

MANAGEMENT PLAN 2021-23

2nd Informal Consultation

15 September 2020



Corporate Planning & Performance
CPP

Agenda

A. Section-by-section review of the MP document

1. Introduction
2. Funding context & resourcing assumptions
3. Operational requirements for 2021

4. Programme Support & Administrative Budget

5. Management performance measurement
6. Trust Funds and Special Accounts

B. Draft decisions



Extracts of each section were provided to Board members prior to this consultation; a **complete draft** of the Management Plan (2021-23) document will be shared in **October**

A.

SECTION-BY-SECTION REVIEW OF THE MP DOCUMENT



World Food Programme

Section-by-section review of the MP document

1.

INTRODUCTION



Section I: summary of content



Reader's guide & structure of the document

Paras 1-3

Short guide on **how to read** the MP document

Overview of **purpose and content** of each section



Global economic & political context

Paras 4-21

Significant impact of **global pandemic** on operations

Assessment of other **external factors** that may impact WFP's work (economic outlook, political instability, conflict, climate change, etc.)



Organizational context & governance

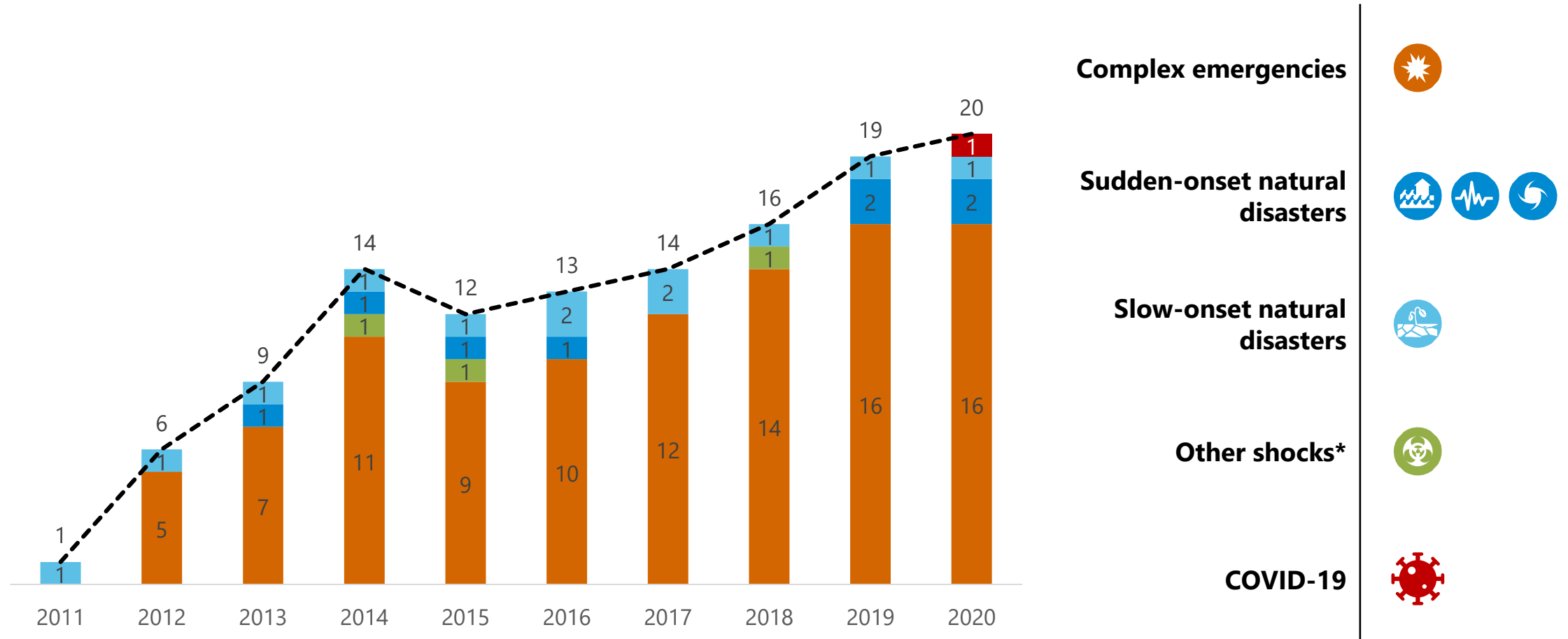
Paras 22-25

New organizational structure at HQs to promote a culture of change

EB approved **delegations of authority** (effective from 1st May 2020)



Evolution in the context of WFP operations, 2011-20



WFP is operating in an environment of **protracted complex emergencies** and **increasing food insecurity**

WFP's operational response in the context of COVID-19

Global Plan



The number of acutely food insecure people could increase to **270 million**



Significant **increase** anticipated in the **number of beneficiaries** WFP plans to reach



