



CORPORATE PLANNING AND PERFORMANCE (CPP)

WFP Management Plan (2024-2026)

1st Informal Consultation

19 July 2023



World Food Programme

SAVING
LIVES
CHANGING
LIVES



World Food Programme



Objective of the 1st Informal Consultation

- Update on **Programmatic Figures** (Op. Requirements & Implementation Plan)
- Update of budget **assumptions** and **priorities**
- Preliminary figures for the **PSA**
- 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



For EB approval

- 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





Key external drivers

Conflict

remains the primary driver of hunger

Climate hazards

continue to be a key driver of food insecurity

High food inflation

limits the access to food of poor households



Public debt levels

are alarmingly high.

Hunger

remains extremely high

Malnutrition

persists in many forms across all regions



Forced displacement

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

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

Needs -based plans

(operational requirements) will exceed resource availability

Funding

Stretched resources will require WFP to prioritize

Partnerships and Innovation

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

Scaling

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

Trust

Trust must be renewed in WFP's ability to **reach beneficiaries in greatest need**

Prices

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

Digital transformation


Translate advances in **digital transformation**



FUNDING CONTEXT



Factors impacting 2024 funding outlook




High level of **uncertainty & pressure** due to the impact of the **4 C's (conflict, covid-19, climate, costs)** on donors' domestic economies




Enhanced strategic engagements for continued funding, **intensified efforts to attract new donors** and diversify funding base



Enhanced efforts and reach are delivering **encouraging funding results with private sector** donors and supporters



Continued engagement in **new financing solutions**, including development of financing partnerships with national governments and International Financial Institutions, and **innovative financing** mechanisms



Proactive engagement with donors **on predictable, flexible, and multi-year funding** while reporting on use and added value

Resourcing assumptions and outlook

Public Partnerships and Resourcing

- Efforts ongoing to secure **high-value, multi-year partnerships**, while exploring **new opportunities**
- **2023 and 2024** contributions forecasts are **revised to USD 10 billion**

