WFP Management Plan (2024-2026)

2nd Executive Board Informal Consultation

September 2023
Objective of the 2nd Informal Consultation

- Update on Programmatic Figures (Op. Requirements & Implementation Plan)
- Detailed baseline and PSA figures
- Use of reserves and fund balances

Structure of the presentation

Introduction: External and internal factors

Funding context

Programmatic Context: Operational Requirements & Provisional Implementation Plan

Q&A

Programme Support & Business Operations

- Overview
  - PSA
  - Reserves and General Fund

Next steps and Q&A
Management Plan 2024 Proposed Draft EB Decisions

- Level of the **Programme Support and Administrative Budget**
- **Use of Reserves and General Fund**
  - PSA Equalization Account
  - Unearmarked portion of the General Fund
- **Indirect Support Cost rate**
- **IRA Resourcing Target**

**For noting**
- External and internal context
- Funding forecasts
- Programmatic context: (Projected Operational Requirements and Provisional Implementation Plan)
INTRODUCTION,
FUNDING CONTEXT,
PROGRAMMATIC CONTEXT
Key external drivers

**Conflict**
remains the primary driver of hunger

**High food inflation**
limits the access to food of poor households

**Public debt levels**
are alarmingly high.

**Forced displacement**
rose sharply in the past decade and 2022 saw a record yearly increase

**Climate hazards**
continue to be a key driver of food insecurity

**Malnutrition**
persists in many forms across all regions

**Hunger**
remains extremely high

**Humanitarian funding cuts**
make it challenging to serve needs.

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persists in many forms across all regions

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continue to be a key driver of food insecurity

**Hunger**
remains extremely high

**Humanitarian funding cuts**
make it challenging to serve needs.

Key internal factors

**SP and CRF**
Second year of the Strategic Plan 2022-2025 and Corporate Results Framework – all CSPs transitioned

**Funding**
Stretched resources will require WFP to prioritize

**Scaling**
Greater agility needed in scaling needs-based assistance up and down

**Partnerships and Innovation**
Increased emphasis from management on scaling up Partnerships and Innovation

**Prices**
Increases to operational costs due to global inflation

**Trust**
Trust must be renewed in WFP’s ability to reach beneficiaries in greatest need.
Funding levels expected to return to previous trend

- 2023 & and 2024 contributions forecasts are projected at USD 10 billion
- Efforts directed at:
  - Strengthening and diversifying donor base
  - Secure high-value, multi-year partnerships, while exploring new opportunities
  - Procuring agreements signed with national governments, including leveraging IFI resources
  - Building long-term relationships for increased, flexible and regular income from the private sector.
Key programmatic 2024 figures

**Operational Requirements**
- USD 22.7 B
  - 15% increase from MP 2023
- Targeted Beneficiaries
  - 157 M
  - 5% increase from MP 2023

**Contribution Forecast**
- USD 10B

**Provisional Implementation Plan**
- USD 11B
  - 48% of operational requirements
- Planned Beneficiaries
  - 120 M
  - 76% of operational requirements beneficiaries
2024 Operational Requirements vs. Provisional Implementation Plan

By Focus Area
- Root Causes: Resilience Building (20%), Crisis Response (17%), Service Delivery (77%), CBT and Commodity Voucher (40%), Food (33%), Service Delivery (53%), Food (48%), Resilience Building (80%), Crisis Response (17%).

By Transfer Modality
- Service Delivery: Resilience Building (20%), Crisis Response (17%), Service Delivery (77%), CBT and Commodity Voucher (40%), Food (33%), Service Delivery (53%), Food (48%), Resilience Building (80%), Crisis Response (17%).

By Strategic Outcome
- SO1: SO4 (3%), SO5 (72%), SO3 (6%), SO2 (12%)
- SO2: SO4 (3%), SO5 (72%), SO3 (6%), SO1 (11%)
- SO3: SO4 (9%), SO5 (72%), SO3 (6%), SO1 (3%)
- SO4: SO5 (72%), SO3 (6%), SO1 (3%)
- SO5: SO4 (3%), SO3 (6%), SO1 (3%)
PROGRAMME SUPPORT AND BUSINESS OPERATIONS
Status of BUSBE

Results

- **Transparency and Full Visibility** of the budget
- **Technical Budgeting** (linking budget to corporate priorities, management results and risk areas)
- **Robust Budget Governance**

