

WFP Executive Board

2013–2015 Management Plan

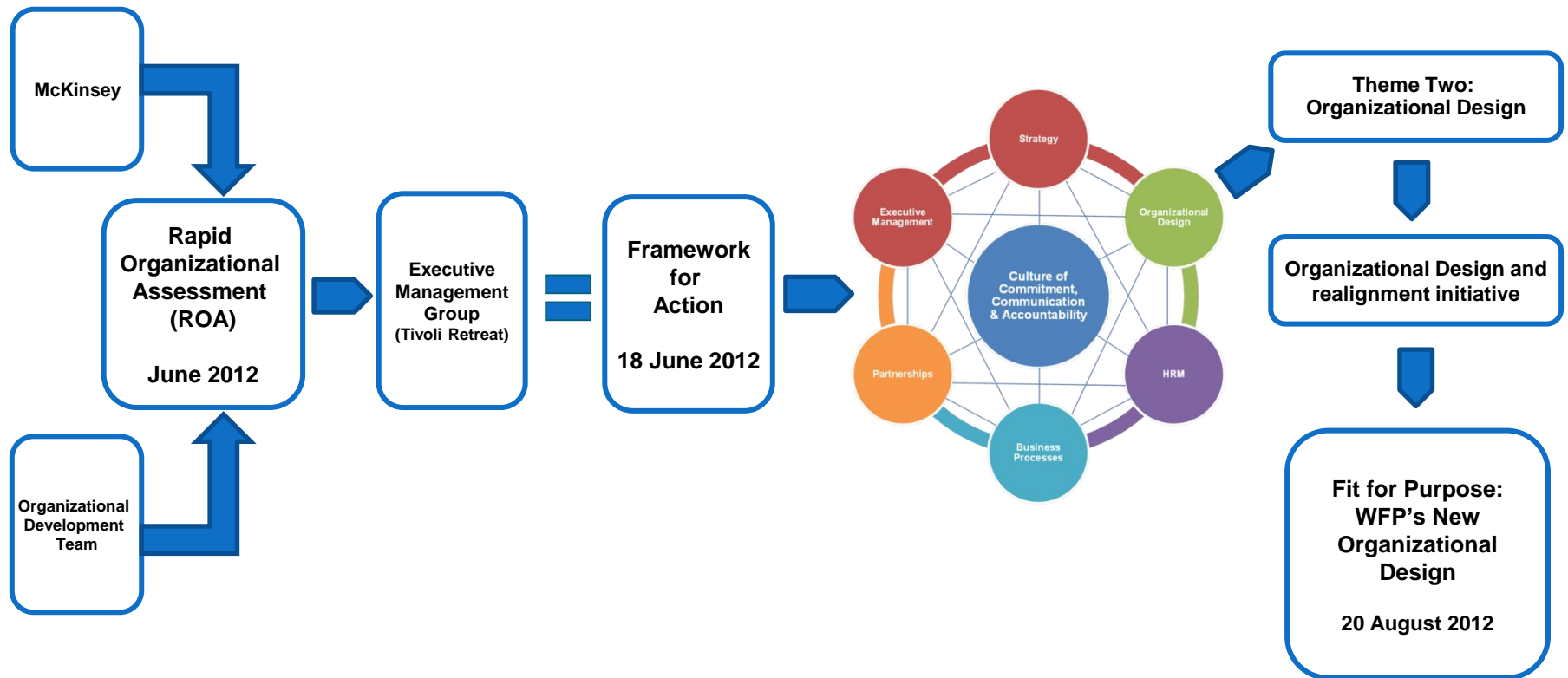
3rd Informal Consultation

Wednesday, 5 September 2012
14:30-16:30



World Food Programme

Development of Fit for Purpose: WFP's New Organizational Design



Key Dates

Objective

Present the 2013—2015 Management Plan during the Second Session of the Executive Board for approval

Previous Informal Consultations	Today's Informal Consultation	Next Steps
<ul style="list-style-type: none">➤ July 6th<ul style="list-style-type: none">➤ Approach to Management Plan➤ Preliminary Operational Requirements➤ July 27th<ul style="list-style-type: none">➤ Organizational Design and Realignment➤ Update on PSA Exercise➤ Overview of Trust Funds and Special Accounts	<ul style="list-style-type: none">➤ September 5th<ul style="list-style-type: none">➤ 2013 Projected Operational Requirements➤ Programme Support and Administrative budget➤ Key Decisions of the Management Plan➤ Responses to specific questions received	<ul style="list-style-type: none">➤ Finalize 2013—2015 Management Plan➤ 4th Informal Consultation (Date TBC)➤ ACABQ/FAO Finance Committee (October/November)➤ Board Approval (November 13th)

Timing of Management Plan

- Financial Regulation 9.2 requires the proposed Management Plan to be circulated 60 days in advance of the last regular session
- To comply with this we had intended to circulate the operational section in advance of today's Informal Consultation
- Instead the full document will be circulated in advance of a 4th Informal Consultation [early October]
- Will ask the Executive Board for an exemption from Financial Regulation 9.2, similar to previous years

Proposed Draft Decision

- ▶ as allowed under Financial Regulation 2.1, **approves** an exemption from Financial Regulation 9.2 which requires that the proposed Management Plan be circulated to members of the Board not later than 60 days before the session.

Today's Agenda

1. Projected Operational Requirements

- 2013 Operational Requirements
- Operational Requirements by Strategic Objective
- Impact of increasing food prices
- 2014-2015 Outlook
- Operational Requirements by Region
- Projected Resourcing and ISC
- Proposed Draft Decisions

2. Programme Support and Administrative (PSA) Budget

- Fit for Purpose: WFP's New Organizational Design
- PSA Review Panel
- Allocation of PSA resources to Field and Headquarters
- 2013 PSA Priorities
- One-time Investments
- PSA Equalization Account
- Proposed Draft Decisions

