness Division (WEL), Regional Bureau for Asia and the Pacific (RBB), Regional Bureau for the Middle East, Northern Africa and Eastern Europe (RBC), Regional Bureau for Western Africa (RBD), Regional Bureau for Southern Africa (RBJ), Regional Bureau for Eastern Africa (RBN) and Regional Bureau for Latin America and the Caribbean (RBP).

7. In 2023, the CCI will engage a minimum of 19 departments, divisions and other offices at headquarters, in regional bureaux and in participating country offices in the implementation of 82 activities. WFP functions that will be directly involved include communications, finance, programming, partnerships, human resources, management services, performance planning, security and wellness.

TABLE A.V.1: INVESTING IN WFP PEOPLE CRITICAL CORPORATE INITIATIVE – BUDGET (USD million) AND STAFFING FULL-TIME EQUIVALENT (FTE),* BY DELIVERABLE						
Deliverable	Total		Headquarters		Regional bureaux and country offices	
	Budget	FTE	Budget	FTE	Budget	FTE
1: Proactive management of structures and positions	4.7	27	2.4	9	2.3	18
2: Acquisition and retention of diverse talent	7.4	50	2.8	16	4.6	34
3: Capability and capacity development	7.3	57	3.6	22	3.7	35
4: Development of respectful and inclusive workplaces	7.6	35	4.7	23	2.9	12
5: Employee safety, health and well-being	5.6	27	2.0	7	3.6	20
Total	32.6	196	15.5	77	17.1	119

* FTE = number of full-time equivalent staff members and non-staff employees such as consultants.

8. **Deliverable 1** focuses on the proactive management of structures and positions and has the aim of accelerating the alignment of the workforce with identified organizational needs. Activities include the management of changes required by the country strategic plans (CSPs) and strategic workforce planning exercises, the alignment of structures and changes in relevant employee positions and contract modalities.
9. This deliverable involves 15 activities with a total 2023 budget of USD 4.7 million.³ Sixty percent of the activities will take place in the field, led by the regional bureaux with support from headquarters. The activities will focus on providing guidance on people management for regional bureau and country office managers, implementing strategies and actions arising from the workforce reviews of WFP's organizational structures, positions and contract modalities and enhancing regional bureau emergency response and support for country office readiness efforts.
10. **Deliverable 2** focuses on the acquisition and retention of diverse talent with a view to developing the right WFP workforce, using a responsive and innovative approach to workforce management. To enhance WFP's ability to attract and retain more diverse staff, activities will include the development of effective recruitment campaigns, policies, processes, systems and skills and collaboration with organizations that represent persons with disabilities.
11. The deliverable has a budget of USD 7.4 million for 2023 and involves 15 field and five headquarters activities. The activities will enable WFP to attract and retain diverse staff and ensure that they are assigned to the right positions; to speed up recruitment and reduce

³ Building on the 20 activities implemented in 2022 with a total budget of USD 7.5 million.

deployment bottlenecks, including those related to gender and diversity; and to adopt good practices in talent acquisition. Other activities seek to enhance the coordination of staffing decisions and the collection of data for measuring workforce diversity.

12. **Deliverable 3** is aimed at accelerating development of the skills and capabilities of WFP employees to meet identified corporate standards and functional strategies and to address needs at the country office level, including CSP strategic direction during the change management process.
13. Twenty-two activities are being implemented under this deliverable, with a total budget of USD 7.3 million; 77 percent of the activities are managed by the regional bureaux. The activities are aimed at improving employee skills and capabilities through synchronized initiatives on corporate priority areas such as disability and other forms of inclusion; leadership, management and language skills; coaching, mentoring, technical support and training for employees; and dedicated cross-functional training on resource management skills.
14. Regional bureaux activities include training on national officer leadership and management, women's leadership, people and team leadership; programmes for directors and heads of office; and identified functional needs.
15. **Deliverable 4** focuses on the continued development of respectful and inclusive workplaces. Activities include the provision of corporate guidance on and support for – with an emphasis on the field – inclusive accessibility through a review of WFP premises; and the development of relevant policies and certification processes covering all areas of diversity and inclusion, including gender parity, disability inclusion and anti-racism.
16. The deliverable has a budget of USD 7.6 million for 2023 and comprises 11 activities, of which about half are led by headquarters. The objectives are to create a more enabling workplace culture, particularly in the field, by consistently implementing global staff survey action plans, corporate policies and improvements such as the Respect+ and Speak Up! initiatives and by designing and implementing proposals to make the workplace more accessible.
17. **Deliverable 5** focuses on the promotion of employee safety, security, health and well-being. Activities include those required to ensure that field operations have access to effective tools for minimizing preventable harm to employees and optimizing occupational safety and health conditions in WFP working environments. Occupational safety and health risk assessments will be carried out in field locations, and assistance will be provided for the development of plans for corrective and preventive action.
18. WFP's duty of care to all employees will be fulfilled by implementing 14 activities aimed at compliance with security and safety standards, enhancing employee resilience and addressing stress and anxiety and by conducting oversight missions and promoting accountability. The budget for deliverable 5 is USD 5.6 million for 2023; 80 percent of the activities will focus on regional bureaux support for country offices, with back-up support from a team based in headquarters.

TABLE A.V.2: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING STAFFING REQUIREMENTS, 2023

Unit	Staff costs (USD million)	Non-staff costs* (USD million)	Total (USD million)	Positions (FTE)**
Regional bureaux and country offices	13.1	4.0	17.1	119
Workplace Culture Department	4.6	4.8	9.4	53
Management Department	1.3	0.5	1.8	14
Programme and Policy Development Department	0.6	1.5	2.1	4
Partnerships and Advocacy Department	0.4	0.4	0.8	4
Supply Chain, Emergencies and Security Department	0.2	1.2	1.4	2
Total	20.2	12.4	32.6	196

* Non-staff costs include, but are not limited to, the costs of consultants, national staff, temporary assistance, licences, training and change management.