A **USD 4.9 billion** funding appeal across **83 operations**



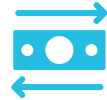
500 staff deployed in support of operations



Implementation



2.65 million mt of food in WFP's global supply chain



Over **USD 1 billion** in cash-based transfers across **64 WFP offices**



50 Governments supported with social protection interventions



Seven million school children reached through take-home rations

Common Services



21,166 passengers from



338 organizations transported to **65 destinations**



Over **58,000 m³** of cargo transported to **167 countries**



Leading role in the **COVID-19 MEDEVAC** System

Update on the Bottom-Up Strategic Budgeting Exercise

*Four workstreams identified to **simplify** and bring **enhanced transparency** to budgeting and funding across WFP*

Workstream	Description	Progress made so far
Technical budgeting	Develop guidance to support mapping of different funding sources to the most appropriate activities; test with 2021 HQ and RB budget submissions; create a framework for 2022 budget submissions	Divisional budgets analyzed; CRF pillars identified as an opportunity to help deliver greater budget standardization and transparency
Budget governance	Assess current governance structures across funding sources; define a future state integrated governance structure	Mapping of budget governance across funding sources ongoing; deep-dive conducted on IT (<i>to support IT per capita funding</i>) and special account governance models
Cost recovery analysis	Catalogue the different cost recovery models currently employed across WFP; make recommendations to support a corporate position on cost recovery	Analysis of the governance and mechanisms for cost recovery conducted across the organization
CO budget analysis	Analyze CO budgets and propose different typologies to determine the appropriate level of PSA funding and costs that could be covered centrally	INK engaged and UNICEF CO funding model being tested for WFP as support for a “core office”; studies by TEC and HR on different CO staffing structure used to inform analysis



The narrative on the BUSBE in the final Management Plan (2021-23) document will be updated to reflect deliverables as they are evolving

Section-by-section review of the MP document

2.

FUNDING CONTEXT AND RESOURCING ASSUMPTIONS



Section II: summary of content

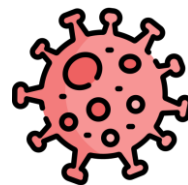


Financial context

Paras 26-31

Overview of **contribution trends**

Growing **operational needs** and managing the **funding gap**



COVID-19 impact on forecasts & resourcing

Paras 32-40

Food security needs soar in many countries, leading to **augmented operational requirements**

Pandemic directly impacts **all donors** and **WFP operations**; fluid contribution trends in the short-medium term; a degree of **uncertainty** on projections



Strengthening and diversifying donor base

Paras 41-65

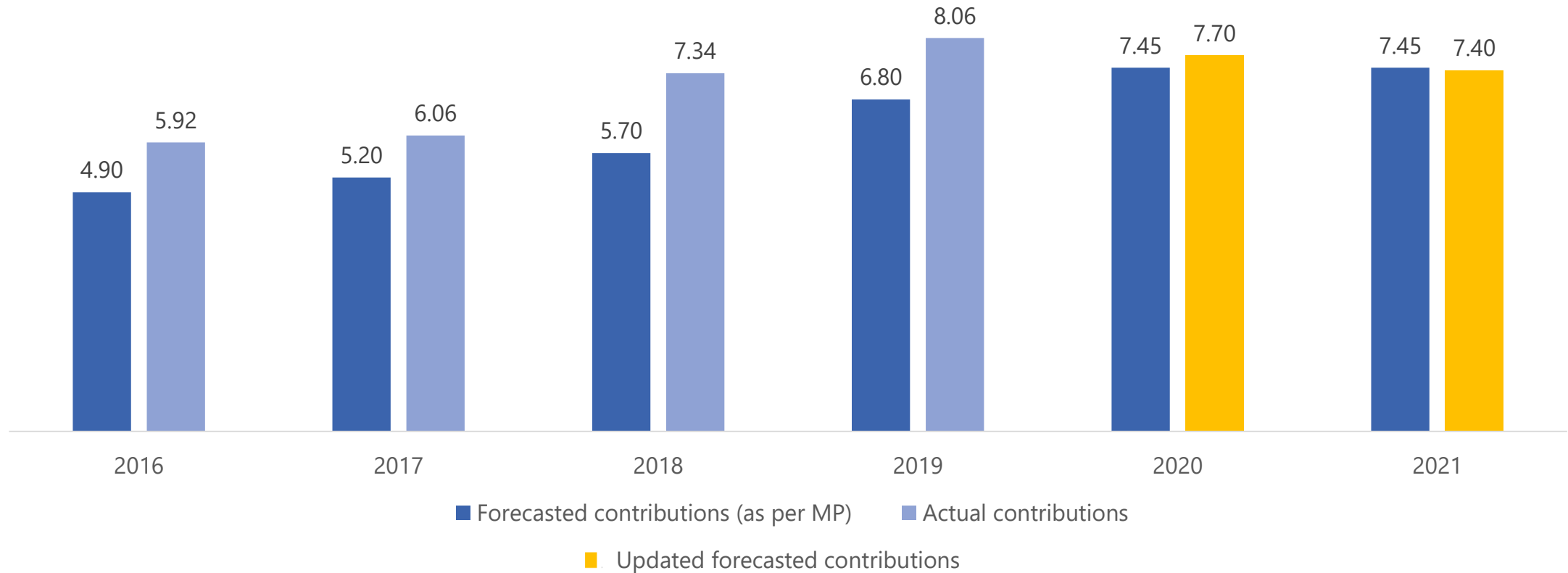
Intensifying **private sector** resourcing efforts; building on **innovative financing**; strategic engagement with **IFIs**; robust **UN partnerships**; increased engagement with **Govt partners**; promoting **predictable/flexible** resourcing