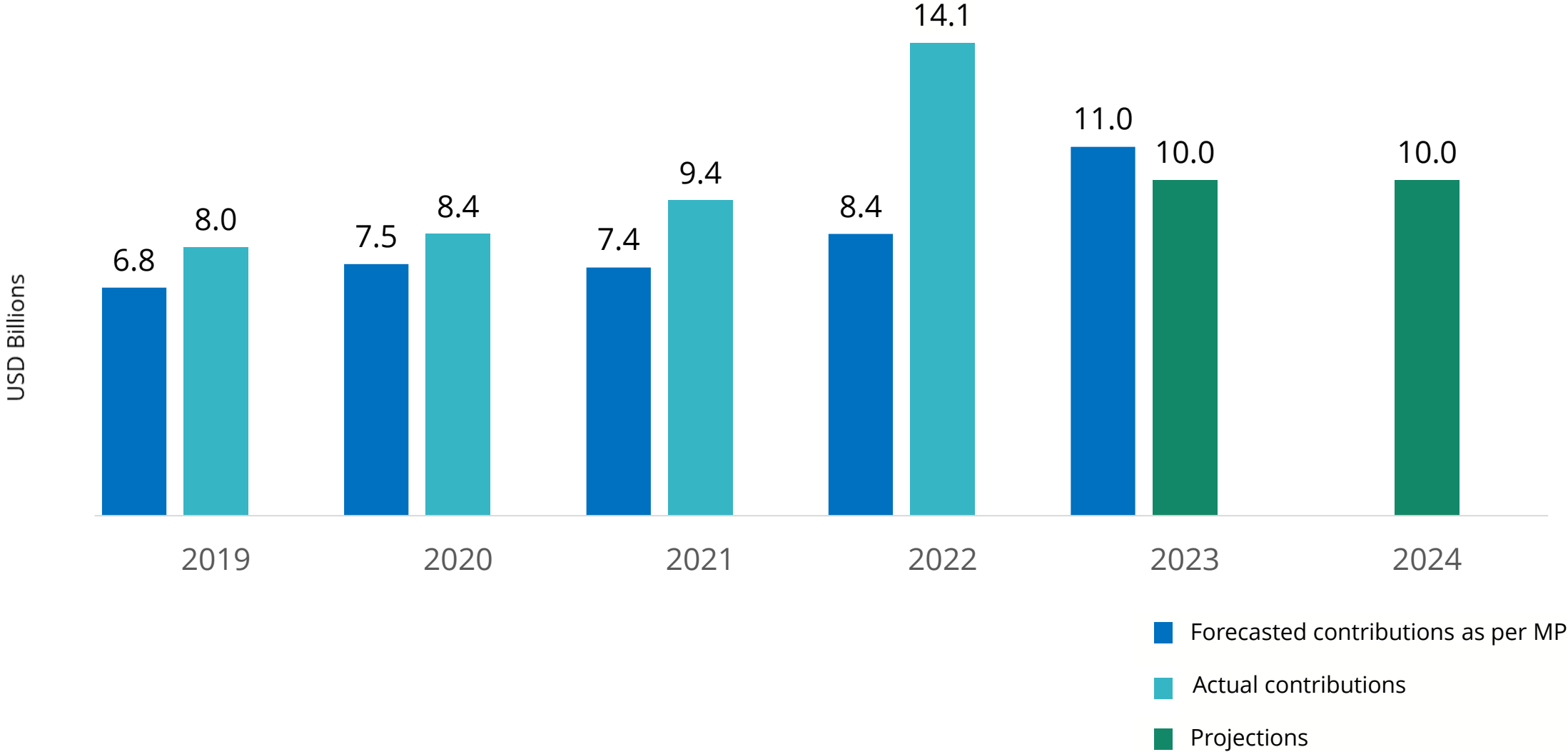
Strategic Partnerships

- Positioning as an **implementing partner for governments** to contribute to national objectives
- The **upward trend** since 2019 in agreements signed with national governments, **including leveraging IFI resources**, is expected to continue in 2024.

Private Partnerships & Fundraising

- WFP will continue to build-up long-term relationships for **increased, flexible and regular income** from the private sector.
- Annual income raised from **Private Sector** likely to reach the **overall (cumulative) target for 2020-2025** ahead of time

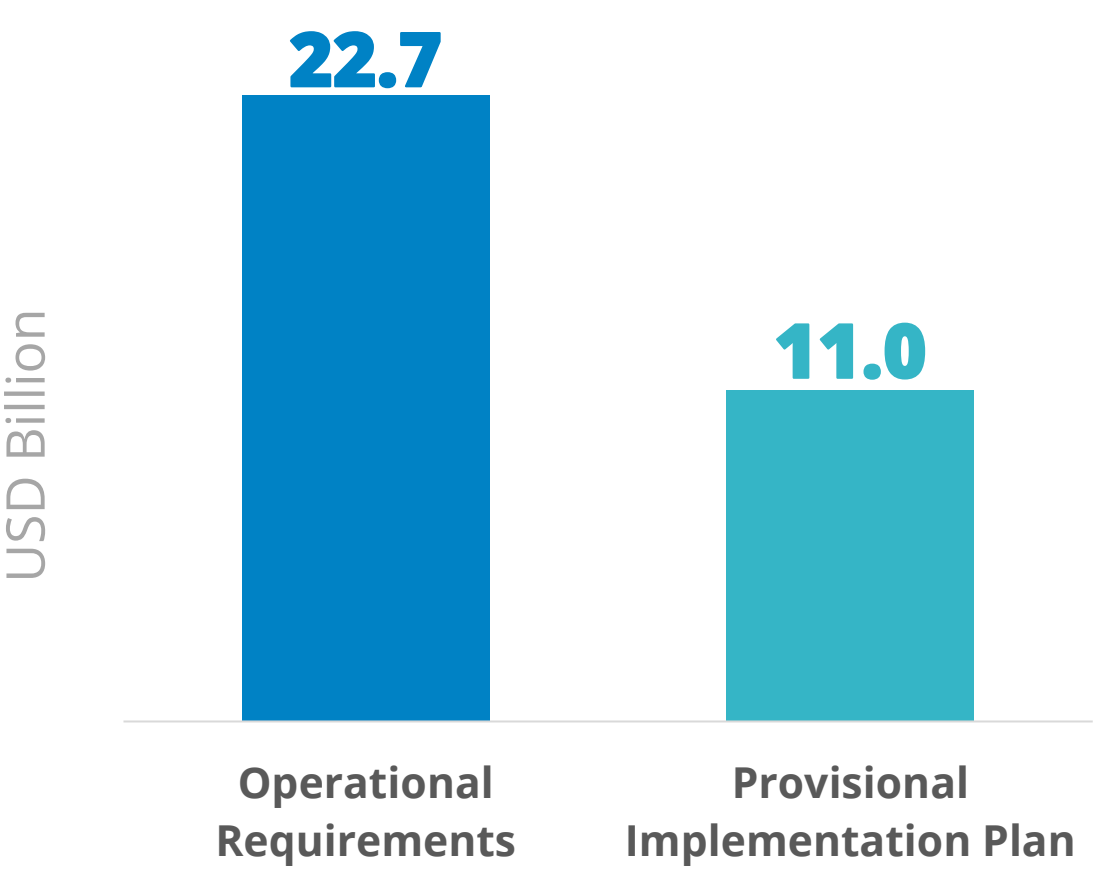
Funding levels expected to return to previous trend