Ongoing Activities

- **Review of the Cost Recovery**
- **Enhancing Tools**
- **Redesigned Structure to Efficiently support COs**
## Programme Support and Business Operations Budget

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>PSA</td>
<td>CCIs</td>
<td>TF, SA, &amp; Other</td>
<td>Total</td>
<td>Other Services</td>
<td>Direct activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Funding Sources</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2024</strong></td>
<td>568.0</td>
<td>97.9*</td>
<td>145.6</td>
<td>811.4</td>
<td>39.7</td>
<td>131.9</td>
</tr>
<tr>
<td><strong>2023</strong></td>
<td>576.3</td>
<td>58.2</td>
<td>118.1</td>
<td>752.6</td>
<td>55.7</td>
<td>127.4</td>
</tr>
<tr>
<td><strong>Increase</strong></td>
<td>(8.3)</td>
<td>39.7</td>
<td>27.4</td>
<td>58.8</td>
<td>(16.0)</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>(Decrease)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>% change</strong></td>
<td>(1%)</td>
<td>68%</td>
<td>23%</td>
<td>8%</td>
<td>(29%)</td>
<td>4%</td>
</tr>
</tbody>
</table>

* For EB approval, the amount is USD 88.4 million, excluding carry over funds

**Focus of Management Plan**
Corporate Priorities for 2024 Baseline Budget

1. Ensuring duty of care and improving workplace culture (16%)
2. Strengthening emergency response capabilities (18%)
3. Ensuring maximum efficiency and accountability and prioritizing innovation (32%)
4. Building partnerships including with the private sector (19%)
Management Results

1. Effectiveness in Emergencies
   - Budget Share: 17%

2. People Management
   - Budget Share: 14%

3. Engage in Effective Partnerships
   - Budget Share: 21%

4. Effective Funding for Zero Hunger
   - Budget Share: 12%

5. Evidence and Learning
   - Budget Share: 14%

6. Leverage Technology
   - Budget Share: 10%

7. Leverage Innovation
   - Budget Share: 3%

*Remaining 9 percent is associated with activities that do not contribute directly to any management result, which include transactional activities and the majority of central appropriations.
Costed workplans for key risk areas

Monitoring, beneficiary identity management, cooperating partners, CBTs and supply chain

Ensure that people who need WFP’s assistance receive that assistance safely, in full and without interference

People management and workplace culture

Ensure the most sustainable, efficient and effective use of WFP’s resources and the safeguarding of its assets

<table>
<thead>
<tr>
<th>Funding source</th>
<th>PSA</th>
<th>CCIs</th>
<th>TFs &amp; SAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring, beneficiary identity management, cooperating partners, CBTs and supply chain</td>
<td>55%</td>
<td>37%</td>
<td>8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding source</th>
<th>PSA</th>
<th>CCIs</th>
<th>TFs &amp; SAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>People management and workplace culture</td>
<td>58%</td>
<td>36%</td>
<td>5%</td>
</tr>
</tbody>
</table>
## Organizational Changes in 2024 vs. 2023

### Departmental Name Changes

<table>
<thead>
<tr>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Management Department</td>
<td>Chief of Staff (now combined as</td>
</tr>
<tr>
<td></td>
<td>Executive Director and Chief of Staff</td>
</tr>
<tr>
<td></td>
<td>Department)</td>
</tr>
<tr>
<td>Supply Chain, Emergencies and Security</td>
<td>Operations Management Department</td>
</tr>
<tr>
<td>Department</td>
<td></td>
</tr>
</tbody>
</table>

### Divisional Structural Changes

Both **Executive Board Secretariat (EBS) & Operation Management Support office (OMS)** were moved to the new Operations Management Department.

**Security Division (SEC)** moved to Management Department.
2024 PSA BUDGET
2024 Proposed PSA set at ISC Income

- **Approved PSA Budget**
- **Proposed**
- **Actual ISC Income**

**2024 projections (USD)**

<table>
<thead>
<tr>
<th>Contributions</th>
<th>10 B</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISC Income</td>
<td>568 M</td>
</tr>
</tbody>
</table>

**Proposed PSA level** 568 M

Proposed **2024 PSA level of USD 568 million** is a decrease in the PSA Budget **compared with 2023.**

*Excludes adjustments of up to 2% increase of the contributions to be released under ED's authority*
# 2024 PSA Budget by Appropriation Line and Pillar