WFP to **broaden its donor base** and **diversify its funding resources**

Latest projections for 2020 & 2021

2016-19 actual contributions and 2021 projections



Remarkable contribution level of **USD 8.1 B** achieved in **2019**;
contributions forecasts for 2020 (**USD 7.7 B**) and 2021 (**USD 7.4 B**) are
still robust

Section-by-section review of the MP document

3.

OPERATIONAL REQUIREMENTS FOR 2021



World Food Programme

Section III: summary of content



Operational context

Increasing number of **concurrent emergencies** and protracted humanitarian crises



Analysis of 2021 requirements

By **strategic result, focus area, activity** category and transfer **modality**



Cross-cutting issues

Environment & **climate change**; **conflict** and WFP's contribution to peace; **protection** and accountability to affected populations; **gender** equality; **capacity** strengthening; **South–South** cooperation; **food systems** and smallholder farmers' support; evidence-based **programming** & monitoring; reducing vulnerabilities and strengthening **refugees'** self-reliance; **school feeding**



Key 2021 figures

**USD
12.3 B**

**Needs-based
plan**

17% increase from 2020 (as per MP);
five % decrease from latest 2020 plan (USD 13.0 B)

**USD
7.4 B**

**Updated funding
forecast**

40% gap when compared to the needs-based plan (30% in 2020 as per MP)

101 M

**Targeted
beneficiaries**

(Under review)
15% increase from planned figures for 2020

121

**Recipient
countries**

Where WFP **provides assistance** (*incl. 37 under the Pacific and Caribbean interim multi-country strategic plan*)

