

# Management Plan (2016-18)

WFP/EB.2/2015/5-A/1

Executive Board  
Second Regular Session  
09-12 November 2015



**World Food Programme**

# Agenda

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- 1. Directions of change in the Management Plan (2016–2018)**
- 2. Management Plan (2016-2018) Highlights**
- 3. Draft decisions**

# 1. Directions of change in the Management Plan (2016–2018)

# Management Plan (2016-2018) consolidates WFP's financial plans around a 'value-add' Financial Framework

Resource  
Based



Performance  
Informed

**Tailoring** Prioritized Plan of Work exercise to **funding projections** for each project:

- **Rationalized resource allocation decisions**
- Recognizing **scale and duration of emergency responses**
- Reflecting **variety of food-assistance tools, and donor funding preferences**

Budget requests reviewed through an **anticipated results lens**:

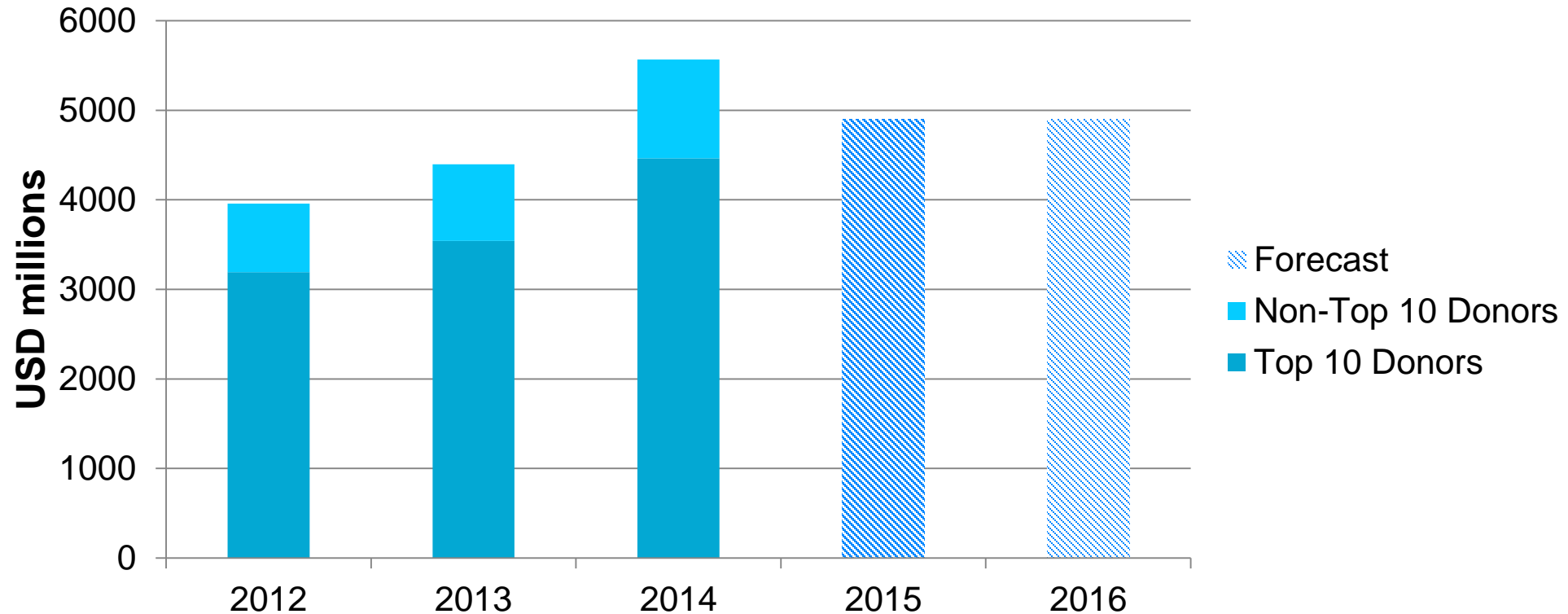
- **PSA budget** and **extra-budgetary** clearly referenced to the MRDs, with performance indicators and expected results

**2016-2018 budgeting process will feed directly into the Annual Performance Report (APR) and future Management Plans (MP)**