PROGRAMMATIC CONTEXT: Operational Requirements & Provisional Implementation Plan



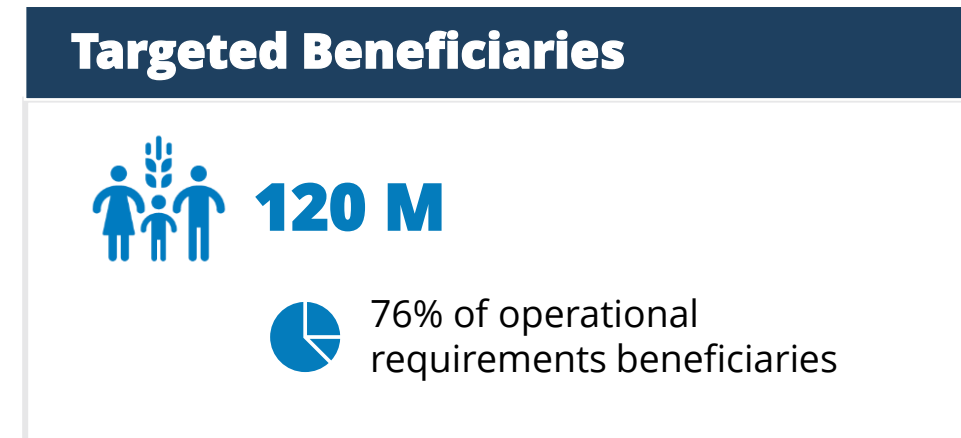
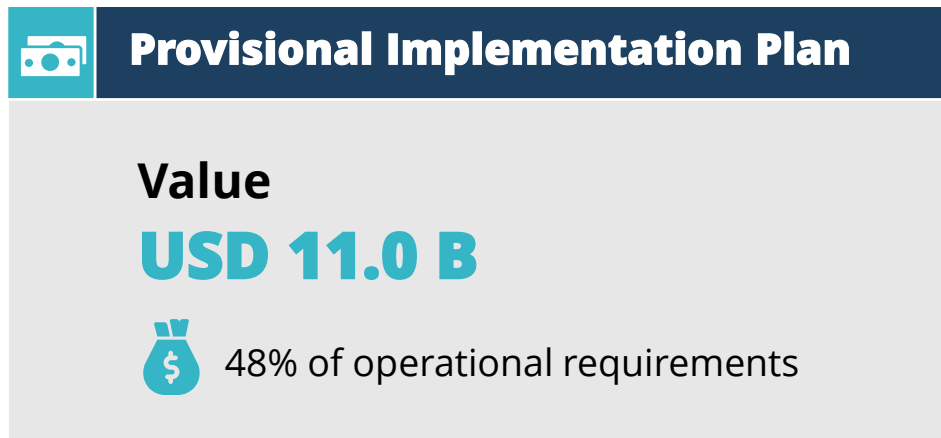
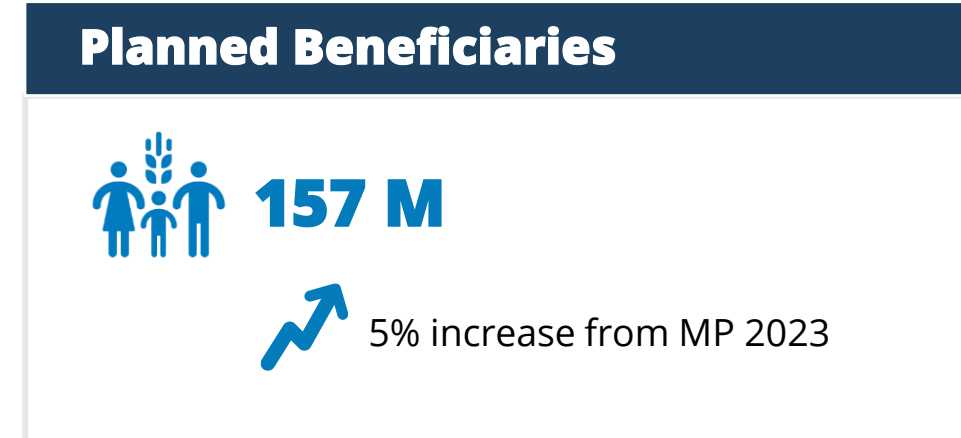
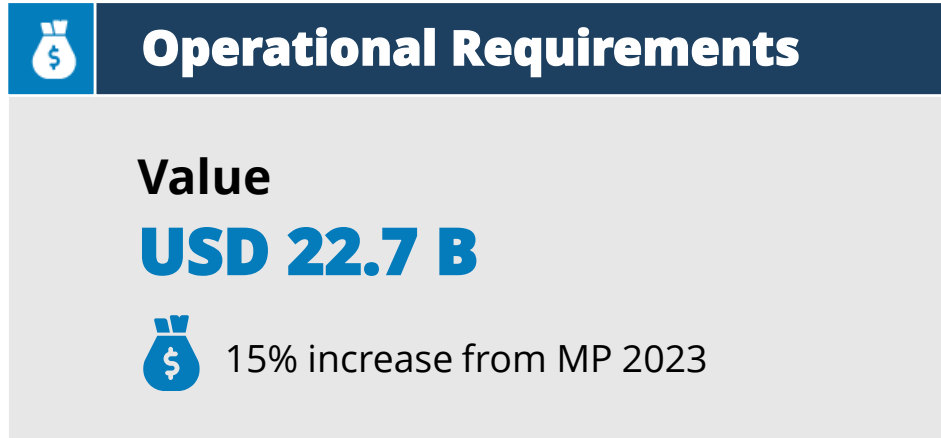
2024 Operational Requirements vs. Provisional Implementation Plan