1. Projected Operational Requirements

2013 Operational Requirements projected at US\$4.97 billion

Updated from July following refinement and confirmation by country offices

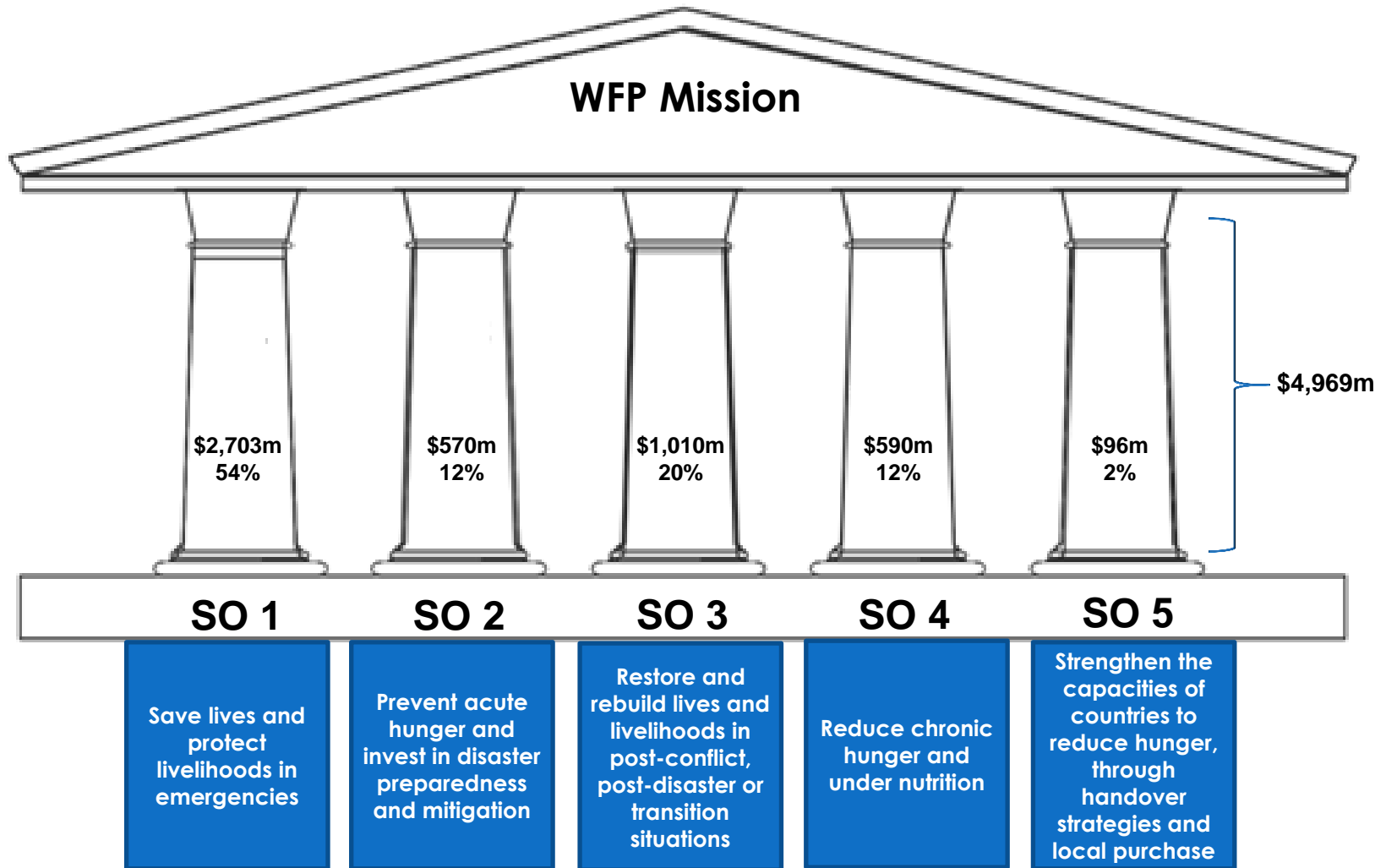
2013 Projected Operational Requirements by Programme Category and Cost Component

Programme Category	Cost Components				Total Plan
	Food & Related	C&V & Related	Capacity Development and Augmentation	DSC	
	<i>US\$ millions</i>				
EMOP	-20 771	-19 165	2	+1 136	-38 1,074
PRRO	+56 2,156	-29 263	-2 21	+4 360	+29 2,800
SOP			224	32	256
DEV/CP	-7 617		+1 56	-1 129	-7 839
Total Projected Operational Requirements	+29 3,544	-48 464	-1 304	+3 657	-17 4,969
Total Programme of Work¹					-18 5,317

¹ The term Programme of Work is used to denote operational requirements plus ISC.