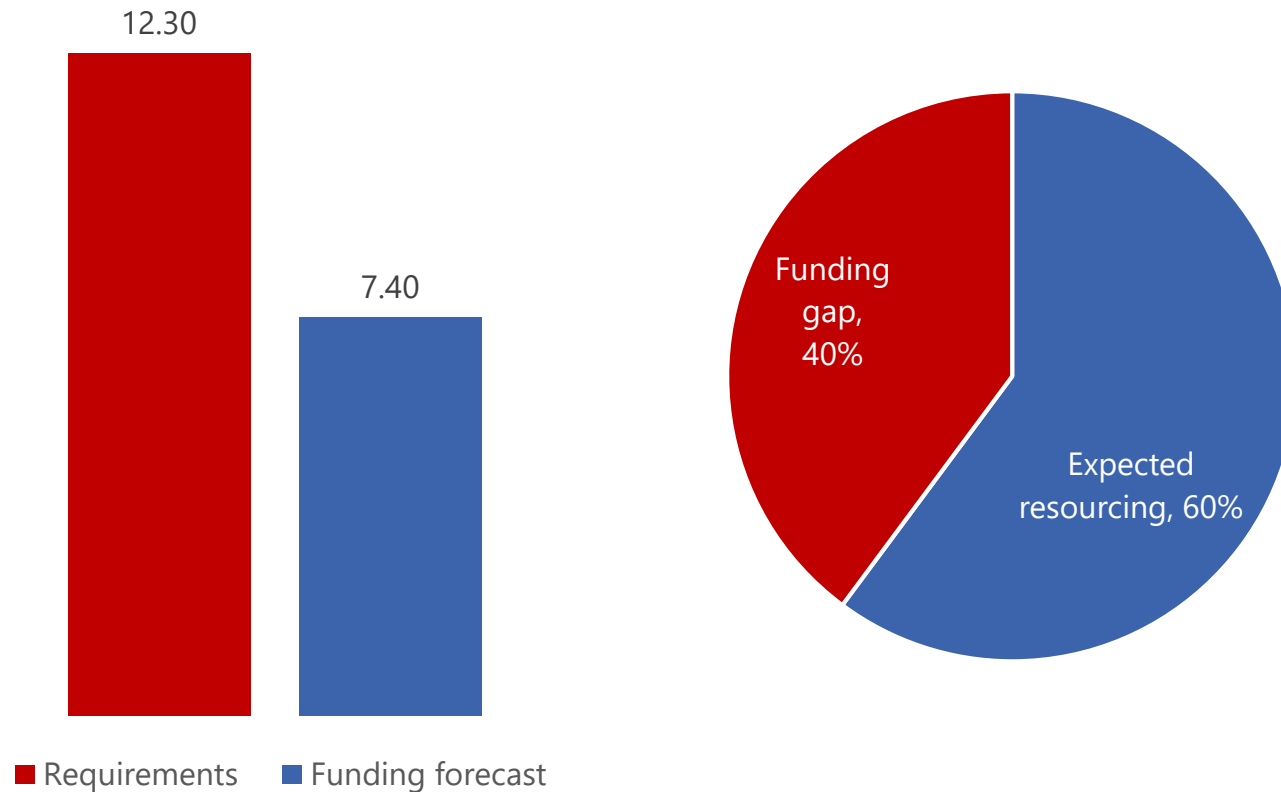
17

**Declared
emergencies**

Seven are **level 3**,
10 are **level 2**



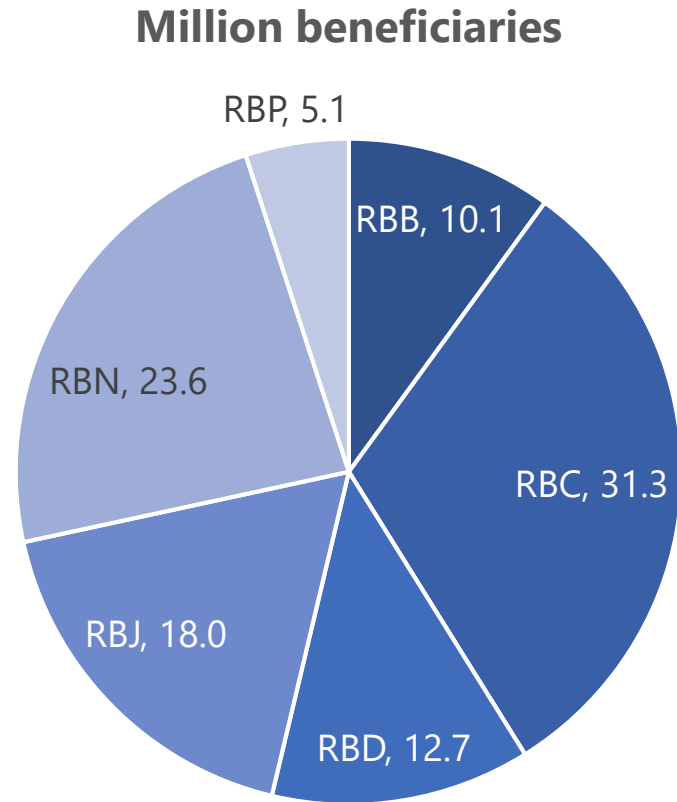
Requirements vs. funding forecast, 2021



Based on the USD 7.4 billion forecast, the anticipated funding gap for 2021 totals **USD 4.9 billion**, or **40 percent** of total operational requirements



Targeted beneficiaries by RB, 2021



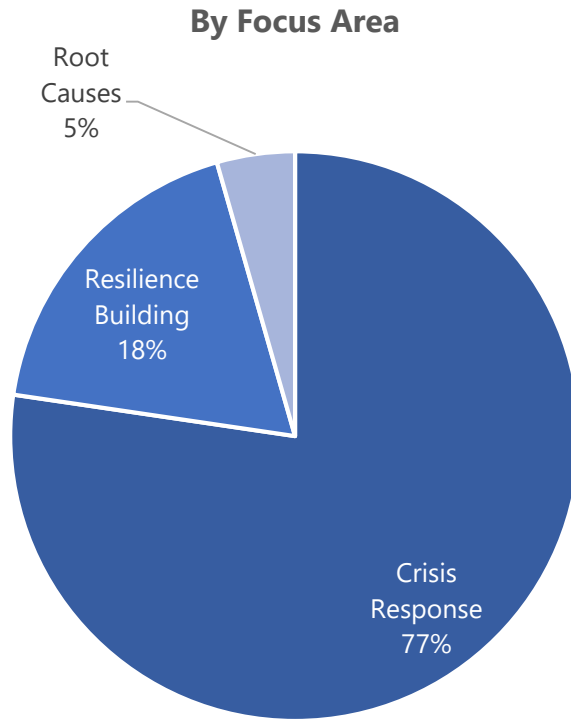
The share of targeted beneficiaries by region is **in line with operational requirements for 2021**