** Positions include the FTE number of staff members and non-staff personnel such as consultants and take into account internal temporary duty assignments from regional bureaux and country offices.

Implementation plan

19. As of August 2022, the CCI is being implemented through a multi-stakeholder framework with 82 activities designed around the five core deliverables described above. All CCI activities are integrated into the participating offices' regular workplans and the annual performance planning process, with coordination and support provided by a dedicated team in the Workplace Culture Department.

Implementation of one-time multi-year activities at headquarters

20. At headquarters, investments have the aim of improving WFP's global workplace culture and strengthening capacity primarily at the regional and country office levels, reflecting WFP's commitments to developing and retaining a diverse workforce and inclusive workplaces, including through the establishment of new processes and activities at the local level. Fifteen divisions are engaged in activities that support the achievement of at least one of the five deliverables, building on the progress made during year one.
21. The CCI includes other activities required for the establishment of strategic capacity at the departmental level. For example, support for strategic talent management will be provided to WFP's global partnership function to ensure that the right staff are assigned to the right roles.

Implementation of one-time multi-year activities at the regional bureau and country office levels

22. All six regional bureaux are implementing activities to support the achievement of all five deliverables; country offices will receive enhanced assistance from the regional bureaux until the relevant changes are incorporated into their CSPs.

23. The impact of the change management process depends on the capacity of the regional bureaux and country offices to implement multiple initiatives and apply new standards and practices. The CCI enables the regional bureaux to establish or strengthen change management capacity and support country offices, primarily in two areas: talent acquisition and learning and development; and occupational health and well-being capacity strengthening; this will accelerate and enhance the fulfilment of WFP's duty of care for all employees.
24. Through talent acquisition and learning and development activities, WFP will invest in improving its approach by embedding tools for candidate assessment and equipping managers to serve as talent acquisition champions. A primary focus will be on developing a WFP workforce for the future and positioning the organization as a leader in workforce diversity, including by providing effective career development opportunities.
25. Activities relating to occupational health and well-being will centre on implementing standards that ensure the fulfilment of WFP's duty of care to all employees in all regions, including through the provision of necessary medical and technical support. The CCI will also support WFP in providing evidence-informed medical case management services for all employees at the regional and country office levels. Such services include the management of medical clearance, sick leave, medical travel, including evacuations, and reasonable accommodation of persons with disabilities, as well as the provision of individual counselling and group psychosocial support for employees and their family members.
26. The bottom up planning strategy adopted in 2022 will ensure that the CCI makes use of staff talents and abilities at both the functional and geographical levels. It will also ensure ownership at appropriate levels and tap into WFP's global experience and knowledge base, engaging country offices through the regional bureaux.
27. Given the complexity of the programme, a staged approach to implementation will be followed in order to strengthen oversight, performance reporting and budget control across the deliverables, stakeholders and activities. This quality assurance measure was successfully introduced in 2022 and is coordinated by PCC.
28. Planning and review schedules are fully aligned with WFP's corporate cycles; updates are presented quarterly to the global budget committee, and a year-end review is included in each WFP annual performance report.

TABLE A.V.3: KEY PERFORMANCE INDICATORS BY DELIVERABLE^a

Deliverable 1: Proactive management of structures and positions (USD 4.7 million)		
<i>Expected outcomes: WFP operations can strengthen the alignment of structures, workforces, language and skills to improve operational efficiency.^b</i>		
Key performance indicator^c	Baseline^d	2023 target
Number of functions and country offices with a workforce action plan	26%	54%
Percentage of the workforce employed on short-term contracts	60% ^e	49%
Deliverable 2: Acquisition and retention of diverse talent (USD 7.4 million)		
<i>Expected outcomes: WFP workforce will come closer to its vision of a more diverse and responsive approach to talent acquisition and retention through the provisions of specific policies, processes, systems and skills necessary for agile recruitment processes that attract a more diverse talent pool.^b</i>		
Key performance indicator	Baseline	2023 target
Percentage of women among international professional and national staff	42%	TBC ^f

TABLE A.V.3: KEY PERFORMANCE INDICATORS BY DELIVERABLE^a

WFP meets or exceeds United National Disability Inclusion Strategy (UNDIS) entity accountability framework standards concerning employment	Approaching	Meeting
Deliverable 3: Capability and capacity development (USD 7.3 million)		
<i>Expected outcomes: WFP will enhance the skills and capabilities of its employees to meet identified corporate standards, to support country strategic plans, and to align with functional strategies.^b</i>		
Key performance indicator	Baseline	2023 target
Percentage of offices that have an action plan in place to align their people management practices with WFP's people policy and its enabling initiatives	0% ^g	90%
Performance and competency enhancement (PACE) compliance rate	89%	100%
Percentage of employees completing mandatory training on both protection from sexual exploitation and abuse (PSEA) and preventing and responding to abusive conduct at WFP (harassment, sexual harassment, abuse of authority and discrimination)	0% ^g	95%
Deliverable 4: Development of respectful and inclusive workplaces (USD 7.6 million)		
<i>Expected outcomes: Stronger prevention of inappropriate behaviour and more inclusive accessibility at WFP workplaces.^b</i>		
Key performance indicator	Baseline	2023 target
Percentage of offices which have implemented corporate prevention of abusive conduct (harassment, sexual harassment, abuse of authority and discrimination) and outreach tools aimed at employees	50%	90%
WFP meets or exceeds United National Disability Inclusion Strategy (UNDIS) entity accountability framework standards concerning accessibility.	Meeting	Meeting ^h
Deliverable 5: Employee safety, security, health and well-being (USD 5.6 million)		
<i>Expected outcomes: Compliance with occupational safety and security responsibilities, security policies and risk management and related processes and procedures; mitigation and minimization of preventable harm to employees; and enhancement of employee wellness provisions at the regional level.</i>		
Key performance indicator	Baseline	2023 target
Percentage of compliance with the WFP security management policy and framework of accountability	95%	95% ⁱ
Percentage of occupational safety and health field focal points trained to recognized standard	0% ^g	95%
Number of field health screenings conducted out in country offices	0	10

^a The KPIs for 2023 have been updated from the KPIs for 2022 in order to align them with the CRF for 2022–2025, which was approved in 2022.