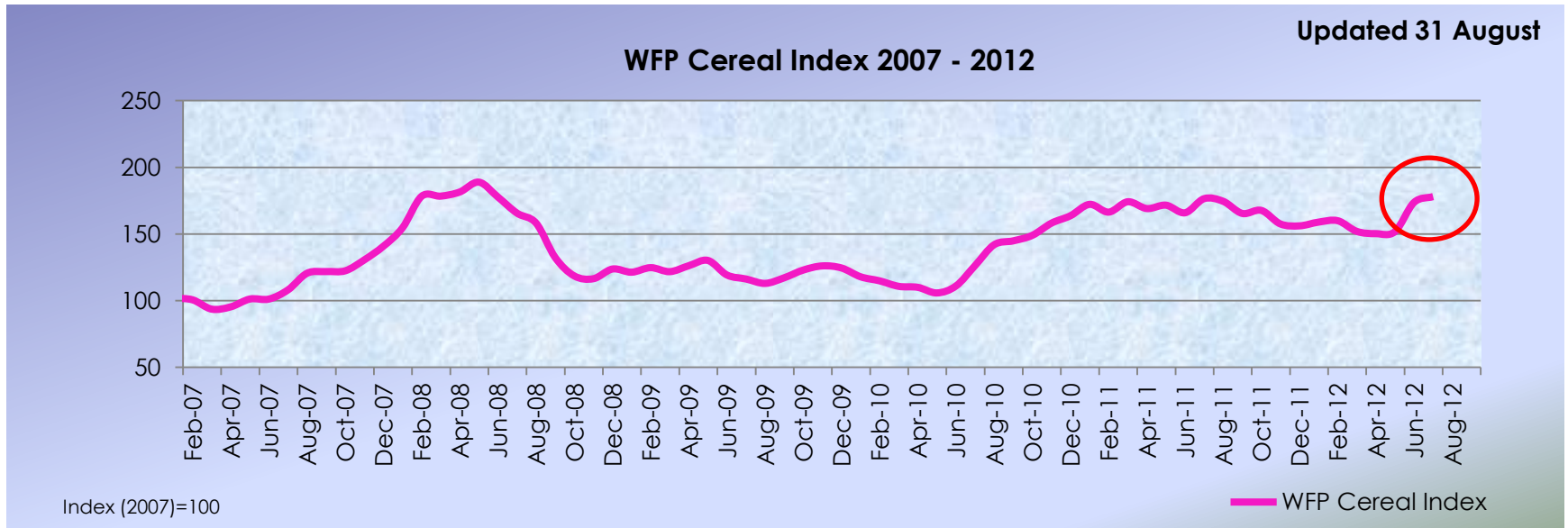
Change in Projections
since July 2012

2013 Projected Operational Requirements by Strategic Objective



Impact of increasing food prices on WFP operational requirements

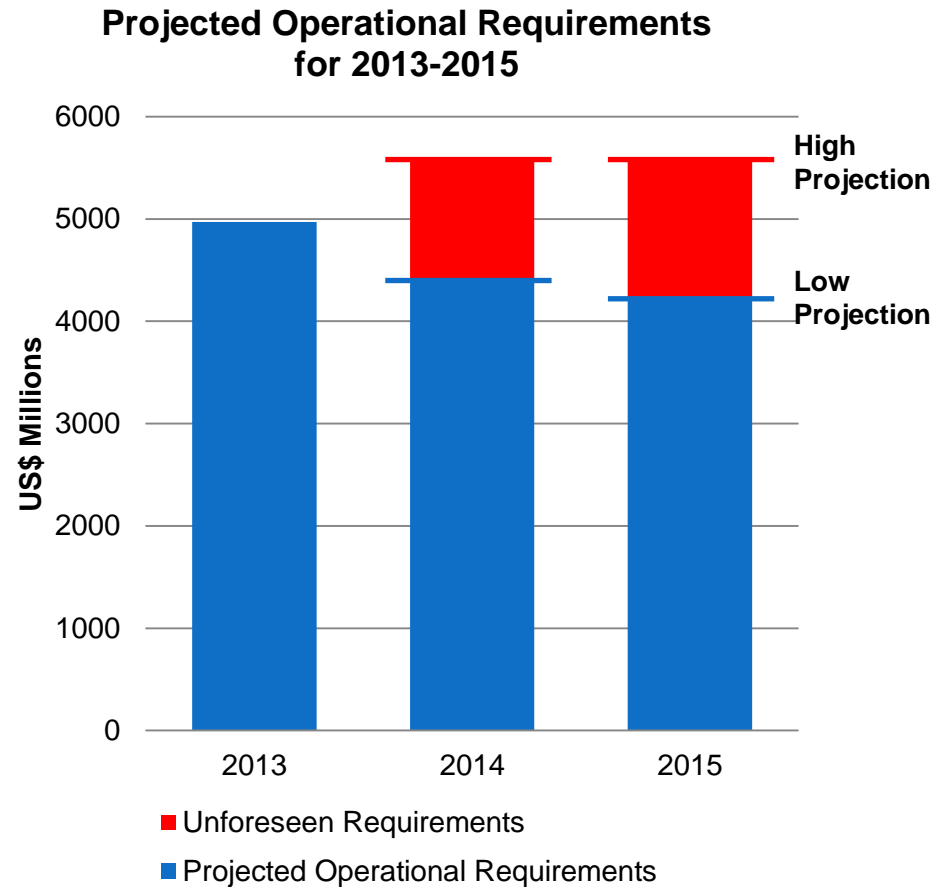
Current index only 11 points below June 2008 peak



- WFP is closely monitoring food prices to identify high risk countries where operations may see an increase in total number of beneficiaries or requirements.
- 2013 projected operational requirements are based on planning assumptions that included an estimate for increases over the full period to end 2013. However, given the latest price changes, commodity costs have reached that level. If prices increase further, a re-costing of WFP's programme of work may be necessary.

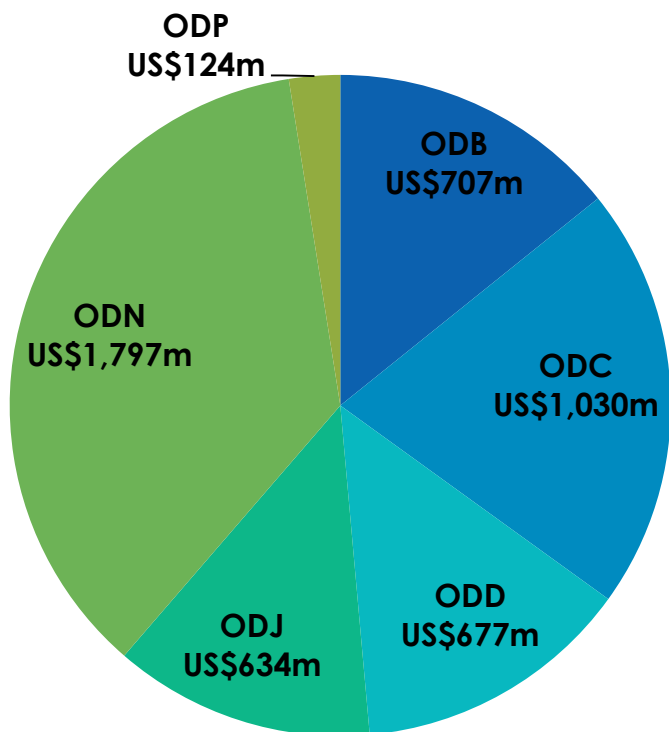
2014-2015 Outlook for Projected Operational Requirements

- 2014 and 2015 presented in two scenarios: a low and high projection.
- The low projection is the best estimate for the current WFP caseload.
- The high projection is a conservative estimate based on the historical trends from the past five biennia.