## 2. Management Plan (2016-2018) Highlights

# 2016 forecast is the sum of individual project funding projections, based upon trends and donor intelligence

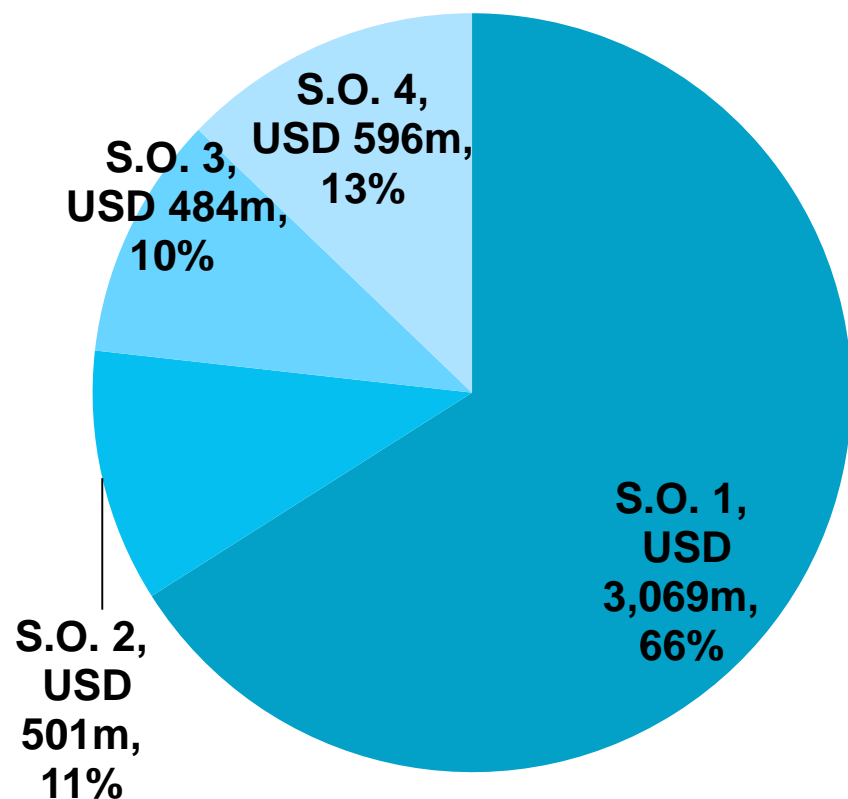
## Recent Revenue Trends (2012-2014) and Forecasts (2015-2016)



**WFP is confident, given the current level of response to ongoing humanitarian crises, that contributions for 2015 will meet, and may even exceed, USD 4.9 billion**