^b The targets for 2023 are based on CRF management result 2 and informed by information from other WFP databases.

^c "WFP corporate results framework (2022–2025)" (WFP/EB.1/2022/4-A/Rev.1).

^d Baselines are based on data as of 31 December 2021, unless otherwise stated.

^e Baseline from 2021.

^f A corporate target is expected to be set by the end of 2022.

^g Baselines set at 0 percent because of the lack of available historical data, including where mandatory training is new.

^h This is a United Nations system-wide KPI with specific sub-targets set out in the [United Nations Disability Inclusion Strategy](#) indicator in the CRF. For WFP, the 2025 target for the indicator is "exceeding".

ⁱ See WFP CRF KPI Code: i.SEC.1: A value lower than 95 percent means that a range of compulsory measures are to be implemented and require immediate action from the country office. Values from 95 to 100 percent are marked in green; those from 70 to 94 percent are in yellow; and values below 70 percent are marked in red.

Multi-year initiative on the implementation of the new strategic plan and corporate results framework (USD 13.6 million for approval for the second year of the initiative)

Lead division	CPP	Proposed 2023 budget: <i>For Board approval:</i>	USD 15.7 million <i>USD 13.6 million</i>
Participating units	Management Department (RM): CPP, Technology Division (TEC); PD: PRO, Gender Office (GEN), NUT, Research, Assessment and Monitoring Division (RAM), Innovation and Knowledge Management Division (INK), NGO Partnerships Unit; PA: Public Partnerships and Resourcing Division (PPR); Divisions reporting to the Executive Director (OED): Office of Evaluation (OEV)	CCI lifespan (year 2 of 3)	Three years (2022–2024)
Links to WFP CRF management results	<input checked="" type="checkbox"/> Effectiveness in emergencies <input type="checkbox"/> People management <input checked="" type="checkbox"/> Engage in effective partnerships <input checked="" type="checkbox"/> Effective funding for zero hunger <input checked="" type="checkbox"/> Evidence and learning <input checked="" type="checkbox"/> Leverage technology <input checked="" type="checkbox"/> Leverage innovation		

Overview

29. The three-year CCI on the implementation of the strategic plan and CRF for 2022–2025, approved by the Board at its 2022 annual session, focuses WFP’s resolve to strengthen and improve its corporate performance planning, reporting systems and processes while providing enhanced programme support to country offices. The CCI will ensure that WFP is on the path towards the achievement of the goals set out in the new strategic plan and will assist in the definition and achievement of future organizational goals.
30. The first tranche of funding (USD 15.35 million) for the CCI was approved at the Board’s 2022 annual session and covered four deliverables aimed at supporting the transition of WFP’s systems and platforms, including the budget and performance processes and systems for the design, planning and monitoring of CSPs and reporting on their results, under the new CRF. The CCI funding requested for 2023 will cover the continuation of key activities that began in 2022 and two additional deliverables (deliverables 5 and 6) aimed at strengthening the programme support provided to country offices. The new deliverables will facilitate work in the field by strengthening the four cross-cutting priorities defined in the strategic plan and will focus on critical areas of programme support such as evidence generation, field monitoring and the management of cooperating partners.

31. Under deliverable 5 the planned investments are aimed at supporting environmental sustainability through the implementation of environmental and social safeguards at all stages of CSPs, from design to implementation and monitoring. Gender equality and women's empowerment will be promoted through the establishment and revision of tools for incorporating gender equality and women's empowerment ambitions into CSPs and assessing their progress. Changes in WFP systems are also needed in order to reinforce nutrition integration and support improved nutrition action throughout WFP. Community feedback mechanisms, which are a core tool for ensuring accountability and effective programming and implementation, must be fully embedded in WFP activities, particularly those involving emergency preparedness and response.
32. WFP needs to adjust its processes and systems for successful fundraising for the implementation of the vision of saving lives and changing lives set out in the strategic plan. To do so, WFP will build on corporate initiatives such as the CCI on the private sector strategy, which is due to be completed by the end of 2022 and has generated lessons learned that are currently being used to develop a road map of the changes required to position WFP as a key actor in work on changing lives. The road map will be rolled out throughout WFP in 2023.
33. Deliverable 6 includes initiatives focused on strengthening field monitoring and cooperating partner management. Field monitoring is key to the detection of problems such as protection issues and the misuse of assistance. Current country office monitoring systems can be built upon, using SugarCRM software to improve their efficiency and consistent implementation. A functional system is critical in enabling country offices to identify, prioritize, track and resolve the issues found through monitoring that require corrective action. In addition, across its programme portfolio, WFP will systematically improve corporate cooperating partner management processes by developing minimum requirements, guidance, digital tools and support to ensure proper on-boarding and adherence to WFP policies of national and local organizations, including women's and youth groups, and to strengthen their long-term sustainability.
34. Evidence generation and evaluation will also be key to WFP's ability to contribute to ending hunger and reaching the SDGs and will involve a range of actions, from upstream assessments to inform programme design and targeting to downstream monitoring and evaluation of efficiency, effectiveness and impact. As emphasized in the strategic plan, evidence generation is considered to be both an "enabler" and a "guiding principle". Evidence generation initiatives include the piloting of innovations in knowledge management, the commissioning of a mid-term evaluation⁴ of the strategic plan for 2022–2025 as one of the two strategic evaluations in the Office of Evaluation's programme of work⁵ for 2023, and the updating and alignment of systems and tools for evidence generation with the new strategic plan.