Where WFP Operates

Projected Operational Requirements by Region

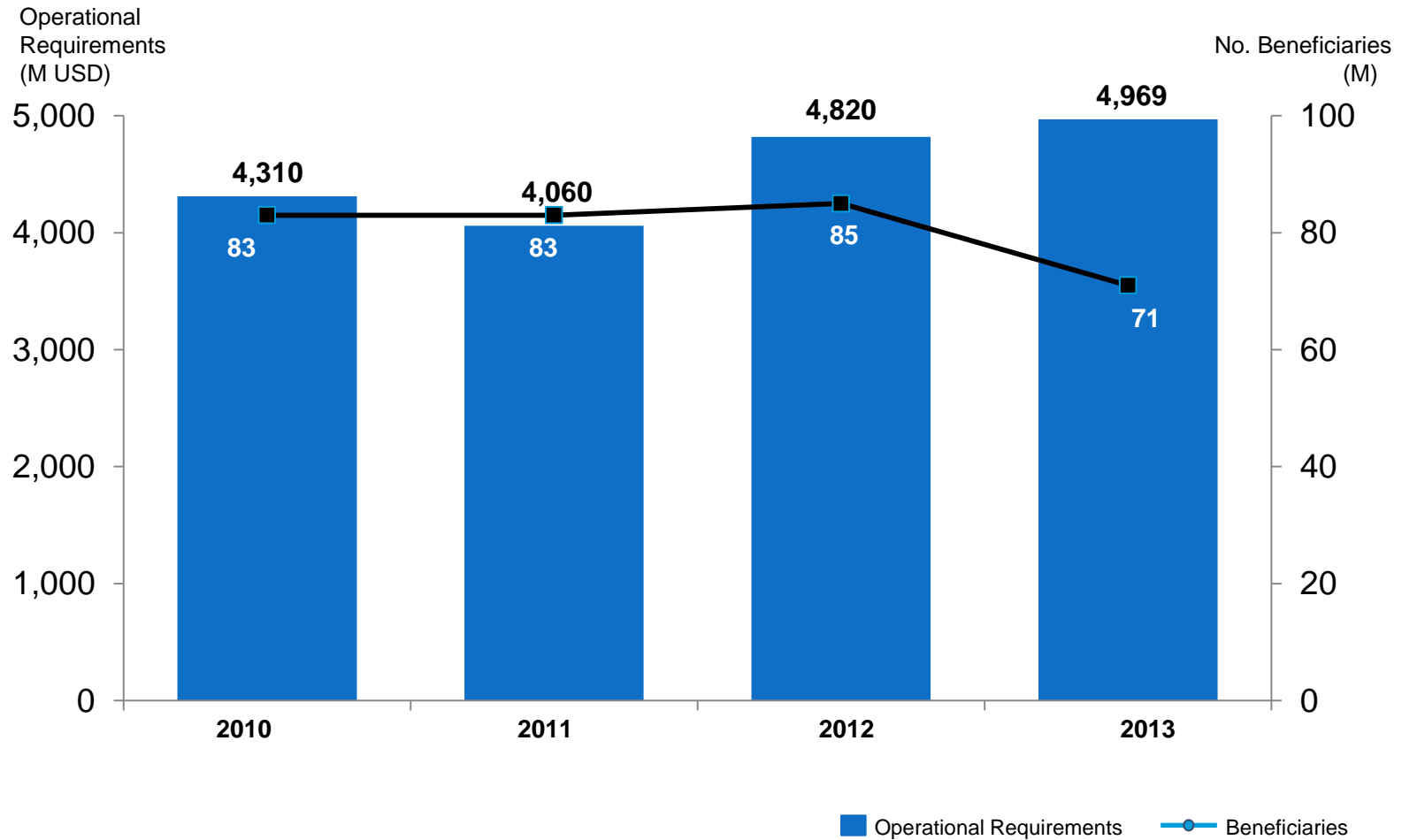


Top 10 Largest Countries

	2013 Projected Operational Requirements	% of Total
	US\$m	
Ethiopia	613	12%
South Sudan	394	8%
Sudan	379	8%
Kenya	307	6%
Somalia	295	6%
Yemen	266	5%
DR Congo	247	5%
Chad	182	4%
Pakistan	180	4%
Niger	160	3%
Total Top 10	3,024	61%
Total Projected Operational Requirements	4,969	100%
Total Programme of Work¹	5,317	

¹ The term Programme of Work is used to denote operational requirements plus ISC.

Management Plan figures 2010 - 2013

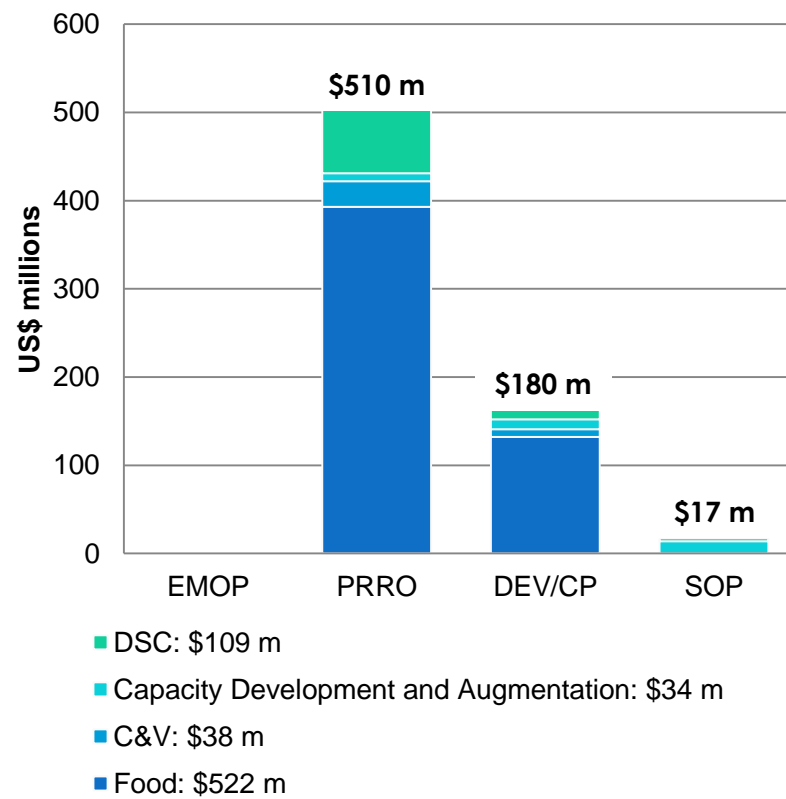


ODB: Asia

Total Operational Requirements	US\$707 million
No. of Beneficiaries	14.4 million
Total Food	0.7 million mt
No. of Operations	22
No. of Country Offices	14

- Decline in requirements in line with region's transition plan and foreseen reduction in emergency requirements
- 10 operations in Country Programmes or development projects
- Anticipated focus on nutrition programming

ODB Requirements by Programme Category and Cost Component

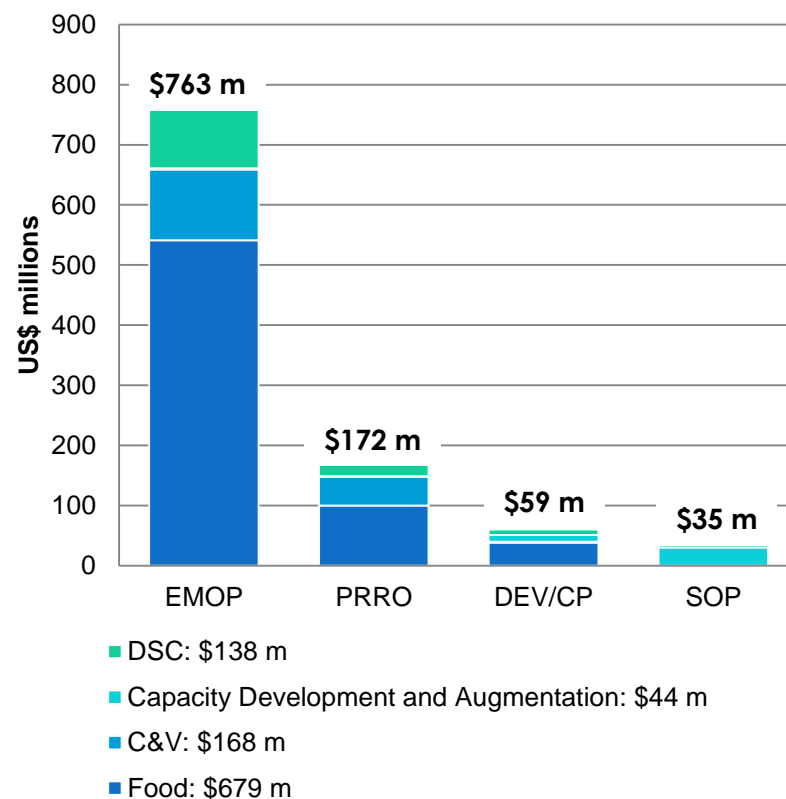


ODC: Middle East, North Africa, Central Asia and Eastern Europe

Total Operational Requirements	US\$1,030 million
No. of Beneficiaries	12.9 million
Total Food	0.8 million mt
No. of Operations	27
No. of Country Offices	17

- Strengthening emergency and disaster preparedness and response to meet the increased level of emergency requirements
- Greater emphasis on capacity transfer, safety net development and expanded cash and voucher interventions
- Introduction of school feeding programmes in Jordan, Kyrgyzstan, Morocco and Tunisia