The **Provisional Implementation Plan** for 2024 is **48 percent** of projected operational requirements.

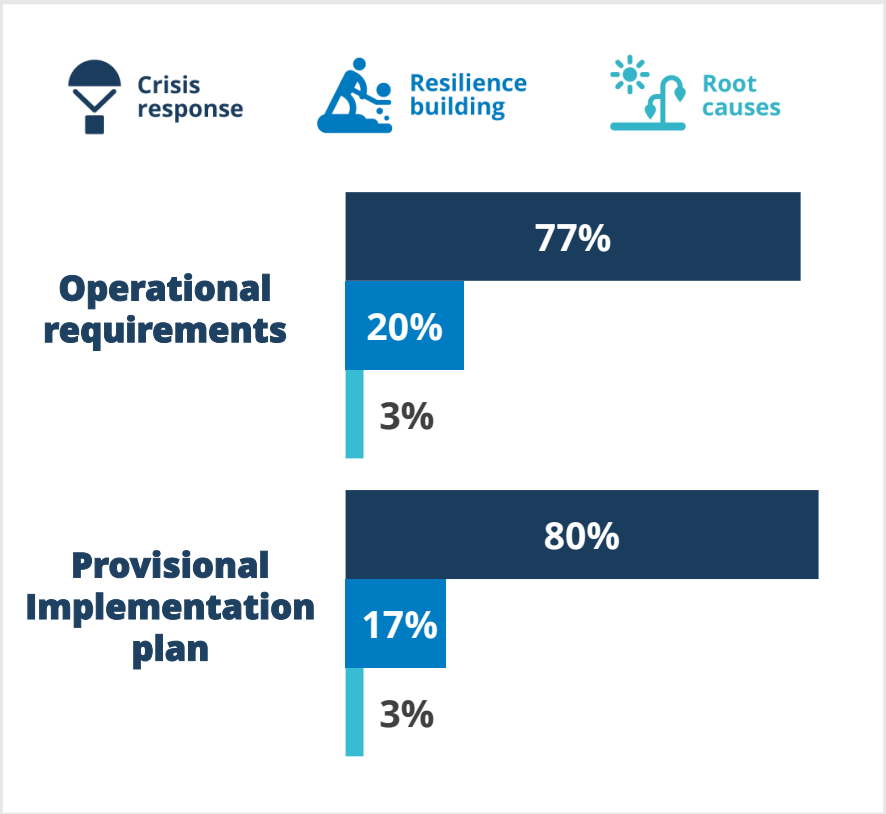
	USD Billions
Contribution Forecast	10.0
Net use of fund balances	0.5
Service Provision	0.5
Provisional Implementation Plan	<u>11.0</u>