⁴ A mid-term review of the WFP strategic plan for 2017–2021 was completed in mid-2020, covering the first three years of plan implementation.

⁵ As presented to the Board at the annual consultation on evaluation in May 2022.

TABLE A.V.4: CRITICAL CORPORATE INITIATIVE BUDGET BY DELIVERABLE, 2023 (USD million)*			
Deliverable	2022	2023	Total
1: Financial and donor reports, beneficiary counting systems and platform realignment (including the United Nations sustainable development cooperation framework (UNSDCF) reporting guidance)	4.5	1.4	5.9
2: Planning, budgeting and reporting of all country offices fully aligned with the new strategic plan and corporate results framework	2.9	1.4	4.3
3: Optimization of field budget processes to enhance resources-to-results	4.2	2.7	6.9
4: Project support and change management	1.7	1.5	3.2
5: Mainstreaming of cross-cutting priorities within WFP operations	-	3.6	3.6
6: Strengthening of evidence generation, field monitoring and cooperating partner management	-	5.1	5.1
Total	13.3	15.7	29.0

* Figures are exclusive of the USD 2.07 million carried over from the CCI for 2022–2023 reviewed and approved by the Board at its 2022 annual session.

35. **Deliverable 1** focuses on the realignment of financial reports, beneficiary counting and other critical systems and reporting platforms, including through:
- the completion of previously reviewed business processes linked to the CRF (which started in 2022) in order to realign existing tools (such as the country office tool for managing effectively (COMET) and standard project report intelligent next generation (SPRING)) for enabling CSPs to operate and report⁶ effectively and for strengthening beneficiary counting in line with the new strategic plan and CRF; and
 - the release of strengthened visualization tools (dashboards) that reflect the cross-cutting priorities included in the new strategic plan and CRF.
36. **Deliverable 2** is aimed at achieving the full alignment of all planning, monitoring and reporting activities under the new strategic plan and CRF, through:
- the release and roll-out of a dual planning and reporting system that allows 13 CSPs ending in 2023 to continue operating in accordance with the previous CRF while their successor CSPs will operate in accordance with the new CRF; and
 - the adaptation and activation of budget planning and reporting tools (such as the WFP dashboard and CSP data portal) that support the design of new CSPs within the new framework and the realignment of the more than 50 existing CSPs that will continue into 2023.

⁶ In accordance with the 2021 [external audit on the management of information on beneficiaries](#), throughout the 2022 reporting cycle, WFP will report on the duration of assistance at the country level through annual country reports.

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37. **Deliverable 3** centres on optimizing field budget processes through:
- the discovery, design and deployment of field budget planning processes (needs-based plans, implementation plans and pipeline updates) that optimize the daily work of budget and programming officers in the field, enable better decisions at all levels of WFP, strengthen oversight and ultimately improve process efficiency and effectiveness. The full roll-out of these processes will consolidate and harmonize country office budget preparation workflows and create a modern and dynamic solution that replaces the current fragmented technical infrastructure, improves integration with corporate systems and is in line with the new strategic plan, CRF and line of sight; and
 - the technical release and adoption of budget planning solutions and reporting platforms that enable automated reporting at the sub-activity level (including on capacity strengthening activities), reflect current activity-bundling practices at the operational level and reduce the reporting burden in the field.
38. **Deliverable 4** ensures the sound coordination of project management across CCI workstreams and sufficient change management training through:
- strong coordination between field change management teams and project management officers working across deliverables in 2022 and 2023, and change management for effective implementation of related initiatives;
 - guidance and support for country offices on the alignment of global policy and CSP implementation with the new strategic plan; and
 - operational field support for country offices aimed at guiding the design of their CSPs and helping them to develop and implement multi-year country capacity strengthening strategies in alignment with national priorities and UNSDCF.
39. **Deliverable 5** involves the mainstreaming of the four cross-cutting priorities of the strategic plan for 2022–2025 into WFP operations and the adjustment required for successful fundraising for the full scope of the strategic plan as follows:
- *environmental sustainability*: the establishment of an environmental and social safeguards staffing structure to support all regions in embedding environmental and social safeguards in WFP programmes with a view to identifying, avoiding, mitigating and minimizing potential adverse environmental and social impacts of CSP implementation;
 - *gender equality and women's empowerment*: the revamping of programme tools and performance management and accountability mechanisms, including the piloting of new outcome-level global indicators, the revision of the gender transformation programme in line with the new strategic plan and gender policy and the provision of training aimed at ensuring that WFP's gender equality and women's empowerment ambitions are fully achieved;
 - *protection and accountability to affected populations*: the development of community feedback mechanisms that are interoperable, integrated and fit for purpose for emergency preparedness and response, based on three pillars – digital solutions; standards, analytics and actioning; and deployment capabilities and partnerships;

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- *nutrition integration*: the upgrading of WFP's systems for strengthening nutrition integration and tracking the progress of nutrition outcomes across the organization, including by improving the planning and tracking of the delivery of specialized nutrition products, fostering the ability of early warning systems to highlight malnutrition risks and ensuring that reporting systems track WFP's progress towards its nutrition targets; and
 - the completion and dissemination of the road map of key recommended changes to WFP's global resource mobilization processes to enable the organization to fully fund its new strategic plan, with an increased focus on resilience and system strengthening themes. Implementation of these changes will need to take into account differences in settings, programmes and opportunities and will require substantial staff capacity to inform and train all stakeholders.
40. **Deliverable 6** focuses on strengthening WFP's evidence generation and evaluation, field monitoring, accountability to affected populations and oversight and support of cooperating partners through:
- the piloting of innovations in knowledge management – including automation to replace manual data entry and the use of artificial intelligence for text-mining – that help WFP to ensure that the right evidence and knowledge are available when needed for evidence-based decision making;
 - a mid-term evaluation of the strategic plan for 2022–2025;
 - the updating and alignment of systems and tools for evidence generation, focusing on the pilot testing of new CRF indicators and the enhancement of standardized systems and tools for data collection based on household surveys (using Codebook and Survey Designer software);
 - the roll-out of SugarCRM software as the global platform for the management and analysis of community feedback mechanism and process monitoring data, thereby enhancing case management and informing programme design, adaptation and corrective measures;
 - the provision of licences to all country offices and the development of an interface to enable interoperability and configuration;
 - funding for the end-to-end digitalization of cooperating partner management processes in 2023; and
 - guidance and support to address the capacity strengthening needs of cooperating partners at the local level, ensuring proper onboarding of local organizations and their adherence to WFP policies.