101 million beneficiaries targeted in 2021 (**15 percent increase** as compared to 2020 Management Plan)

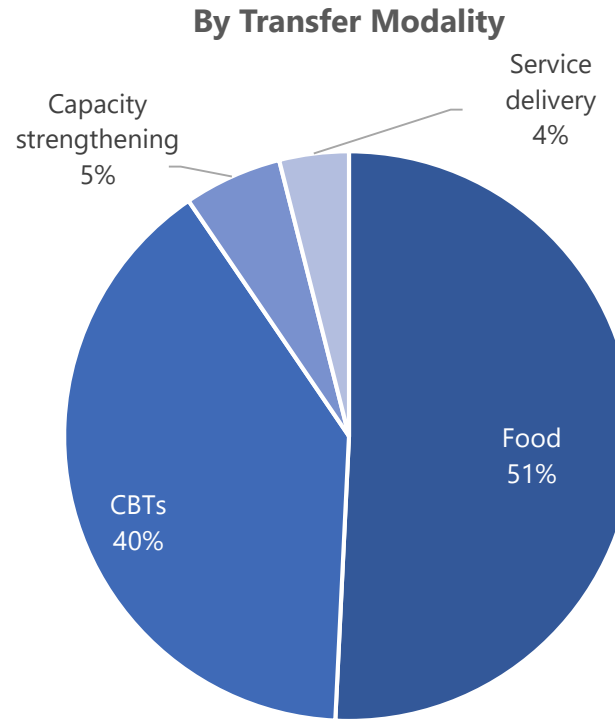
Largest increases from 2020 in RBC (+31 million ben.), RBN (+24 million ben.) and RBJ (+18 million ben.)



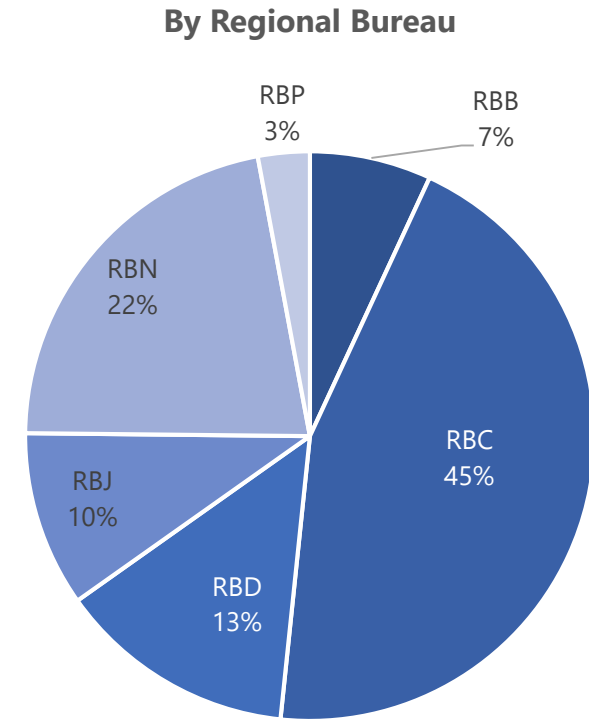
2021 operational requirements analysis



Requirements for **Crisis Response** increase by **22 percent** compared with MP 2020; modest increases for Resilience Building & Root Causes



Requirements for **food** and **CBTs** increase by **24 and 14 percent** respectively vs. MP 2020; minor decrease for capacity strengthening