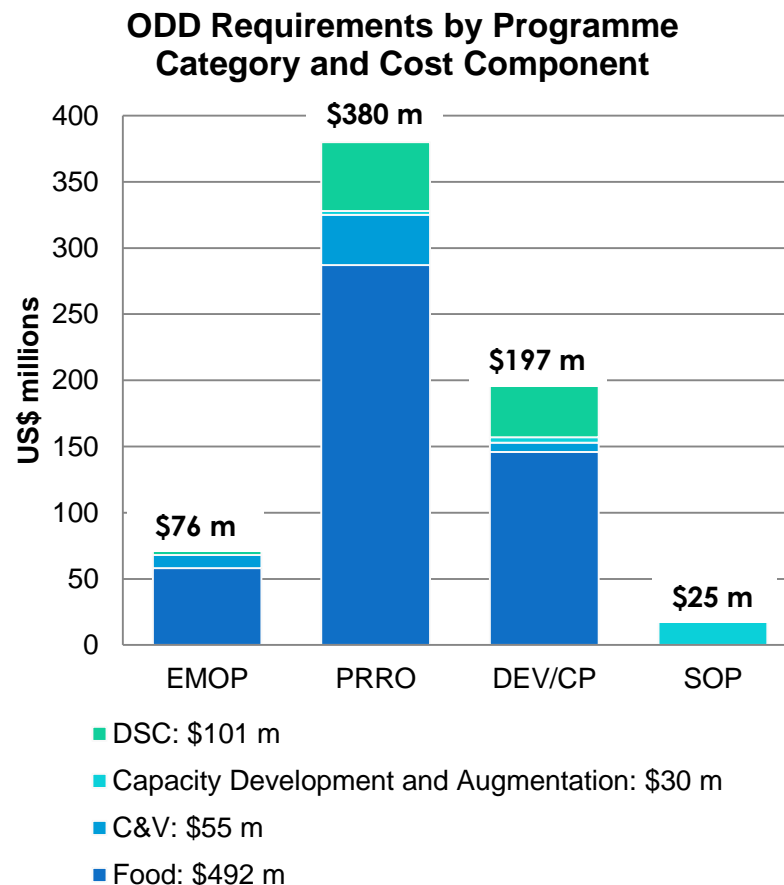
ODC Requirements by Programme Category and Cost Component



ODD: West Africa

Total Operational Requirements	US\$677 million
No. of Beneficiaries	10.5 million
Total Food	0.5 million mt
No. of Operations	35
No. of Country Offices	18

- Prominence of resilience-building activities through Food for Work and Food for Assets
- Increased cash and voucher programming throughout region over planning period
- Scale-up of local procurement, particularly Togo, Benin, Burkina Faso and Nigeria

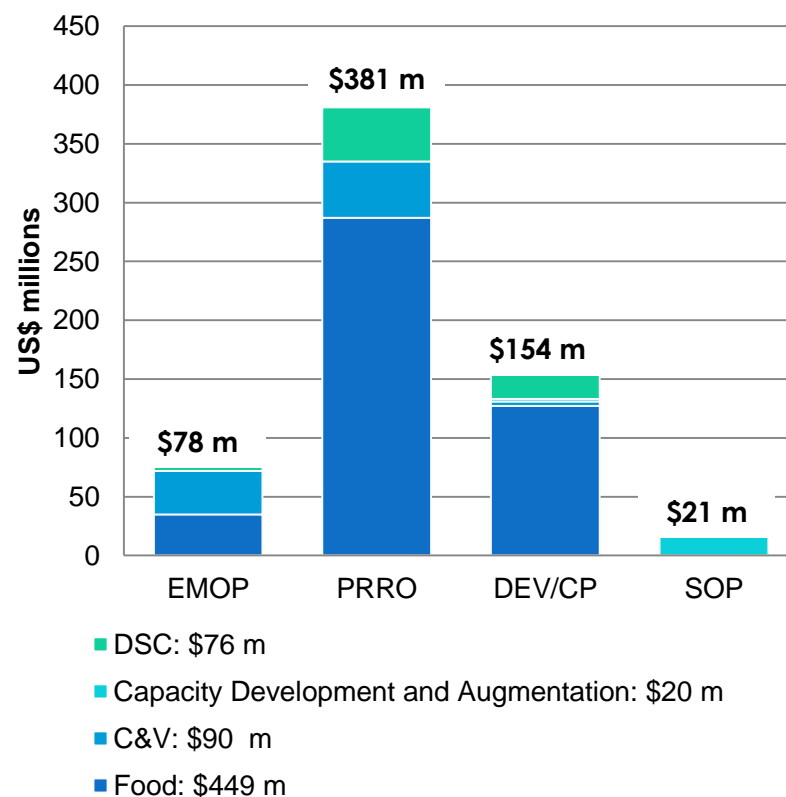


ODJ: Southern Africa

Total Operational Requirements	US\$634 million
No. of Beneficiaries	13.0 million
Total Food	0.5 million mt
No. of Operations	23
No. of Country Offices	13

- Working with partners to coordinate and advance nutritional initiatives
- Accelerate building of a best practice hub for HIV, AIDS and nutrition in the region
- Scale-up of cash and voucher transfers in Zimbabwe, Zambia, Mozambique and introduction in Madagascar

ODJ Requirements by Programme Category and Cost Component

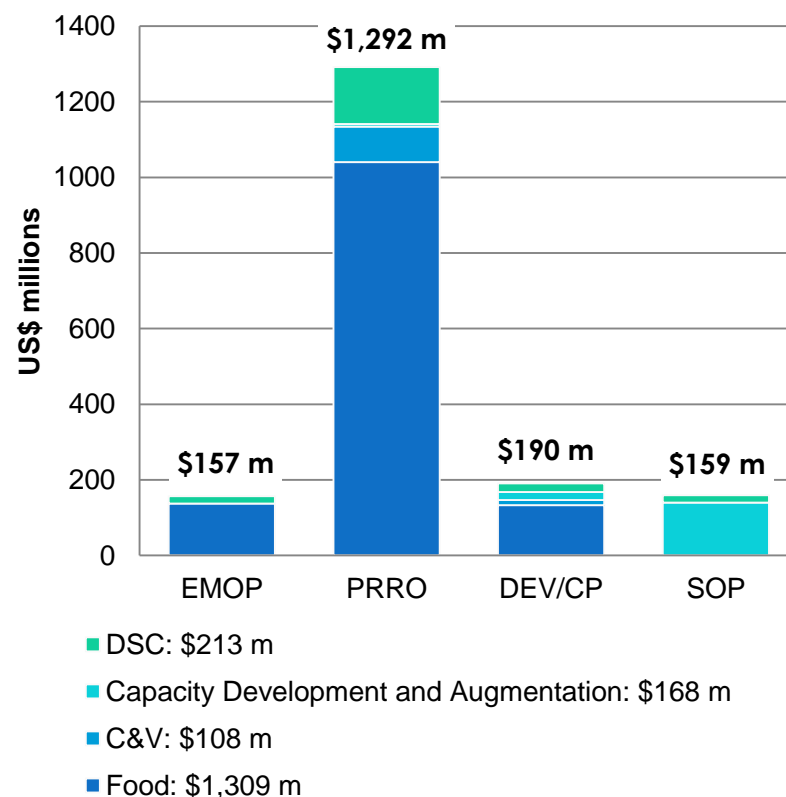


ODN: East and Central Africa

Total Operational Requirements	US\$1,797 million
No. of Beneficiaries	17.1 million
Total Food	1.5 million mt
No. of Operations	28
No. of Country Offices	9