TABLE A.V.5: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING STAFFING REQUIREMENTS				
Unit	Staff costs (USD million)	Non-staff costs* (USD million)	Total (USD million)	Positions (FTE)**
Management Department	1.6	4.1	5.7	12.3
Programme and Policy Development Department	2.3	6.1	8.4	21.2
Partnerships and Advocacy Department	0.4	0.7	1.1	4.0
Divisions reporting to the Executive Director	-	0.5	0.5	-
Total	4.3	11.4	15.7	37.5

* Non-staff costs include, but are not limited to, the costs of consultants, national staff, temporary assistance, licences, training and change management.

** Positions include the FTE number of staff members and non-staff personnel such as consultants and take into account internal temporary duty assignments from regional bureaux and country offices.

TABLE A.V.6: KEY PERFORMANCE INDICATORS BY DELIVERABLE*	
Key performance indicator	Target by end of 2023
Deliverable 1: Financial and donor reports, beneficiary counting systems and platform realignment (USD 1.4 million)	
<i>Expected outcome: Realignment of financial, donor and corporate reporting, beneficiary counting systems and platforms</i>	
Percentage of systems and platforms realigned with the new strategic plan and CRF	100
Score in the International Aid Transparency Initiative aid transparency index (QCPR) (<i>management result 4</i>)	100
Percentage of CSP development outlines that are aligned with UNSDCF (<i>management result 3</i>)	100 (as appropriate)
Number of countries where WFP uses/contributes to UN INFO (<i>management result 6</i>)	100 (as appropriate)
Percentage of country offices trained and able to report on cross-cutting priorities	75
Deliverable 2: Fully aligned planning, budgeting and reporting against the new strategic plan and CRF for all country offices (USD 1.4 million)	
<i>Expected outcome: Full alignment of planning, budgeting and reporting with the new strategic plan and CRF at all country offices</i>	
Percentage of CSP logical frameworks and country portfolio budgets aligned with the new strategic plan, CRF and line of sight	100
CSP data portal and country operation management plan (COMP) fully aligned with the new CRF and available to Board members	Fully achieved

TABLE A.V.6: KEY PERFORMANCE INDICATORS BY DELIVERABLE*	
Key performance indicator	Target by end of 2023
Deliverable 3: Optimization of field budget processes to enhance resources-to-results reporting (USD 2.7 million)	
<i>Expected outcome: Optimization of field budget processes resulting in enhanced resources-to-results reporting</i>	
Percentage of country offices with resources-to-results reporting (including cost per beneficiary)	100*
Percentage of country offices adopting new budgeting tools	100
Percentage of country offices releasing pipeline updates by deadline	80
Deliverable 4: Project support and change management (USD 1.5 million)	
<i>Expected outcome: Effective project management and change management</i>	
Percentage of retrofitted CSPs going live on 1 January 2023	100
Number of country offices supported with tailored country capacity strengthening guidance through field missions	5
Percentage of workstreams phased out	100
Deliverable 5: Mainstreaming of cross-cutting priorities into WFP operations (USD 3.6 million)	
<i>Expected outcome: Cross-cutting priorities mainstreamed into WFP operations</i>	
Percentage of short-term changes from the road map rolled out at headquarters	85
Number of key gender-related initiatives revised	3
Percentage of toolbox for effective use of emergency preparedness and response community feedback mechanisms rolled out	100
Action plan and roll-out for phased system modifications developed	100
Deliverable 6: Strengthening of evidence generation, field monitoring and cooperating partner management (USD 5.1 million)	
<i>Expected outcome: Strengthened evidence generation, field monitoring and cooperating partner management</i>	
Number of knowledge management pilots developed	1–2
Percentage of the mid-term evaluation of the new strategic plan contracted	100
Percentage of new household survey-based CRF indicators integrated into Codebook system	100
Number of countries using SugarCRM for process monitoring	15
Accountability to affected populations and protection learning needs are identified	100

* Additional, more detailed KPIs have been developed for internal tracking.

Multi-year initiative on country office support model optimization and simplification (USD 3.2 million)

Lead division	OED	Proposed 2023 budget: <i>For Board approval:</i>	USD 3.2 million <i>USD 3.2 million</i>
Participating units	Include participating pilot units such as CBT, SCO, TEC; and supporting teams such as CAM, CPP, HRM, INK	CCI lifespan (year 1 of 1)	First year of single year initiative (2023)
Links to WFP CRF management results	<input type="checkbox"/> Effectiveness in emergencies <input type="checkbox"/> People management <input type="checkbox"/> Engage in effective partnerships <input type="checkbox"/> Effective funding for zero hunger <input checked="" type="checkbox"/> Evidence and learning <input type="checkbox"/> Leverage technology <input type="checkbox"/> Leverage innovation		

Overview

41. The overall aim of the country office support model optimization and simplification (COSMOS) CCI is to improve the effectiveness and efficiency of the support provided to country offices by global headquarters so that country offices can focus their efforts on operations and meeting growing beneficiary needs, particularly given the challenging global outlook. The project is based on the premise that country office support includes transactional activities and the provision of standard services, technical expertise, operational capacity such as temporary duty assignments and ad hoc support.
42. It is expected, with senior leadership support, that in 2023 pilots will be launched with the aim to review and test a theoretical model for the most effective organization of WFP's country office support. If the pilots proceed, the technology, CBT and supply chain functions will be the first functions to participate.
43. The new model aims to promote greater efficiency, effectiveness, functional excellence and clarity in country office interactions with support functions. The model examines how the provision of efficient country office support affects both the function concerned and cross-functional interactions. Knowledge management will be facilitated to capture best practices at the function level and to share the findings across WFP.
44. The COSMOS secretariat will collaborate with dedicated cross-functional resources provided by INK for knowledge management, the Workplace Culture Department (WP) for change management, CAM for communications and CPP for the development of key performance indicators to measure impact.