2024 Operational Requirements and Provisional Implementation Plan: Key Figures



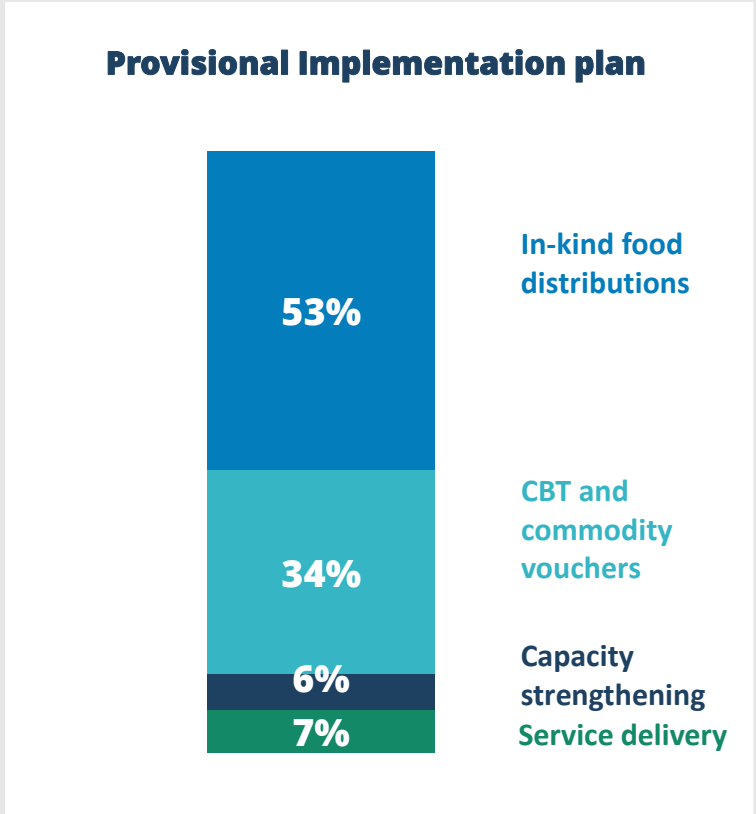
2024 Provisional Implementation Plan

By Focus Area



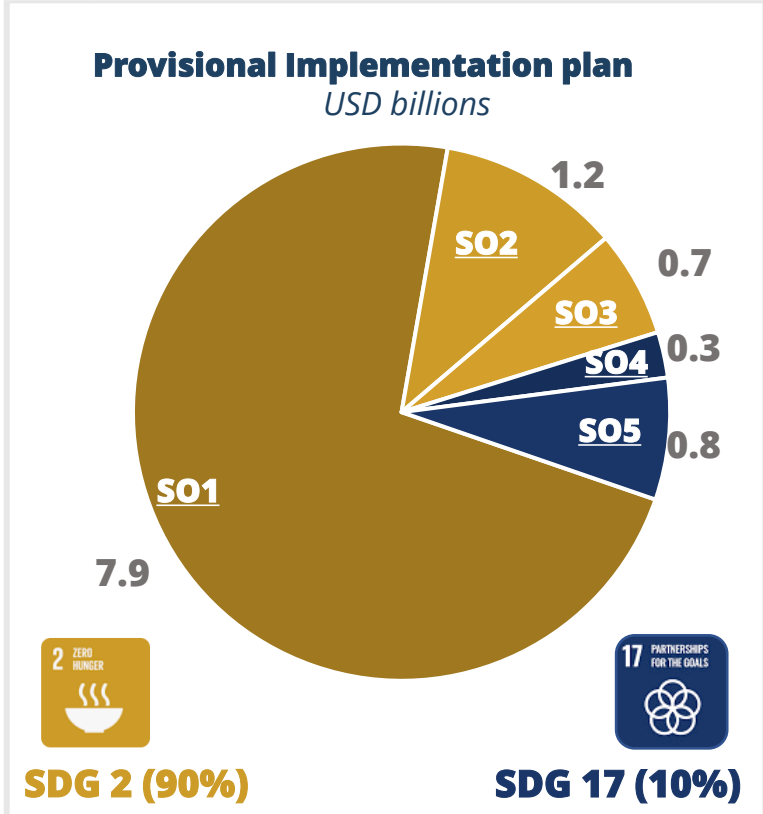
In line with previous years, the provisional implementation plan anticipates a greater share to **crisis response**.