<table>
<thead>
<tr>
<th>Item</th>
<th>USD million</th>
<th>For EB’s approval</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy and direction</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Strategy and direction</td>
<td>121.3</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Services to operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Business services</td>
<td>193.2</td>
<td></td>
</tr>
<tr>
<td>C. Policy, guidance and quality assurance</td>
<td>102.6</td>
<td></td>
</tr>
<tr>
<td><strong>Governance, independent oversight and fundraising</strong></td>
<td>150.9</td>
<td>✓</td>
</tr>
<tr>
<td>D. Advocacy, partnerships, fundraising and United Nations coordination</td>
<td>105.5</td>
<td></td>
</tr>
<tr>
<td>E. Governance and independent oversight</td>
<td>45.4</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>568.0</td>
<td>✓</td>
</tr>
</tbody>
</table>

WFP's Executive Director to **adjust** the Programme Support and Administrative component of the budget in accordance with a change in the level of **forecasted income** for the year, at a rate **not to exceed 2 percent** of the anticipated change in income 

For EB’s authority
PSA budget changes – 2023 to 2024

**Emphasis on Strengthening Country Offices**

- **24%** increase in Country Office PSA funding
- **11%** increase in Central appropriations
- **1%** RB budget prioritized over HQ
- **6%** HQ departments absorb the burden

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Offices</td>
<td>576.3 M</td>
<td>568.0 M</td>
</tr>
<tr>
<td>Central Appropriations</td>
<td>379.5</td>
<td>356.4</td>
</tr>
<tr>
<td>Regional Bureaux</td>
<td>116.4</td>
<td>115.7</td>
</tr>
<tr>
<td>Headquarters</td>
<td>48.4</td>
<td>60.2</td>
</tr>
</tbody>
</table>

11% increase in Country Office PSA funding

6% increase in Central appropriations

1% RB budget prioritized over HQ

6% HQ departments absorb the burden
PSA budget changes – 2023 to 2024 HQ Detail

USD millions

<table>
<thead>
<tr>
<th>Department</th>
<th>2024</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief of Staff and Executive Director</td>
<td>56.1</td>
<td>57.2</td>
</tr>
<tr>
<td>Management Department</td>
<td>95.2</td>
<td>101.3</td>
</tr>
<tr>
<td>Operations Management Department</td>
<td>53.6</td>
<td>61.6</td>
</tr>
<tr>
<td>Partnership and Advocacy Department</td>
<td>63.8</td>
<td>65.7</td>
</tr>
<tr>
<td>Programme Policy and Development</td>
<td>52.4</td>
<td>56.9</td>
</tr>
<tr>
<td>Workplace Culture</td>
<td>35.3</td>
<td>36.8</td>
</tr>
</tbody>
</table>

Total HQ 2024 PSA USD 356.4 M
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.
Indirect Support Cost Rates

Maintain the standard **ISC rate of 6.5 percent**, and a **4 percent** rate as per General Rule XIII.4 (e) for:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Host government</strong> contributions to their own programmes</td>
<td>2</td>
</tr>
</tbody>
</table>

(Approved at EB.A/2022 and Secretariat requested JIU review of UN rates applied to IFIs)
RESERVES AND GENERAL FUND
## Reserve and General Fund Overview

(USD millions)

<table>
<thead>
<tr>
<th></th>
<th>PSAEA</th>
<th>UGF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected balance 31 Dec 2023</strong></td>
<td>390</td>
<td>330</td>
<td>720</td>
</tr>
<tr>
<td>Projected earnings in 2024</td>
<td>0</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>Prudent balance</td>
<td>(237)</td>
<td>(150)</td>
<td>(387)</td>
</tr>
<tr>
<td><strong>Availability after prudent balance Dec 2024</strong></td>
<td>153</td>
<td>305</td>
<td>458</td>
</tr>
</tbody>
</table>

### Proposed usage

<table>
<thead>
<tr>
<th>Proposed usage</th>
<th>PSAEA</th>
<th>UGF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurposing of the staff wellness fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Treasury Management</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>IRA</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>CCIs</td>
<td>88</td>
<td>88</td>
<td>88</td>
</tr>
<tr>
<td>Human Capital Management</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Country Office safety net</td>
<td>85</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td><strong>Total proposed usage</strong></td>
<td>138</td>
<td>102</td>
<td>240</td>
</tr>
</tbody>
</table>
IRA Transfer and Resourcing Target