Deliverable	2023 (USD million)
1: Programme governance	1.0
2: Target model validation	0.2
3: Coordination of change management	0.5
4: Extension to additional functions	1.3
5: Plan for organization-wide roll-out	0.2
Total	3.2

Deliverable 1: Programme governance

45. A programme secretariat has been established to provide oversight and coordination at the corporate level and to ensure consistency across the pilots. The secretariat will also be responsible for the following elements of the project:
- *Project management, including coordination and planning:* Coordinate the piloting and eventual implementation of the new operating model.
 - *Governance:* Establish an overall governance structure that provides direction and resolves issues.
 - *Support for functions:* Provide functions with ongoing support for pilot design and implementation (including cross-functional coordination) and reduce unnecessary overlaps and inconsistencies across pilots.
 - *Country office support:* Coordinate interactions and eventual piloting with selected country offices. Ensure that changes are focused on enabling country offices to better respond to operational needs and are implemented in a way that minimizes disruption.
 - *Change management:* Provide a change management and communication framework aimed at ensuring that the initiatives contribute to coherent change rather than operate as independent projects.
 - *Monitoring:* Monitor progress against milestones and measure impact (using KPIs).
 - *Coordination with ongoing initiatives:* Coordinate pilots with ongoing corporate and functional initiatives in order to maintain alignment with, for example, United Nations development system reform, the global payment solution and the transformation project of the Regional Bureau for the Middle East, Northern Africa and Eastern Europe.

Deliverable 2: Target model validation (pilot implementation phase)

46. The new target model is expected to be piloted in 2023 to validate and measure its potential impact. The review and testing of the model for each of the functions concerned (technology, CBTs and supply chain) are led by the relevant division. To validate the proposed model, each function involved will move through a pilot design and implementation stage. Some stages of the validation process have been implemented in 2022.

Deliverable 3: Coordination of change management initiatives

47. The COSMOS secretariat will use the framework developed under deliverable 1 and collaborate with the relevant functions to coordinate change management (WP), communications (CAM), knowledge management (INK) and the tracking of KPIs (CPP).

Deliverable 4: Extension to additional functions

48. If deliverables 2 and 3 are successful, the project will be rolled out to additional functions. CAM has already been identified for the next piloting phase. Each function will be required to develop global functional team(s), including a detailed baseline, mapping of key processes and accountabilities and an analysis of country office needs for support.

Deliverable 5: Plan for organization-wide roll-out (from 2024 onwards)

49. The pilots will generate early impacts for the divisions concerned and the momentum of change throughout WFP. They will inform WFP's understanding of the model's potential and the feasibility of further roll-out in the future. If – based on the results of the initial pilots – the leadership group approves the organization-wide roll-out of the new operating model, a detailed implementation plan will be developed to guide adoption by all functions; the plan

would identify the tools, resources and required organizational change initiatives such as updates of policies and frameworks.

50. The budget for 2024 onwards (if required) will be defined in 2023 once the scope of the changes entailed, the implementation approach and the required level of corporate coordination become clear.

TABLE A.V.8: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING STAFFING REQUIREMENTS				
Department	Staff costs (USD million)	Non-staff costs* (USD million)	Total (USD million)	Positions (FTE)**
Operations Management Department	2.6	0.6	3.2	15.1
Total	2.6	0.6	3.2	15.1

* Non-staff costs include, but are not limited to, the costs of consultants, national staff, temporary assistance, licences, training and change management.

** Positions include the FTE number of staff members and non-staff personnel such as consultants and take into account internal temporary duty assignments from regional bureaux and country offices.

Implementation plan

51. The implementation of COSMOS will follow a phased approach, with decision points after each phase so that the impacts of changes are understood before subsequent phases commence.
52. In 2023, COSMOS will focus on:
- piloting the model for the technology and CBT functions (which will be designed during 2022);
 - completing the design of the supply chain function model and piloting it; and
 - if piloting is successful, finalizing the design of the new model and preparing for implementation and roll-out.

TABLE A.V.9: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 1: Programme governance (USD 1.0 million)		
<i>Expected outcomes: to facilitate decisions regarding whether to expand the project, the COSMOS secretariat will collate and present pilot findings, incorporating the perspectives of the teams from each function and pilot country offices and the members of the project advisory board and steering committee.</i>		
<i>It will be essential for country offices to participate in the exercise to ensure that the operating model design meets their needs.</i>		
Key performance indicator	Baseline	Target
Pilot findings (including risks and issues) are presented to senior management periodically to enable effective decision making on whether and how to proceed with COSMOS at each decision point	-	Fully achieved
Alignment of proposed COSMOS findings and models with country office needs	-	Model endorsed by country offices