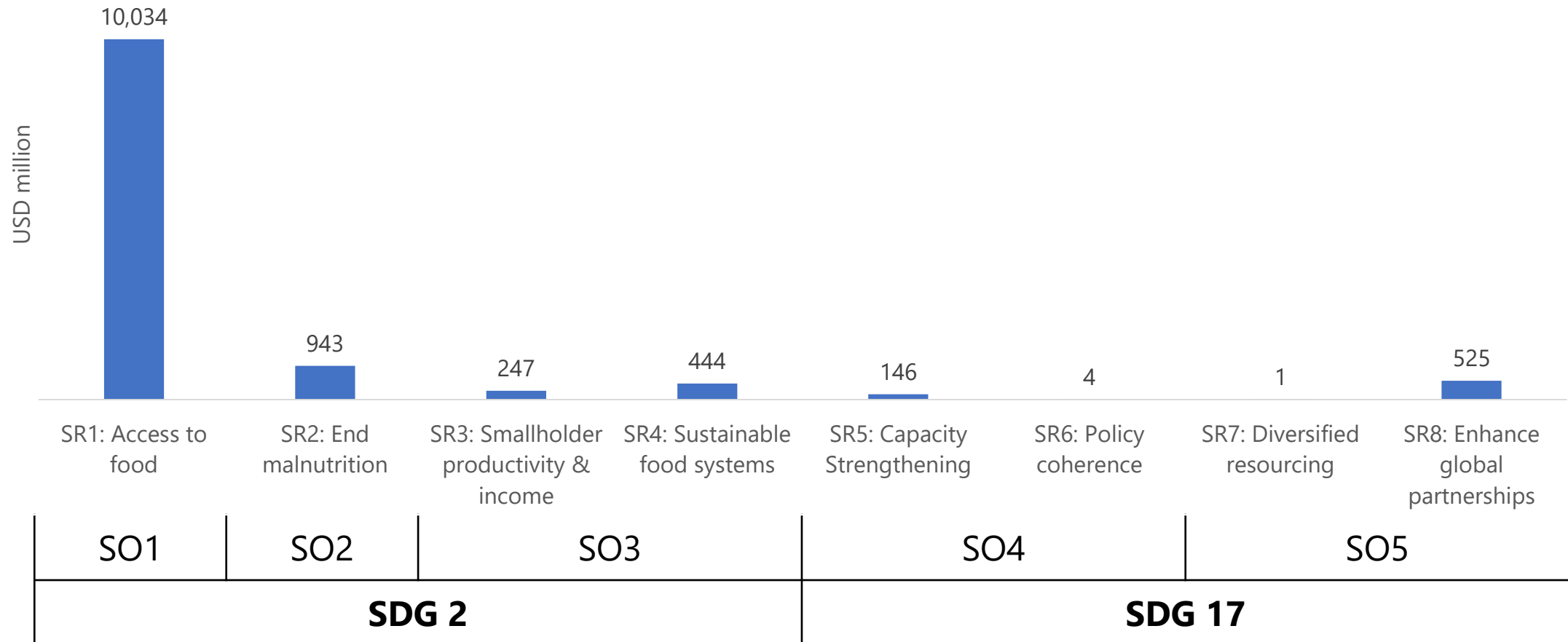


Largest increases in operational requirements compared to MP 2020 are in **RBJ, RBC** and **RBD**



Figures based on USD requirements (full cost recovery)

2021 requirements by SR, SO and SDG (USD 12.3 B)



Strategic Results 1 and 2 account for **89 percent** of total 2021 requirements

COVID-19 impact on 2021 requirements

- The global COVID-19 pandemic will continue to **dramatically impact needs** at community, national, and global levels throughout 2021, but its **scale, scope, and timing** will vary greatly between regions and countries
- WFP's response efforts in 2020 are focused on **responding to the crisis' immediate consequences** through protecting and scaling-up critical life-saving operations
- **UN and gov't plans** to respond to the evolving socio-economic crisis are ongoing and will inform the scale, scope and timing of WFP's support for national response and recovery plans
- WFP's programming and operational response to COVID-19 and its compounding effects is **expected to evolve** to address emerging needs, creating unusually high **fluidity in budgetary requirements and beneficiary figures**
- To inform the EB, an **Addendum to the Management Plan** will be prepared for the November session, outlining increased projected needs for 2021. Board members may also monitor increases in requirements through the existing **CSP Portal**



INTRO, FUNDING CONTEXT & RESOURCING ASSUMPTIONS, 2021 OPERATIONAL REQUIREMENTS

Q&As



World Food Programme

Section-by-section review of the MP document

4.

PROGRAMME SUPPORT & ADMINISTRATIVE BUDGET



Guiding principles for 2021 PSA planning



BUDGET ENVELOPE

- Ensure PSA budget remains **within forecast** of ISC income
- Maintain headline **ISC rate** at 6.5 percent
- Maintain **PSAEA** above the “floor”, equivalent to two months PSA spending level



RESOURCE ALLOCATION

- Most budgets for HQ divisions at **zero growth**
- Five percent increase in funding will be allocated to **specific areas**
- No PSA reduction of allocations to **RBx/COs**
- Most **unearmarked and softly earmarked funding** directed to operations, with HQs initiatives deprioritized



ISC income vs. PSA budget, 2021

Item	USD million
Estimated ISC income <i>(based on overall USD 7.4 B funding forecast)</i>	445.0
Proposed 2021 PSA budget at “Zero Growth Plus” approach	443.0
2021 PSA budget at “Zero Growth”	423.6
“Plus” areas for 2021 PSA	19.4
Estimated ISC income <u>minus</u> Proposed PSA budget at “Zero Growth Plus” approach	2.0



Summary of the “plus” areas for 2021 PSA

Item	USD million
Requested increases for 2021 priorities	15.0
Oversight functions	4.0
Emergency Support	5.0
Programme & Policy Development	6.0
“Essential” charges	3.6
Central appropriation	0.1
Technical adjustments for centralized services	4.5
Standard position costs (<i>decrease foreseen</i>)	(1.0)
Establishment of ASG office	0.8
Establishment of the Office of the Sr. Advisor to the ED on people & workplace culture	0.8
TOTAL	19.4



