

Resource and Performance Management in WFP

Induction Session – Executive Board
Rome, 12 January 2015



World Food Programme

Session Objectives and Agenda

- **Overview of Resource Management Department**
 - Strategic CFO
 - Vision
- **Governance and Accountability**
- **Highlights from the approved WFP Management Plan 2015-2017**
- **Performance Management**

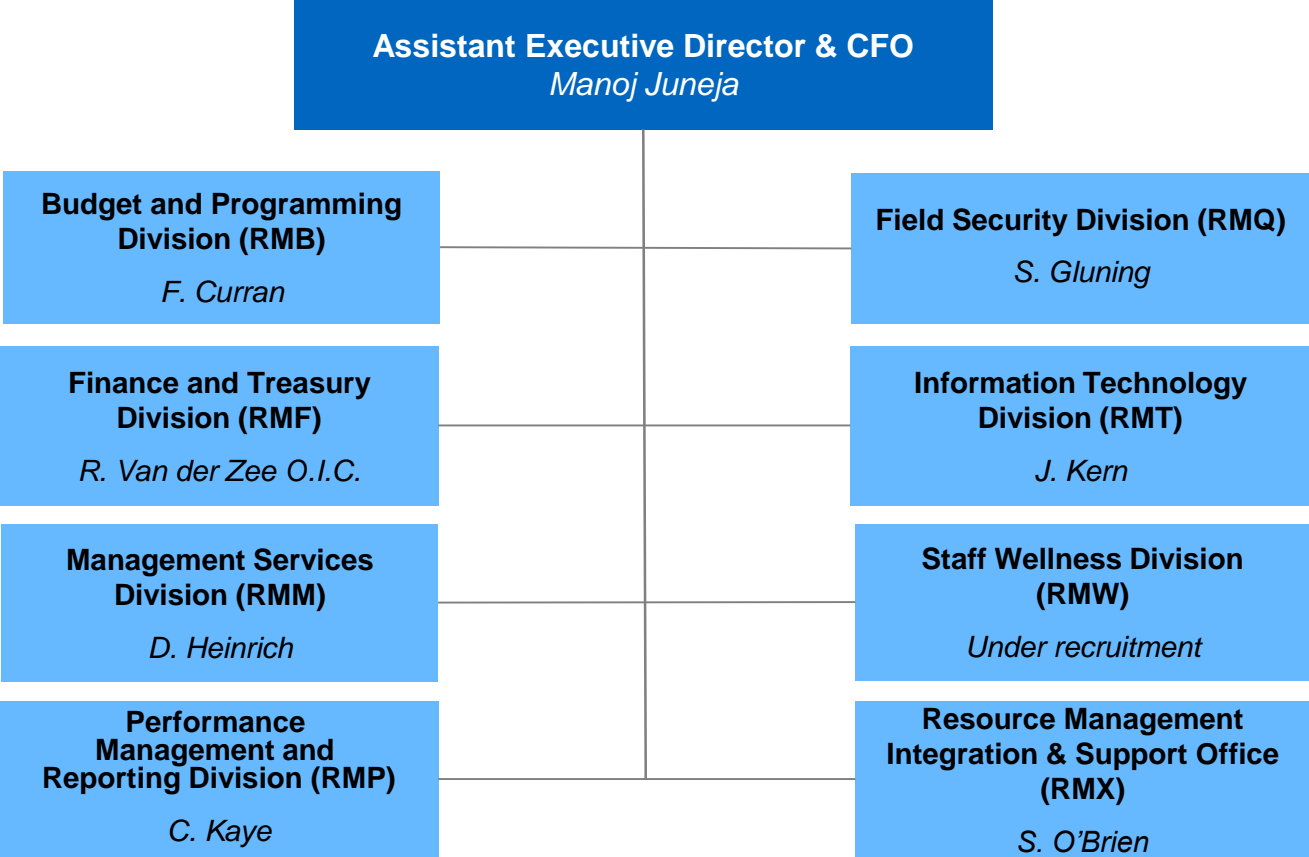
Resource Management Overview

Resource Management Department

Concept of 'Strategic CFO'

- Situated at center of corporate decision making, maintaining dialogue with and challenging all functions in the organization
- Actively provides insight and advice on strategic issues
- Acts as a business partner with other Departments
- Focuses on strategic performance management and risk management organization-wide
- Oversees functions beyond the traditional finance areas
- Client-oriented service delivery

Resource Management Department (RM)



Regional Bureau Advisors and Officers

Country and Sub-national Offices

Resource Management Vision

Vision

Driving value for money and performance management for all WFP's resources to improve beneficiary lives.