TABLE A.V.9: KEY PERFORMANCE INDICATORS BY DELIVERABLE

TABLE A.V.9: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 2: Target model validation (USD 0.2 million)		
<i>Expected outcomes: Clear recommendations made to the steering committee and senior management on the impact of the target models (their proven ability to improve the speed and quality of support provided to country offices).</i>		
Key performance indicator	Baseline	Target
Validation of target model for three functions through piloting	-	Fully achieved
Presentation of outcomes to senior management for decisions on whether to continue planning organization-wide roll-out		Fully achieved
Deliverable 3: Coordination of change management initiatives (USD 0.5 million)		
<i>Expected outcomes: Change management and communications: guidance and communications on the pilot phase and a subsequent implementation phase developed and disseminated; best practices and recommended approaches readily available</i>		
Key performance indicator	Baseline	Target
Phased (piloting and roll-out) change management and communication approach developed	-	Fully achieved
Knowledge management framework developed	-	Fully achieved
Monitoring and evaluation framework developed	-	Fully achieved
Deliverable 4: Extension to additional functions (USD 1.3 million)		
<i>Expected outcomes: Target model design incorporates learning from the pilots and is approved as the model for roll-out</i>		
Key performance indicator	Baseline	Target
Expansion and completion of the target design based on the lessons learned from initial pilots	-	Fully achieved
Presentation of outcomes to senior management for decisions on continuation to organization-wide roll-out	-	Fully achieved
Deliverable 5: Plan for organization-wide roll-out (from 2024 onwards) (USD 0.2 million)		
<i>Expected outcomes: Development and adoption of a detailed implementation plan and change programme to ensure that the roll-out of the new operating model proceeds systematically, smoothly and on schedule throughout WFP</i>		
Key performance indicator	Baseline	Target
Development of project guidelines and knowledge base to support broader roll-out	-	Fully achieved
Development of change management approach and plan of roll-out	-	Plan developed
Presentation of outcomes to senior management for decisions on continuation to organization-wide roll-out	-	Fully achieved

Multi-year initiative on the United Nations Sustainable Development Group efficiency road map (USD 6.6 million)

Lead division	MSD	Proposed 2023 budget: <i>For Board approval:</i>	USD 6.6 million <i>USD 6.6 million</i>
Participating units	INK; FIN	CCI lifespan (year 1 of 2)	Two years (2023–2024)
Links to WFP CRF management results	<input type="checkbox"/> Effectiveness in emergencies <input type="checkbox"/> People management <input checked="" type="checkbox"/> Engage in effective partnerships <input type="checkbox"/> Effective funding for zero hunger <input type="checkbox"/> Evidence and learning <input type="checkbox"/> Leverage technology <input type="checkbox"/> Leverage innovation		

Overview

53. The Business Innovations Group is continuing its efforts to deliver on the overarching efficiency targets established by the Secretary-General in 2017 and is committed to achieving the USD 310 million annual savings called for through a variety of inter-agency, agency and bilateral initiatives. The revised efficiency road map for 2022–2024 is in line with the quadrennial comprehensive policy review for 2021–2024 and effectively extends the original timeframe for the implementation of key United Nations development system reform activities by two years, to 2024.
54. The requested CCI funding is sought to enable management to support the Secretary-General's reform initiatives during the extended period. The proposed investment will ensure that WFP has the capacity to prepare for and respond to inter-agency reform efforts, leading where appropriate, and to develop its positions and offerings with regard to the reform. The proposed investment includes activities related to the key targets set by the Secretary-General for the achievement of USD 310 million per year in efficiencies.
55. Although the initiative is led by MSD, it will also involve the participation of FIN and INK as well as close collaboration with HRM, SCO, TEC, the Legal Office, country offices and regional bureaux, especially with regard to global shared services and local shared service centres.
56. Table A.V.10 shows the CCI budget for 2023 by deliverable. It is expected that deliverable 4 will be completed in 2023, but additional funding of approximately USD 5 million will be required in 2024 to complete the first three deliverables.

Deliverable	2023
1: UNSDG activities	2.1
1a. Common premises	0.2
1b. Business operations strategy	0.5
1c. Local shared service centres	0.7
1d. Global shared services (including United Nations Development Coordination Office contribution)	0.7
2: United Nations booking hub	1.8
3: United Nations fleet	1.4
4: Global payment solution (FIN)	1.3
Total	6.6

57. This CCI has four deliverables; three are expected to span two years, while deliverable 4 is expected to be completed in 2023:
- **Deliverable 1**, UNSDG activities, covers the specific areas elaborated in the United Nations development system reform to which WFP has committed to contributing, in some cases taking a leading role. Those activities include moving more offices into United Nations common premises, adopting a business operations strategy and developing local and global shared services.
 - Under **Deliverable 2**, the United Nations booking hub, WFP will deliver further efficiency gains in 2023 and beyond by providing carpooling and ridesharing services for the entire humanitarian community.
 - **Deliverable 3**, United Nations fleet, requires funding to cover the administrative costs of establishing a service for procuring light vehicles and leasing them to United Nations entities on a full cost recovery basis, similar to WFP's Global Vehicle Leasing Programme. The deliverable anticipates piloting, and subsequently normalizing, the service as a standard source of light vehicles.
 - **Deliverable 4**, global payment solution, aims to consolidate WFP's worldwide accounts payable function at a single location with the aim of alleviating the workload of country offices, regional bureaux and headquarters in carrying out routine payments. The project will benefit from the experience of UNICEF and FAO and is expected to strengthen controls and provide significant efficiencies for WFP from 2023.

TABLE A.V.11: BUDGET BY OBJECT OF EXPENDITURE, INCLUDING STAFFING REQUIREMENTS				
Unit	Staff costs (USD million)	Non-staff costs* (USD million)	Total costs (USD million)	Positions (FTE)**
Management Department	2.5	3.4	5.9	25.5
Programme and Policy Development Department	0.4	0.3	0.7	6.0
Total	2.9	3.7	6.6	31.5

* Non-staff costs include, but are not limited to, the costs of consultants, national staff, temporary assistance, licences, training and change management.

** Positions include the FTE number of staff members and non-staff personnel such as consultants and take into account internal temporary duty assignments from regional bureaux and country offices.