Requested increases for 2021 priorities [1/3]

OVERSIGHT FUNCTIONS

Office	Purpose	2021 increase (USD M)
Inspector General	Increased investigation and audit capacity	2.3
Evaluation	Strengthening the evaluation function as per Board-approved policy	0.6
Ombudsman	Additional support and advice to staff	0.5
Legal	Support to implement recommendations arising from investigations	0.4
Risk management	Follow-up on implementation of internal controls and AFAC action plan	0.1
Ethics	Enhanced whistleblower protection & annual financial disclosure prog.	0.1
Human Resources	Support to implement recommendations arising from investigations	0.1
TOTAL		4.0



Requested increases for 2021 priorities [2/3]

EMERGENCY SUPPORT FUNCTIONS

Division/Unit	2021 PSA increase (USD million)
Supply Chain Operations	2.5
Field support unit and Logistic operations	0.8
Procurement	0.9
Shipping	0.8
Emergency Operations Division	2.5
Enhance emergency preparedness and response at RB/CO level	1.5
Global Food Security Cluster	1.0
TOTAL	5.0



Requested increases for 2021 priorities [3/3]

PROGRAMME & POLICY DEVELOPMENT FUNCTIONS

Division/Unit	2021 PSA increase (USD million)
Programme – Humanitarian and Development	1.9
Cash-Based Transfers	0.5
Nutrition	0.8
Regional Bureaux/Country Offices	2.8
TOTAL	6.0



“Essential” requirements

Item	USD million
Central Appropriation	0.1
Technical adjustments for centralized services	4.5
<i>Information and Communication Technology (IT per capita)*</i>	2.5
<i>Security Costs (UNDSS)</i>	2.0
Standard Position Costs <i>(decrease foreseen)</i>	(1.0)
TOTAL	3.6

* Proposed inject to TEC to cover a portion of IT per capita structural deficits



Office of the Sr. Advisor to the ED on people & culture

- The **Office of the Senior Advisor to the ED on people & workplace culture** will be established
- It is currently funded by the **Workplace culture and ethical climate Critical Corporate Initiative** (USD five million)
- From 2021, **PSA funding** is more appropriate for the ASG front office (**USD 0.8 million**)



Proposed drawdown on the PSAEA

Subject to EB approval, the PSAEA is proposed to be used to **support two areas** in 2021:

- 1. Continue multi-year initiative on Private Sector Partnerships and Fundraising Strategy**, which includes resource mobilization activities that will enhance WFP's visibility
- 2. Termination Indemnity Fund:** a one-time proposal for employee termination funding in 2021 (including to cover country offices' organizational realignment)

Item	USD million
PPF Private Sector Partnerships and Fundraising Strategy	22.2
Termination Indemnity Fund	10.0
TOTAL	32.2



Performance against the Private Sector Partnerships and Fundraising Strategy

Investments in **individual giving** delivering significant year-on-year growth (overall performance in the first half of 2020 already outperformed full year 2019 by 24 percent)

Performance for **return on advertising spend** (primary KPI for investment) at the end of Q2 is ahead of target both for digital and the average of all channels

Outperformance in all target KPIs relating to **regular donors**: cost per acquisition at the end of Q2 is lower and average donation higher than targets

Although their average donation is lower than projected, the **cost per acquisition for one-off supporters** is significantly lower with more favorable cost per acquisition/average donation ratio

	Planned Q1&Q2	Actual Q1&Q2	Δ Actual vs Planned Q1&Q2	Planned Total 2020
Investment expenditure phasing (USD million)	4.0	4.6	+ 0.6	13.1
Total new regular supporters	21,374	34,142	+12,768	70,000
Total new one-off supporters	48,855	200,539	+ 151,684	100,000
Total cost per acquisition – regular (USD)	117	67.6	- 49.4	117
Total cost per acquisition – one-off (USD)	30	9.0	- 21	30
ROAS (projected 12-month) – avg. all channels	1.7	2.2*	+ 0.5	1.7
ROAS (projected 12-month) – avg. digital	2.1	2.70	+ 0.6	2.1
Average donation – regular (per month) (USD)	16	21.12	+ 5.12	16
Average donation – one-off (12-month avg.) (USD)	50	19.18	- 30,82	50



PSAEA projections for 2021

Item	USD M
Projected account balance at 31 December 2020	156.1
2021 ISC projected revenue <i>(based on USD 7.4 B forecasted income)</i>	445.0
2021 proposed PSA at "Zero Growth Plus"	(443.0)
PSAEA drawdowns to be pursued in 2021	(32.2)
PPF Private Sector Partnerships and Fundraising Strategy	(22.2)
Termination Indemnity Fund	(10.0)
Projected closing balance at 31 December 2021	125.9
<i>Equivalent number of months of PSA expenditures</i>	<i>3.4</i>



The projected closing balance is **below the 5-month PSA target** (USD 185.4 million) but **above the 2-month floor** (USD 74.2 million)

PROGRAMME SUPPORT & ADMINISTRATIVE BUDGET

Q&As



World Food Programme

Section-by-section review of the MP document

5.