- Enhance resilience of the most vulnerable through community asset creation
- Emphasis on nutritional products and maintaining a steady supply to country offices
- Anticipated scale-up and introduction of cash and voucher transfers to strengthen local markets and diversify food baskets

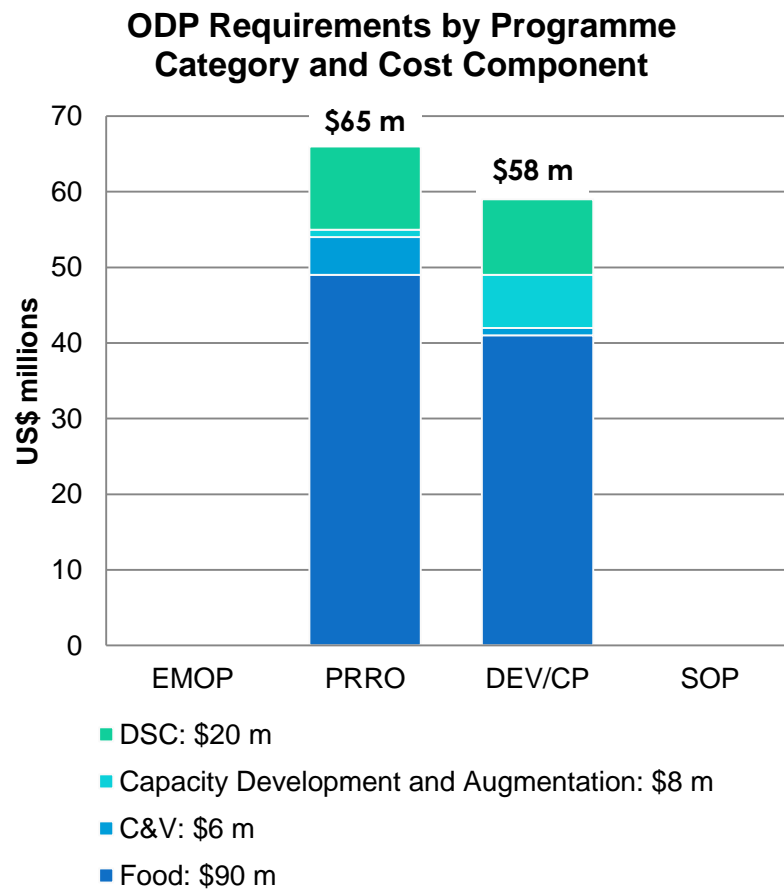
ODN Requirements by Programme Category and Cost Component



ODP: Latin America and the Caribbean

Total Operational Requirements	US\$124 million*
No. of Beneficiaries	2.8 million
Total Food	0.09 million mt
No. of Operations	15
No. of Country Offices	10

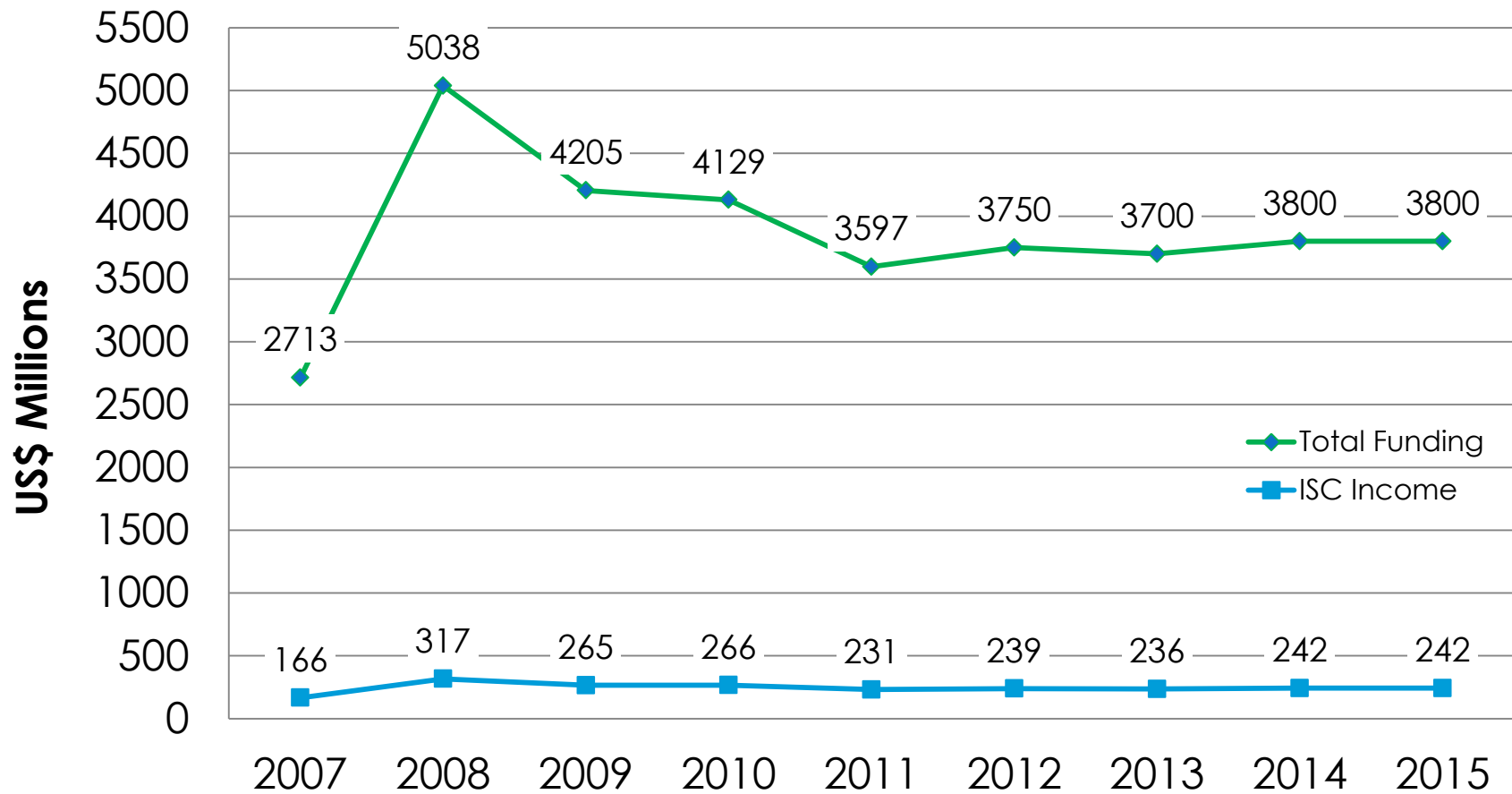
- Anticipated scale down of emergency assistance in Haiti
- Implementation of the five-year P4P pilot initiative in Central America
- Focused strategy for disaster risk reduction and prepositioning stocks in advance of recurrent natural disasters



* Operational requirements exclude US\$66 million in forecasted resources for country-specific trust funds.