Delivering our vision through:

- Driving a culture of informed decision making
- Effectively manage and oversee resources
- Proliferate knowledge and best practices
- Uphold safety, security and well-being
- Maintain dependable systems

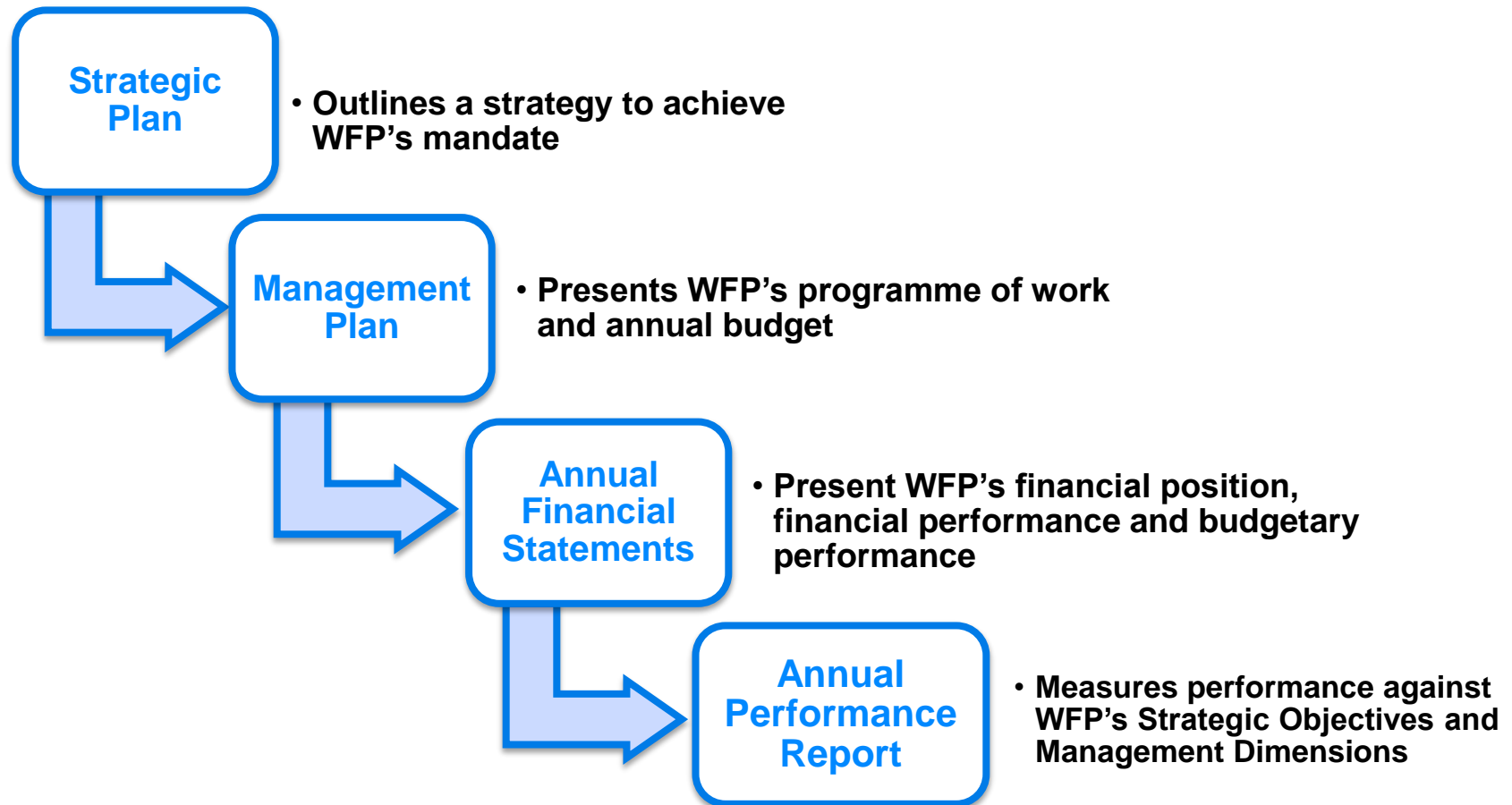
Governance and Accountability Overview

Guiding principles of governance and management

WFP operates in a unique and challenging context.