MANAGEMENT PERFORMANCE MEASUREMENT



Key performance indicators: category I and II

Category I	UoM	2019 value	2020 target	2021 target
<u>Programme</u> : Implemented evaluation recommendations (<i>due for implementation</i>)	%	95	100	100
<u>Supply chain</u> : Post-delivery losses	%	0.43	<2	<2
<u>Budget & programming</u> : CSP expenditures against implementation plan	%	84	90	90
<u>Finance</u> : Enhanced risk items in the financial dashboard	%	5	<7	<7
<u>Security</u> : Compliance with field security accountability framework standards	%	84	100	100
Category II				
Employees completing mandatory trainings on HSHAP and PSEA	%	91	100	100
UN SWAP 2.0 indicator targets achieved	%	75	100	100
WFP cash beneficiaries supported digitally	%	71	80	80



2021 targets for Category II to be confirmed by focal points

Section-by-section review of the MP document

6.

TRUST FUNDS & SPECIAL ACCOUNTS



World Food Programme

2021 Trust Funds overview

2021 Trust Fund projected expenditures by thematic area

TRUST FUNDS

- Support enhancement of WFP's **organizational capacity** and effectiveness;
- Supplement core **PSA-funded activities**;
- Have **funding** provided directly by donors or through internal SRAC allocation of MU funding for corporate priorities;

Thematic area	USD million	%
Climate change & disaster risk reduction	19.8	13
Food security	43.6	29
Government capacity strengthening	24.4	16
Nutrition	12.1	8
Supply chain	4.7	3
Innovation accelerator	5.0	3
School Feeding	4.7	3
Emergency preparedness and response	5.9	4
Others	31.7	21
TOTAL	151.9	100



2021 largest Special Accounts*

Special Account	Description	Estimated 2021 exp. (USD M)
UNHRD	Manages donor contributions & revenues from services provided through its six-hub network	60.7
Self-insurance	Risk mitigation tool to minimize the economic effects of losses on food under WFP control and custody	30.0
Aviation	Supports transport by air of both humanitarian cargo for relief operations and humanitarian workers	23.9
Emerging Donor Matching Fund	Provides resources for “ twinning ” to cover operational and support costs for contributions from countries that cannot provide funds to cover such costs	12.8
Global Surge Capacity	Project to enable the rapid deployment of HQs-based staff and assets to emergency locations	10.0
Information Technology	Support to WFP divisions and offices for the development, implementation and maintenance of internal IT projects and applications	10.6



* Excluding corporate services financing mechanism Special Accounts

PERFORMANCE MEASUREMENT, TRUST FUNDS, SPECIAL ACCOUNTS

Q&As

B.

DRAFT DECISIONS

Draft decisions

At the 2020 Second Regular Session, the EB will be asked to **take note**:

- That the **Programme Support and Administrative** appropriation assumes a funding level of USD 7.4 billion in 2021
- Of **projected operational requirements** of USD 12.3 billion for 2021



Draft decisions

At the 2020 Second Regular Session, the EB will be asked to **approve**:

A 2021 PSA appropriation of **USD 443.0 million**, to be allocated as follows:

- **USD 89.4 M** for Strategy & Direction
- **USD 246.7 M** for Business Services to Operations
- **USD 106.9 M** to governance, independent oversight and Fundraising



Draft decisions

At the 2020 Second Regular Session, the EB will be asked to **approve**:

A proposed drawdown on the PSA Equalization account of **USD 32.2 million**, to be used as follows:

- Continue multi-year initiative on **Private Sector Partnerships and Fundraising Strategy** (USD 22.2 million)
- **Termination Indemnity Fund** (USD 10.0 million)



Draft decisions

At the 2020 Second Regular Session, the EB will be asked to **approve**:

- A corporate ISC recovery rate of **6.5 percent** for 2021
- An ISC recovery rate of **four percent** for:
 - Host government contributions to programmes in their own countries
 - Contributions from developing countries or with economies in transition
- A USD 82 M ceiling for **corporate services** in 2021, with a view to review this within next MPs



NO CHANGE FROM 2020

Draft decisions

At the 2020 Second Regular Session, the EB will be asked to **authorize**:

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 two percent** of the anticipated change in income



NO CHANGE FROM 2020

THANK YOU