# Life-saving activities form the largest part of the 2016 Provisional Prioritized Plan of Work

## Strategic Objective



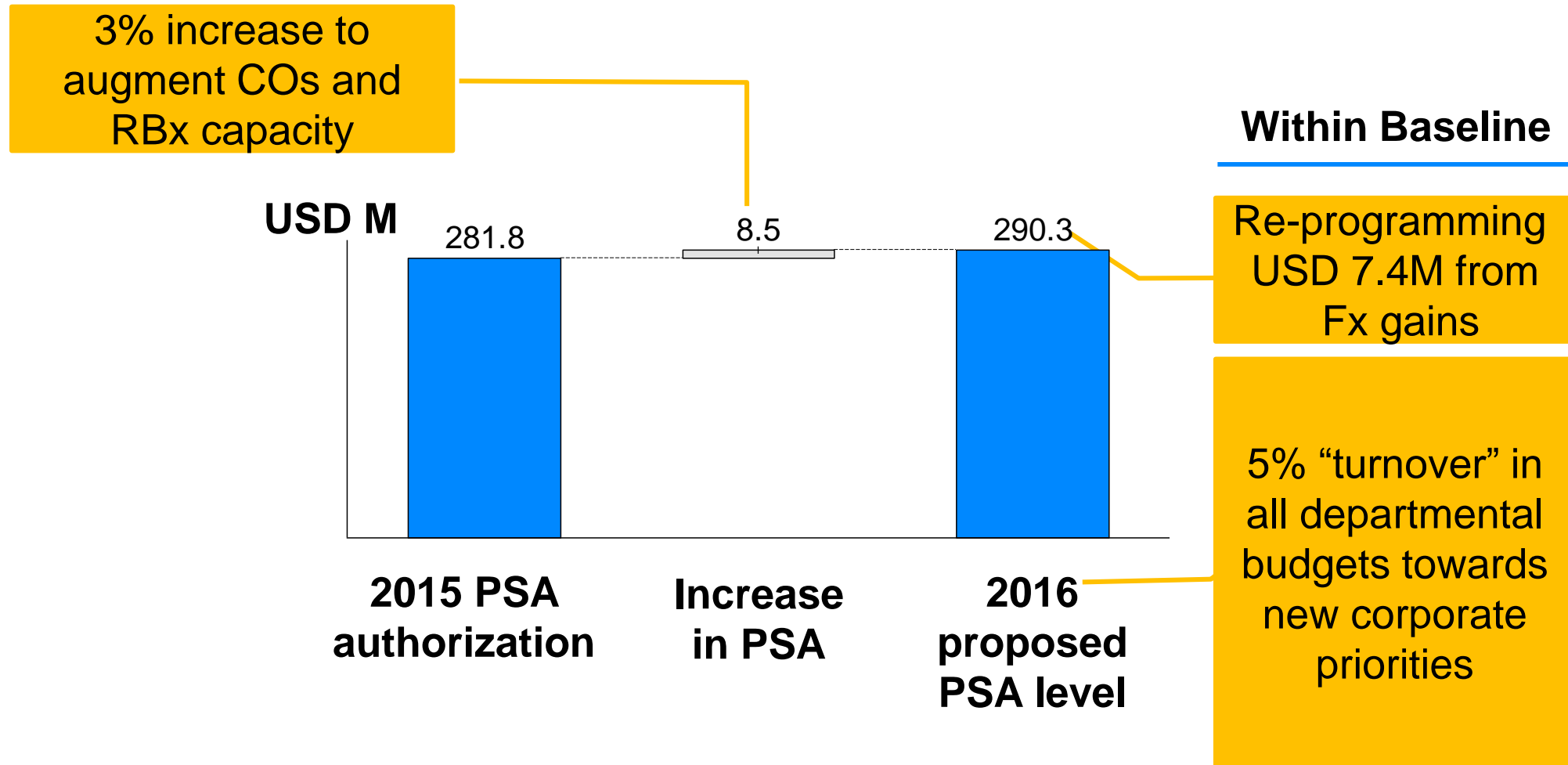
## Rations

Tracking daily rations **better reflects duration as well as the frequency of assistance**

# of Rations	
	Billions
Provisional Prioritized Plan of Work	13.7
Average Weighted Daily Ration Cost	
	USD
Provisional Prioritized Plan of Work	0.33

**31% of direct food assistance beneficiaries were in the Middle East, where L3 emergencies continue in Iraq, the Syrian Arab Republic, and Yemen**

# WFP proposes a restrained 3% increase in PSA, in order to limit growth in baseline





# Secretariat proposes concluding Fit for Purpose with investment of USD 17 million for critical corporate initiatives

Fit for Purpose Focus Areas (USD million)	Approved for 2015	Proposed for 2016
Workforce capabilities and skillsets	2.6	2.9
National Capacity Development	1.0	4.0
Nutrition Capacities		0.5
Strategic Partnerships		0.8
Programme Design processes, platforms and systems (SCOPE, COMET, SPRING)	14.4	5.0
Flexibility in funding and efficient resource usage (FFR work-stream)		2.5
Other Priorities (People strategy, INC)		1.3
<b>Total Critical Corporate Initiatives</b>	<b>18.0</b>	<b>17.0</b>

**2016 CCI proposal is in line with the 2015 Annual Session decision to:**

*allocate USD 18 million to accelerate Fit for Purpose implementation*

*further USD 17 million in 2016 to be considered within the Management Plan*

**Fit for Purpose will conclude in 2016 and a review will evaluate the benefits**

# Cost Excellence initiative was launched in July 2014 with two main areas of work

	Description	Main objectives
<b>Service Centre Feasibility Review</b>	<ul style="list-style-type: none"><li>• Investigate options of <b>transferring selected processes to a service centre</b> (lower cost location)</li><li>• Enhance processes effectiveness and efficiency <b>through re-engineering, outsourcing and consolidating</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Develop service centre proposal with optimized processes:</b><ul style="list-style-type: none"><li>– Pursue <b>process re-engineering, outsourcing and consolidation</b></li><li>– Finalize a <b>comprehensive business case</b> (including detailed <b>location analysis</b>)</li></ul></li></ul>
<b>Global Support Cost analysis</b>	<ul style="list-style-type: none"><li>• Review global <b>non-payroll support costs to identify potential optimization opportunities</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Increase efficiency without reducing quality and service level</b></li></ul>