- Operational uncertainty, difficult working environment
- 100% voluntary funding
- Principle of Full Cost Recovery
- Project based funding model
- Global uncertainty of markets (currencies and commodity prices)
- United Nations and donor regulatory frameworks
- New intervention types (e.g., cash & vouchers)

Key Governance and Accountability Documents



Highlights from the approved WFP Management Plan 2015-2017

Management Plan overview

- **The Executive Director is required, under the General Regulations of WFP, to submit to the Board for approval the WFP budget.**
- **The Management Plan:**
 - Presents estimated resources and expenditures for operations
 - Presents estimated extra budgetary requirements
 - Presents the programme support and administrative (PSA) budget for approval
- The Management Plan 2015-2017 was approved by the Board during the second regular session in November 2014.
- **The Purse:** Guide to the Management Plan 2015-2017

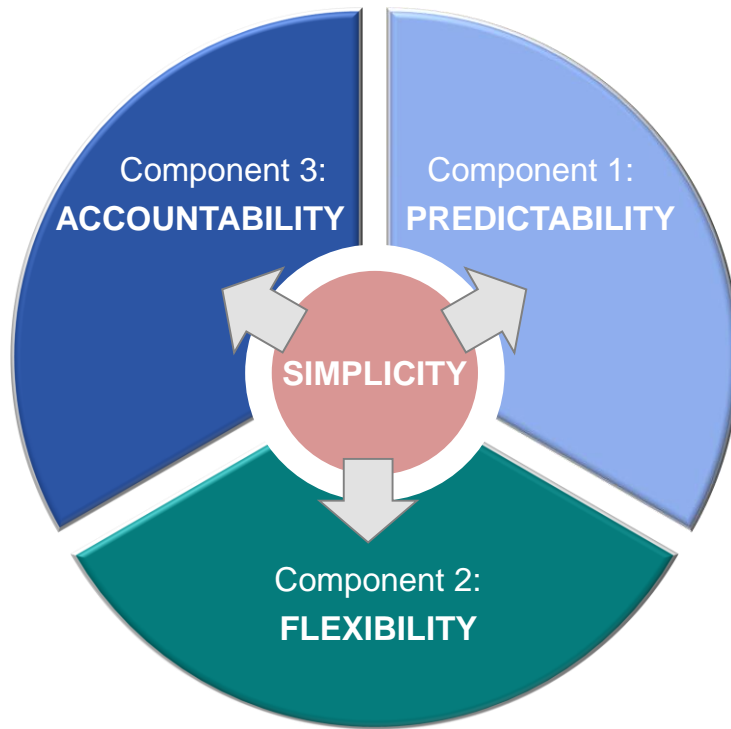
WFP's 2015 Budget – Key extracts from 2015-2017 Management Plan

2015 Budget per Approved Management Plan (USD million)		
Operational Requirements	7,450.0	} Approved by the Executive Board or under the Executive Director's delegated authority. Implementation is subject to funding.
Regular PSA	281.8	} Approved by the Executive Board in the Management Plan.
Non-recurring PSA investments	9.2	
Security funding (from the General Fund)	10.0	
Treasury Management System (from the General Fund)	.7	
Special Accounts and Trust Funds	471.0	} Established by the Executive Director under Financial Regulation 5.1.

Budget and Programming: Project Budget Plans

- **Prepared for all Emergency Operations (EMOP), Protracted Relief and Recovery Operations (PRRO), Development Projects (DEV) and Special Operations (SO).**
- **Provides an estimate of the requirements anticipated to implement activities and achieve a project's objectives and outcomes. Implementation is dependent on funding availability.**
 - Budget plans for EMOPs and PRROs are needs driven
 - Development projects are needs driven but must be implementable with foreseen available resources (General Rule X.8)
- **All projects are approved by the Executive Board or under the authority delegated to the Executive Director. Approval of a budget plan authorizes WFP to raise resources.**
- **Three-year rolling Management Plan [approved during Executive Board's 2nd Session] presents aggregated projected operational requirements of all active projects and foreseen logical extensions.**