Projected Resourcing

Total Funding/ISC Income Trend (2007-2015)



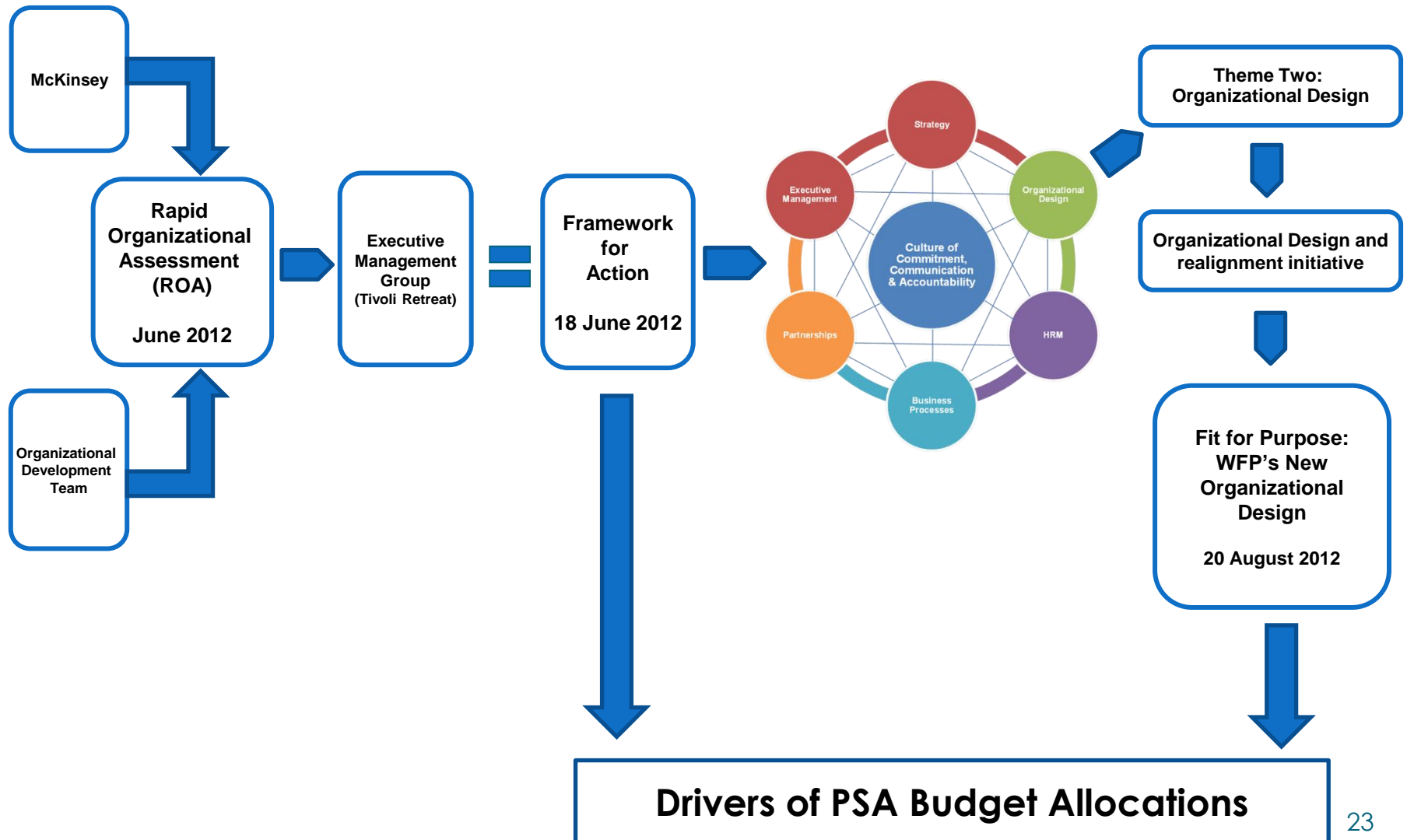
2007-2011 Based on total contribution income as per Financial Statements
2012 Estimated
2013-2015 Forecast

Proposed Draft Decisions

- ▶ **Takes note of** the projected operational requirements of US\$4.97 billion for 2013, excluding any provision for unforeseen emergencies and including direct support costs
- ▶ **Takes note** that the 2013 Programme and Administrative (PSA) appropriation assumes a funding level of US\$3.70 billion in 2013.
- ▶ **Approves** an indirect support cost recovery rate of 7.0 percent for the 2013 year

2. Programme Support and Administrative (PSA) Budget

Development of Fit for Purpose: WFP's New Organizational Design



Management Plan as an implementing document for Fit for Purpose: WFP's New Organizational Design

- Fit for Purpose provides an overview of the principles, decisions and next steps for the implementation of the new organizational design

- Management Plan to request budget approval to support design implementation for 2013
 - Build Country Office and Regional Bureau capacity through allocation of PSA and trust fund resources
 - Light and Lean field-oriented Headquarters
 - Reconfiguration of two Regional Bureaux (ODJ and ODN)
 - Integrated Policy, Programme Innovation Division
 - Priority Areas of Nutrition, Gender, Evaluation, Monitoring and Reporting
 - Transform Human Resources management

Key Actions

Approach to design implementation

- Two-year change process to ensure a comprehensive approach
- 2013 Proposed PSA budget to be the first step in a gradual, but marked, shift in resources, both human and financial, from Rome to the Field
- Implementation will be an iterative process

PSA Review Panel recommendations form the basis of the 2013 PSA budget

Slide from July 27th

2013 Budget Exercise (Stage 3) PSA Review Panel

Objective Facilitate a clear, transparent process for prioritizing WFP's support activities

- A cross-section of WFP management: HQ; Regional Bureaux; and Country Offices
- Presentation of budget submissions by Division Directors
- Reviewed and prioritized activities by Management Results Dimensions (MRDs) to form the basis for PSA allocation decisions
- Final recommendations to the Executive Director will support alignment of PSA and corporate trust funds to the organization design principles and MRDs

Status: Panel Review completed July 25th
Report being finalized for Executive Director's consideration

- Final report and recommendations accepted by the Executive Director
- Division Directors requested to resubmit budgets in line with preliminary budget allocations
- Consolidation of submissions
- Analysis of impact on priority areas

Building capacity in Country Offices and Regional Bureaux, a shift of \$12.5 million from HQ to the Field

	Management Plan 2012	Preliminary 2013 PSA Allocation (TBC)	As % of 2012
	US\$ Millions		
Field			
<i>Country Offices</i>	33.7	40.0	+18%
<i>Regional Bureaux</i>	33.7	40.0	+18%
<i>Field ICT Licences, Out-posted ODI Positions, etc.</i>	7.3	6.9	-5%
Total Field	74.7	86.9	+16%
Headquarters	174.4	162.2	-7%
PSA TOTAL	249.1	249.1	

2013 PSA Priorities:

Build capacity in Country Offices

18 percent increase in PSA resources to empower Country Office as “Centre of Gravity”