Implementation plan

58. The following are key activities and milestones in the implementation of the CCI:
- evaluation of the impact of co-location and possible implementation in additional countries (by the end of 2023);
 - management of country engagement, data validation and support on the UN INFO platform (until end of 2024);
 - position WFP to lead implementation of BOS 2.0 in coordination with the United Nations Development Coordination Office, resulting in efficiency gains and higher quality services including high impact common services (through the fourth quarter of 2024);

- support the United Nations reform efficiency road map in respect of the adoption and operationalization of United Nations local shared service centre structures and drive data reporting efficiencies at the country level (by end of 2024);
- chairing of inter-agency global shared services task team, coordination of development efforts and presentation of global shared services workstream in various forums (through 2023)
- building of country office capacity to operationalize and automation of passenger mobility and carpooling services through the United Nations booking hub (by the end of 2024);
- entry into agreements with at least five other United Nations entities on the use of the United Nations fleet service (by the end of the first quarter of 2023);
- receipt of lease orders and procurement and deployment of vehicles for United Nations fleet services (by the end of 2024);
- implement the roll-out of invoice and payment processing workflows for country offices and regional bureaux using a new client service gateway solution to be carried out from the location of the global payment system (by October 2023); and
- shifting of accounts payable tasks currently performed at headquarters to the global payment solution (by the end of 2023).

TABLE A.V.12: KEY PERFORMANCE INDICATORS BY DELIVERABLE

TABLE A.V.12: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Deliverable 1a: Common premises (USD 0.2 million)		
<i>Expected outcomes: Increased WFP presence in shared facilities and greater knowledge of United Nations development system reform initiatives among country office staff.</i>		
Key performance indicator	Baseline	2023 target
Percentage of WFP country offices sharing common premises with other United Nations entities	48	50
Percentage of WFP country offices receiving requested support	-	100
Percentage of country offices receiving training in United Nations development system reform	50	100
Percentage of country offices that have implemented the International Development Evaluation Association's environmental tool	25	100
Deliverable 1b: Business operations strategy (USD 0.5 million)		
<i>Expected outcomes: Capacity of country offices and regional bureaux strengthened through the augmentation of WFP business operations strategy; WFP positioned as a leading agency in United Nations development system reform workstream 5 with a vision for the global provision of common enabling services.</i>		
Key performance indicator	Baseline	2023target
Number of cost-benefit analyses guidance materials and percentage of tools developed	0 and 0%	1 and 100%
Number of global and regional training events and webinars held	4 regional	1 global 6 regional
Percentage of country offices where greater than or equal to USD 1 million of potential savings have been reviewed through the business operations strategy annual review exercise	50	100

TABLE A.V.12: KEY PERFORMANCE INDICATORS BY DELIVERABLE		
Percentage implementation of common services managed by WFP	30 (as of 4 July 2022)	2023: 50 2024: 90
Deliverable 1c: Local shared service centres (USD 0.7 million) <i>Expected outcomes: Comprehensive memoranda of understanding and service-level agreements entered into; country-level business cases completed.</i>		
Key performance indicator	Baseline	2023 target
Number of countries with the UNSDG efficiency road map rolled out	6 countries	50 countries
Deliverable 1d: Global shared services (USD 0.7 million) <i>Expected outcomes: Greater scale and efficiencies for WFP and partner United Nations entities through scaled up global shared services.</i>		
Key performance indicator	Baseline	2023 target
Number of global shared services scaled up and provided externally to WFP	2	5
Deliverable 2: United Nations booking hub (USD 1.8 million) <i>Expected outcomes: Increased use of carpooling arrangements in the field, driven by strengthened management, support and tools.</i>		
Key performance indicator	Baseline	2023–2024 targets
Number of missions supporting the start-up of carpooling arrangements	4	2023: 25 2024: 33
Number of WFP country offices with carpooling agreements signed	15	2023: 25 2024: 40
Number of self-service features developed for country offices	0	2023: 2 2024: 3
Deliverable 3: United Nations fleet (USD 1.4 million) <i>Expected outcomes: In early phases of the project, client agencies pilot the use of the United Nations fleet service and adopt it as the standard source of light vehicles once the benefits have been demonstrated in country offices. In latter phases, volume growth accelerates.</i>		
Key performance indicator	Baseline	2023–2024 targets
Number of vehicles leased through the United Nations fleet	0	2023: 250 2024: 500
Deliverable 4: Global payment solution (USD 1.3 million) <i>Expected outcomes: Change impact analysis, policies and procedures, a training manual, performance monitoring evaluation reports.</i>		
Key performance indicator	Baseline	2023 target
Number of country offices where the solution has been piloted	1	10
Shift of accounts payable tasks performed from headquarters to the global payment solution	Headquarters	Global payment solution
Percentage of customers expressing satisfaction and processing payments in a timely manner	N/A	80

Acronyms

BUSBE	bottom up strategic budgeting exercise
CBF	Capital Budgeting Facility
CBT	cash-based transfer
CCI	critical corporate initiative
COMET	country office tool for managing effectively
COMP	country operation management plan
COSMOS	Country office support model optimization and simplification
COVID-19	coronavirus disease 2019
CRF	corporate results framework
CSP	country strategic plan
DSC	direct support costs
DSS	Department of Safety and Security
EDMF	Emerging Donor Matching Fund
FAO	Food and Agriculture Organization of the United Nations
FTE	full-time equivalent
GCMF	Global Commodity Management Facility
GSS	global shared services
IFI	international financial institution
IMF	International Monetary Fund
IPC	Integrated Food Security Phase Classification
IPL	internal project lending
IRA	Immediate Response Account
ISC	indirect support costs
IT	information technology
KPI	key performance indicator
NGO	non-governmental organization
PACE	Performance and competency enhancement
PSA	programme support and administrative (budget)
PSAEA	programme support and administrative equalization account
PSEA	protection from sexual exploitation and abuse
SDG	Sustainable Development Goal
SPRING	standard project report intelligent next generation
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDIS	United National Disability Inclusion Strategy
UNHAS	United Nations Humanitarian Air Service
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNSDCF	United Nations sustainable development cooperation framework
UNSDG	United Nations Sustainable Development Group