For EB’s approval

IRA Transfer

PSAEA **proposed use** of USD 50 million for the Immediate Response Account

IRA resourcing target

Annual **resourcing target** proposal to be kept at USD 400 million, same as 2023
Proposed Critical Corporate Initiatives

For EB’s approval

USD Millions

People
- Investing in WFP people
- Termination indemnity fund

Monitoring
- New – Monitoring, Identity Management and Traceability

Partnerships
- New - Fit for future in a changed funding landscape

Efficiency
- New - Corporate process optimization
- UNSDG efficiency road map
- COSMOS
- SP / CRF implementation

2023 carry-over amount to 2024

Proposed multi-year budget for EB approval
**New Critical Corporate Initiatives**
(Multi-year, 2024-2025)

- **Monitoring, Identity Management, and Traceability**
  - $23.7M

- **Fit for future in a changed funding landscape**
  - $7.9M

- **Corporate Process Optimization**
  - $21.0M

**Priority**
- Efficiency, accountability, and innovation

**Risk Mitigated**
- NGO Mgmt, Identity Mgmt, and Monitoring
- Corporate adaptation to changing donor landscape
- Fragmented data, systems and solutions landscape
**Existing Critical Corporate Initiatives**  
(to be completed in 2024)

- **UNSDG Efficiency Road Map**  
  5.8M

- **COSMOS**  
  3.0M

- **SP /CRF Implementation**  
  12.8M*

- **Termination Indemnity fund**  
  3.8M*

- **Investing in WFP people**  
  32.4M

**Priority**

- Efficiency, accountability, and innovation
- Duty of Care and Improving Workplace Culture

**Risk Mitigated**

- Inter-agency and organizational alignment and coordination
- NGO Mgmt, Identity Mgmt, and Monitoring
- Talent Mgmt and Workforce Planning, and Workplace Culture and Conduct

*Remaining budget covered from 2023 carry-over*
**Proposed use of the General Fund**

USD 15 million for an anticipated Capital Budget Facility repayment to develop a platform used in Country Offices

### Human Capital Management Project

#### The platform

- Operational in 2024
- Improve **people management**, human resources services and data-driven decision-making.
- Significantly **reduce manual transactions** required to process the local staff payroll of country offices

#### Early repayment

- Processing of the local staff payroll is outsourced and **funded through CSPs**.
- Under the current repayment plan starting in 2024, the reduction in the cost of the service will allow for the **repayment**.
- Using the GF instead, will allow COs to benefit from the **reduction of costs**.
Proposed use of the General Fund

USD 85 million proposed to support country offices mitigate the impact of reductions in contribution revenue

Country Office safety net

- Prioritize support to most vulnerable beneficiaries maintaining **high standards of assistance**
- Preserve **operational integrity**
- Meet **norms and assurance standards**
- Maintain **capacity** for **scaling up** to respond to acute crises
- Support country offices to **adjust** to **lower resourcing levels**

Eligibility criteria

- **Context-specific**, considering:
  - **Relevance** for strategic long-term realignment;
  - **Complexity** of the operational environment;
  - **Risks** to operational integrity from a drastic and rapid scale-down; among other

Potential areas of support

- Transition costs for **cooperating partners**
- **Retargeting exercises** to manage reductions in assistance
- Enhanced capacity of **CFM** to **manage feedback** from reduced assistance
- Costs associated with **reduction** of WFP’s **footprint**
NEXT STEPS
## Next Key Dates for the Management Plan Process

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td><strong>May 31</strong></td>
<td>EB informal briefing</td>
</tr>
<tr>
<td><strong>Jul 19</strong></td>
<td>1st informal consultation</td>
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<tr>
<td><strong>Aug 25</strong></td>
<td>MP draft posted on EBS</td>
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<td><strong>Sept 8</strong></td>
<td>2nd informal consultation</td>
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<td><strong>Sept 29</strong></td>
<td>Advisory Committee on Admin. &amp; Budgetary Questions (ACABQ)</td>
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<tr>
<td><strong>Oct 13</strong></td>
<td>MP document posted on EB website</td>
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<tr>
<td><strong>Oct 30</strong></td>
<td>FAO Finance Committee</td>
</tr>
<tr>
<td><strong>Nov 13</strong></td>
<td>Second regular session – MP approval</td>
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</tbody>
</table>