- Responsible for programme design, delivery, monitoring and demonstrating results
- Design and implement country programmes and operations
- Assume accountability for the management of food, financial and human resources
- Translate strategy into action

2013 PSA Priorities:

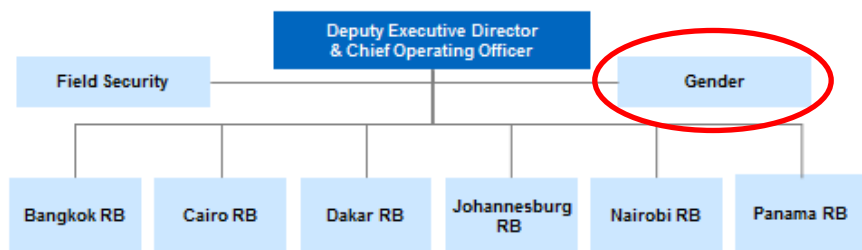
Regional Bureaux as primary platform in decentralized structure

18 percent increase in PSA resources to ensure front line support for the Country Offices

- Enhance management effectiveness, partnerships, operational oversight and strategic coherence
- Support corporate Strategic Plan, provide regional guidance, policy support and direction
- Monitor programme performance
- Provide functional support to maintain technical and operational capacities

2013 PSA Priorities: Gender

Deputy Executive Director & Chief Operating Officer



11

- Stand-alone Gender Unit directly reporting to the DED & COO
- To ensure highest level of attention in operational management
- Increase of 89 percent over 2012 PSA levels
- Increase in capacity to address gender issues in WFP's programmes, services, activities and employees
- High priority for unearmarked corporate trust fund resources

2013 PSA Priorities: Monitoring and Reporting

- 53 percent increase over the 2012 PSA level for the Performance & Accountability Management Division
- Increase represents WFP commitment to implement corporate M&E strategy
- Intended to strengthen capacity across the organization to monitor and report on outcomes and impact and more specifically:
 - Improve availability of quality data at country level for evidenced-based decision-making;
 - Improve measuring performance and learning; and
 - Provide higher quality information for donor reporting

2013 PSA Priorities: Evaluation

- Increase evaluation coverage from PSA
- 9 percent increase over the 2012 PSA level for the Office of Evaluation's Work Programme
- Provide evidence and inputs to new Strategic Plan and Monitoring and Self-Evaluation Strategy
- Introduce direct funding model for project specific evaluations (DSC)

Preliminary estimate for One-Time Investments

- Budget proposal includes an estimate for one-time investments of US\$20 million
- This will be used for:
 - A transition fund to provide flexibility to manage staff changes;
 - A Change Management Package focused on implementation of the Framework for Action; and
 - Other one-off investments

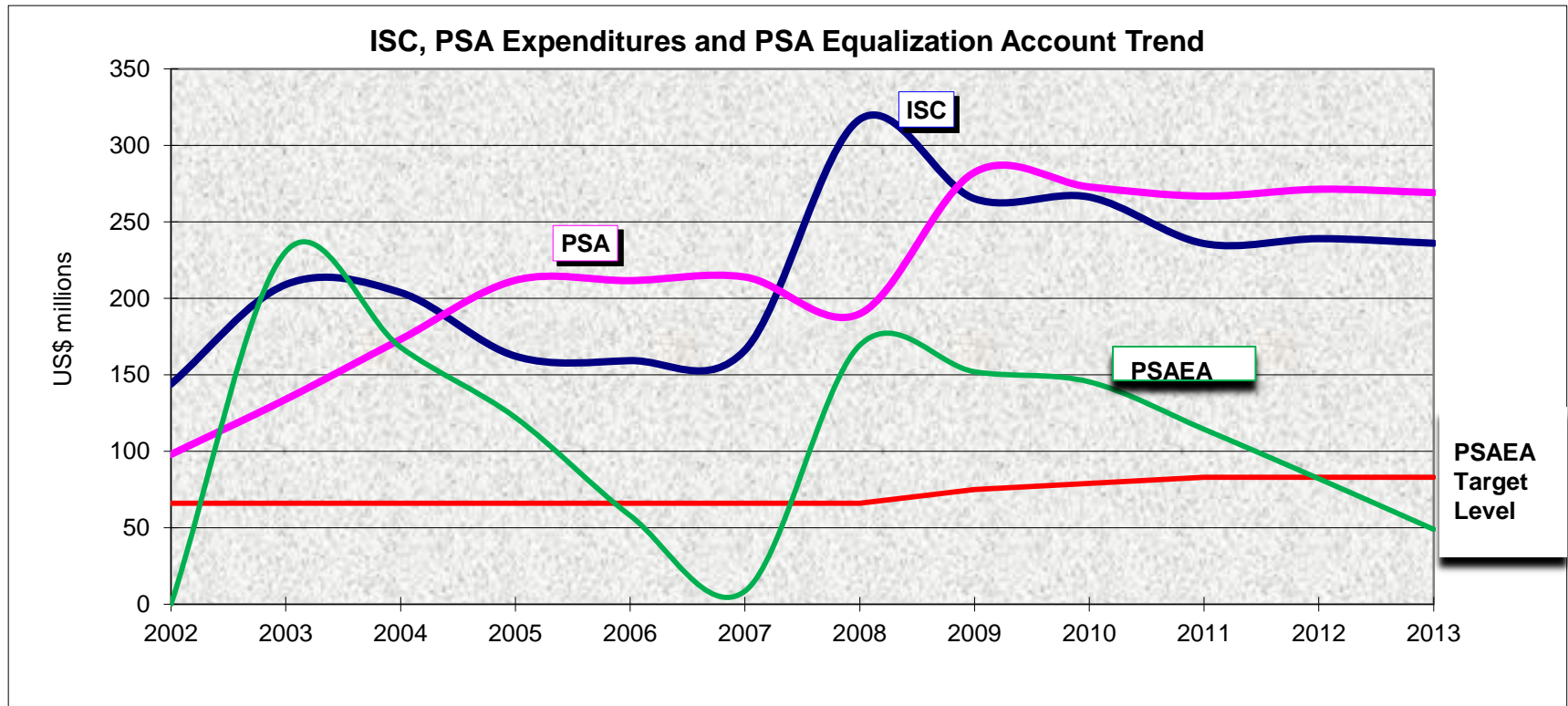
Projected 2013 PSA Equalization Account

	Current Estimate 2012	Projected 2013
	US\$M	US\$M
Opening balance	114.4	82.1
ISC Revenue	239	236
PSA Expenditure	(249.1)	(249.1) ^a
Sub-total	104.3	69.0
One-Time Activities	(22.2)	(20.0) ^b
Forecast Closing Balance	82.1	49.0

a. Subject to approval by Executive Board

b. Estimate for transition, Change management and other one off investments also subject to approval by the Executive Board

PSA Equalization Account trend based on proposed expenditure levels



Proposed Draft Decisions

- ▶ **Approves** a 2013 PSA appropriation of US\$249.1 million
- ▶ **Approves** a one-time supplementary PSA appropriation of US\$20 million

Thank you!