Financial Framework Review: High level components and approach

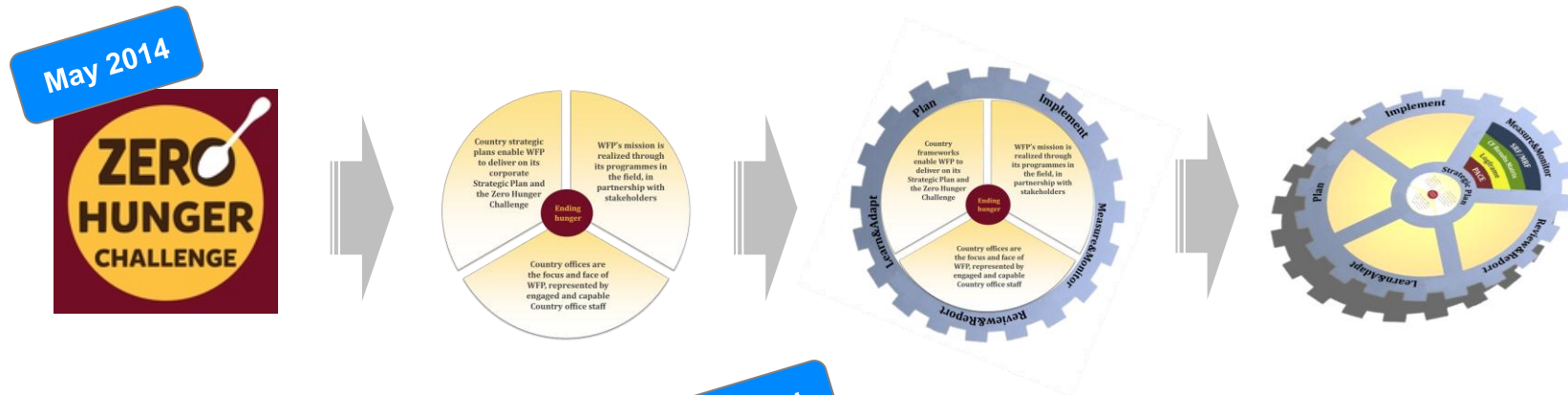


- Tackle aspects of the current financial architecture at all levels
- Engage with all areas of the organization, its governing structures and external stakeholders
- Use the synergies, integration and coordination with other initiatives as one of the main driving forces for the changes
- Follow a multi-year journey, with both immediate and long term benefits and deliverables
- Apply a modular approach to limit overall project risk

These objectives can only be achieved with significant cultural change and through dialogue with the Regional Bureaux, Country Offices and key stakeholders, including donors.

Performance Management Overview

Performance Management in WFP



Sep 2014



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Executive Director's Circular

Date: 9 September 2014
Circular No.: OED2014/014

WFP's Performance Management Policy

Purpose:

Managing performance is everybody's business in WFP. We must work collectively to ensure that every aspect of our work serves the objectives set out in our strategic plan and meets the highest standards of delivery.

Performance Management in WFP



Thank You

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Key Resource Data

Key Resource Data I

- **Contribution revenue**
 - WFP had 2013 contribution revenue of USD 4.4 billion. In 2014, contributions totaled approximately USD 5.49 billion.
 - Forecast funding for the first year of the Management Plan (2015–2017) is USD 4.4 billion.
- **Expenses**
 - 2013 expenses were \$4.5 billion:
 - 16% of this was spent on Salaries, employee benefits and other staff costs
 - Growing proportion for C&V (2010: 1%; 2011: 3%; 2012: 4%; 2013: 11%)
- **Programme Support and Administrative costs (PSA)**
 - 2014 approved PSA was USD 281.8 million
 - 2013 PSA income exceeded the budget
 - Surplus/deficit goes into a PSA Equalisation Account (PSAEA)
 - 2013 year-end balance of PSAEA exceeded 4 months' of PSA expenditure

Key Resource Data II

- **Key Assets held by WFP**
 - Cash and ST Investments:
 - From the donors and for projects which are in the process of implementation
 - 2013 balance exceeded USD1.4 billion.
 - Contributions Receivable:
 - Monies to be received from the donors and for projects which are in the process of implementation
 - 2013 balance exceeded USD 1.9 billion
 - Inventories (Food and NFI):
 - Inventory held by WFP in WFP warehouses around the world; balances held are consistent year to year
 - 2013 balance was approx. USD 700 million