# Process re-engineering, outsourcing and consolidation: expected benefits and investment allocation

## Expected benefits

**Process enhancements will strengthen WFP and are likely to result in a range of benefits**

- **Reduce process lead-time** by reducing the administrative burden
- **Reduce** the current direct and indirect **costs**
- **Enhance service delivery** and effectiveness and quality of services provided to HQ / Field
- **Increase synergies** and **collaboration with UN sister agencies**
- **Free-up staff time at the field level** for mission-focused activities by consolidating selected processes

## Investment allocation

**USD 3M required** to pursue the process enhancements in 2016 for

- **Specific IT application upgrades, staff support /backfill, implementation team and business case finalization**

### 3. Overview of Draft Decisions

# The Management Plan 2016-18 has been recommended for endorsement

## Highlights:

### FAO Finance Committee

- ✓ **Recommends** that the draft decisions as laid out in the **WFP Management Plan (2016-2018)** **be approved** by the Executive Board

### Advisory Committee on Administrative and Budgetary Questions (ACABQ)

- ✓ The Advisory Committee commends the resource-based budgeting methodology of the WFP's Management Plan (2016-2018) and **recommends approval of the Plan**

# The Management Plan 2016-18 is based upon the provisional plan of work, which is built around detailed funding forecasts

Having considered WFP's Management Plan for 2016-2018, as submitted by the Executive Director in document WFP/EB.2/2015/5-A/1, the Board:

- i. **takes note** that the 2016 Programme Support and Administrative appropriation assumes a funding level of USD 4.9 billion in 2016;
- ii. **takes note of** the projected operational requirements of **USD 8.6 billion** for 2016 and the prioritization proposals to align this with anticipated funding, as outlined in Section III;

## 4.2 Draft Decision III reflects the continuing shift in resources to the field

- iii. **approves** a 2016 Programme Support and Administrative appropriation of **USD 290.3 million**, to be allocated as follows:

Programme support: regional bureaux and country offices	<b>USD 107.4 million</b>
Programme support: Headquarters	<b>USD 50.1 million</b>
Management and administration	<b>USD 132.8 million</b>
<b>Total</b>	<b>USD 290.3 million</b>

## 4.3 Draft Decision IV requests the Board to approve an allocation for critical corporate initiatives to finish Fit for Purpose

- iv. **approves** the allocation of USD 17.0 million for critical corporate initiatives from the PSA Equalization Account, as outlined in Section IV;



## 4.4 Draft Decision V requests the Board to approve an allocation in pursuit of the cost excellence initiative

- v. **approves** the allocation of USD 3.0 million, in 2016, as a critical corporate initiative from the PSA Equalization Account, i) for investment in the re-engineering and realignment of processes to deliver further savings and improve mission focus at the field level and ii) to finalize during 2016 the business case for the proposed global service centre;

## 4.5 Draft Decision VI requests ongoing approval to charge investment management costs to the General Fund

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- vi. approves** use of the General Fund to charge investment management costs up to USD 1 million per annum from interest accrued to the General Fund;

## 4.6 Draft Decision VII requests continuation of the current ISC rate

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**vii. approves** an indirect support cost rate of 7.0 percent for 2016;

## 4.7 Draft Decision VIII requests authority for the Executive Director to adjust the PSA level should the forecasted income level change during the year

- viii. Authorizes** the Executive Director to adjust the PSA component of the budget in accordance with a change in the level of the forecasted income for the year, at a rate not to exceed 2 percent of the anticipated change in income;

## 4.8 Draft Decision IX approves a new ceiling for corporate services advances, in order to complete field-based premises improvements

- ix. **approves** a ceiling of USD 82 million for corporate services advances from 2016 and looks forward to reviewing this regularly as part of future management plans.

Thank you