By Transfer Modality



Transfer modalities are expected to follow a similar distribution as past years.

By Strategic Outcome



The provisional implementation plan is anchored around **SDG 2 (90%)**, in line with WFP's Strategic Plan.

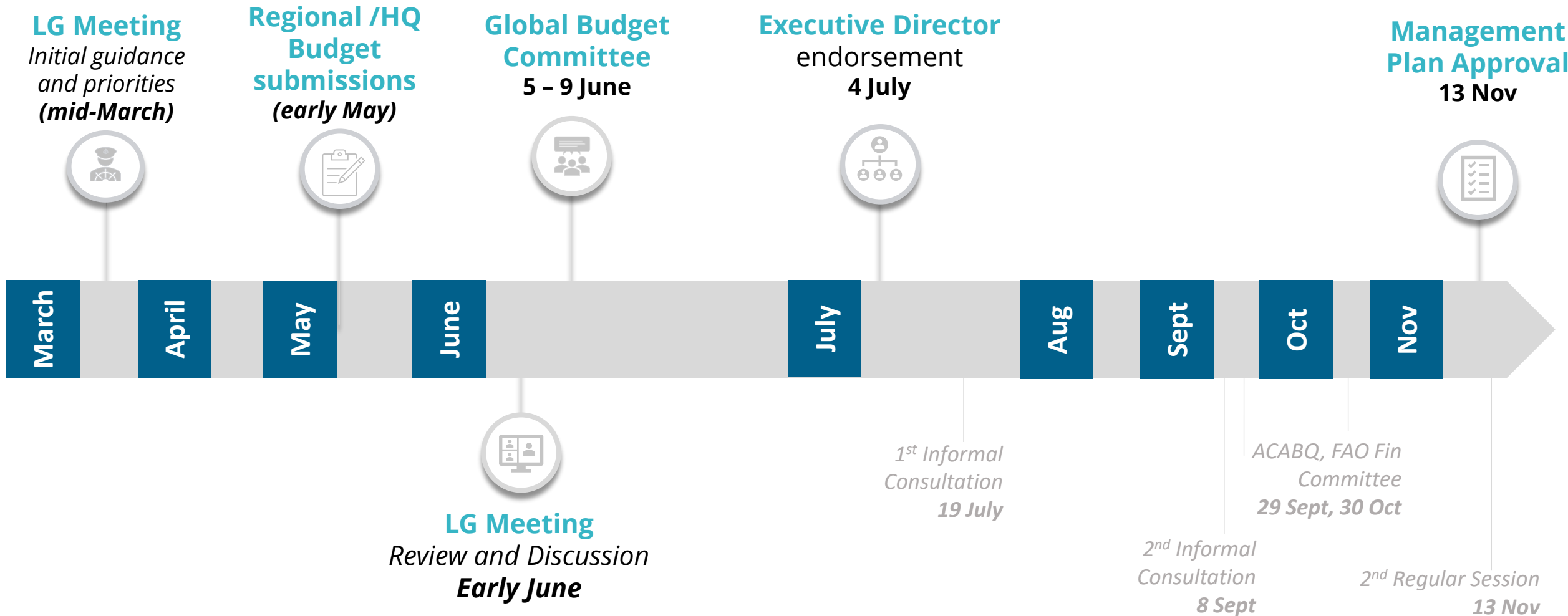
Q&A



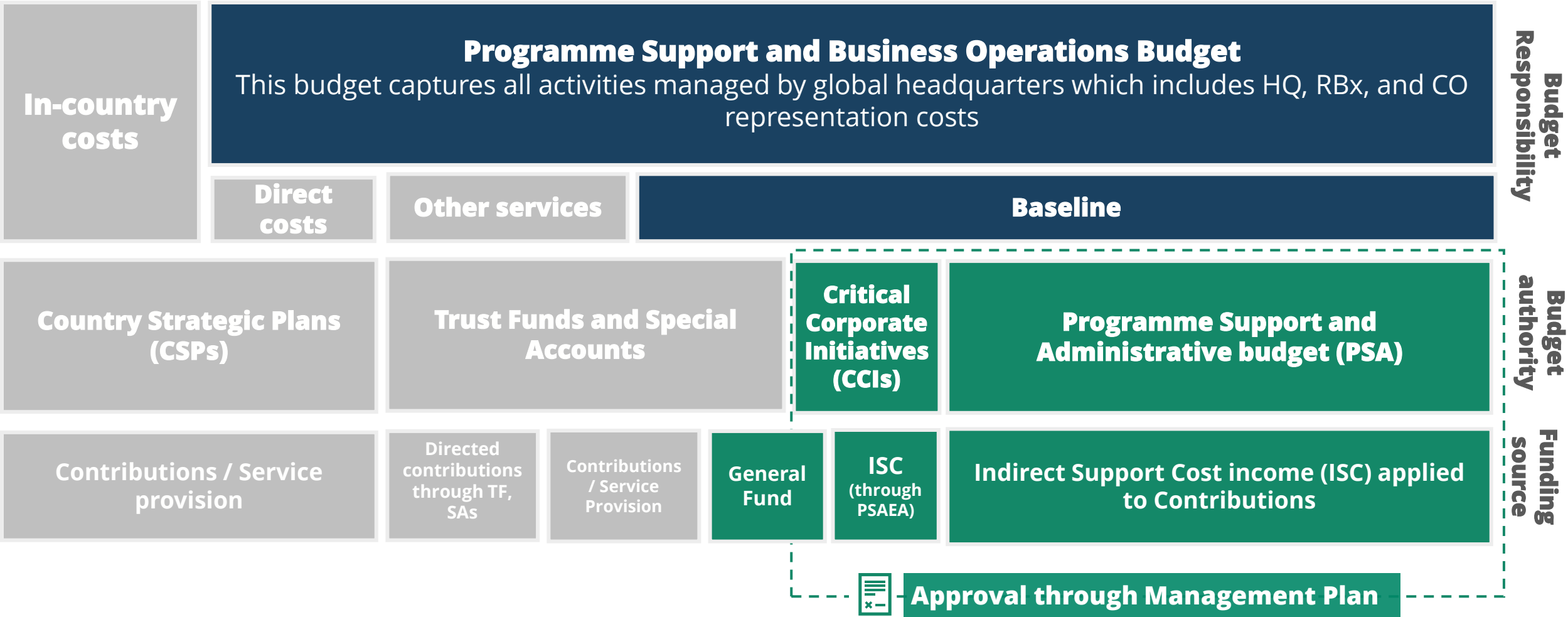
PROGRAMME SUPPORT AND BUSINESS OPERATIONS



2024 MP Corporate Budget Process



WFP's budget



Management Results

- 1 **Effectiveness in Emergencies**
- 2 **People Management**
- 3 **Engage in Effective Partnerships**
- 4 **Effective Funding for Zero Hunger**
- 5 **Evidence and Learning**
- 6 **Leverage Technology**
- 7 **Leverage Innovation**

- ✓ Support effective implementation of the strategic plan at the global level
- ✓ Capture WFP's results and performance throughout the cycle of planning, implementation, monitoring, evaluation, and reporting
- ✓ Aligned with Annual Performance Report
- ✓ Provide comparability with 2023 budget

2024 Guiding Principles



Corporate Budget Priorities



1. Ensuring maximum **efficiency** and **accountability** and embracing **innovation**



2. Scaling up **partnerships** to expand the **funding base** and capitalize on partners' expertise



3. Ensuring **duty of care** and improving **workplace** culture



4. Strengthening **emergency response** capabilities



Corporate Risk Areas – Costed workplans

- Workplace culture and conduct including talent management and workforce planning.
- NGO Management, Beneficiary Management, and Monitoring



Financial Planning Principles

- Reduce administrative and financial burden on Country Operations
- PSA budget aligned to ISC income
- Judicious use of WFP reserves for one-time investments

2024 PSA BUDGET



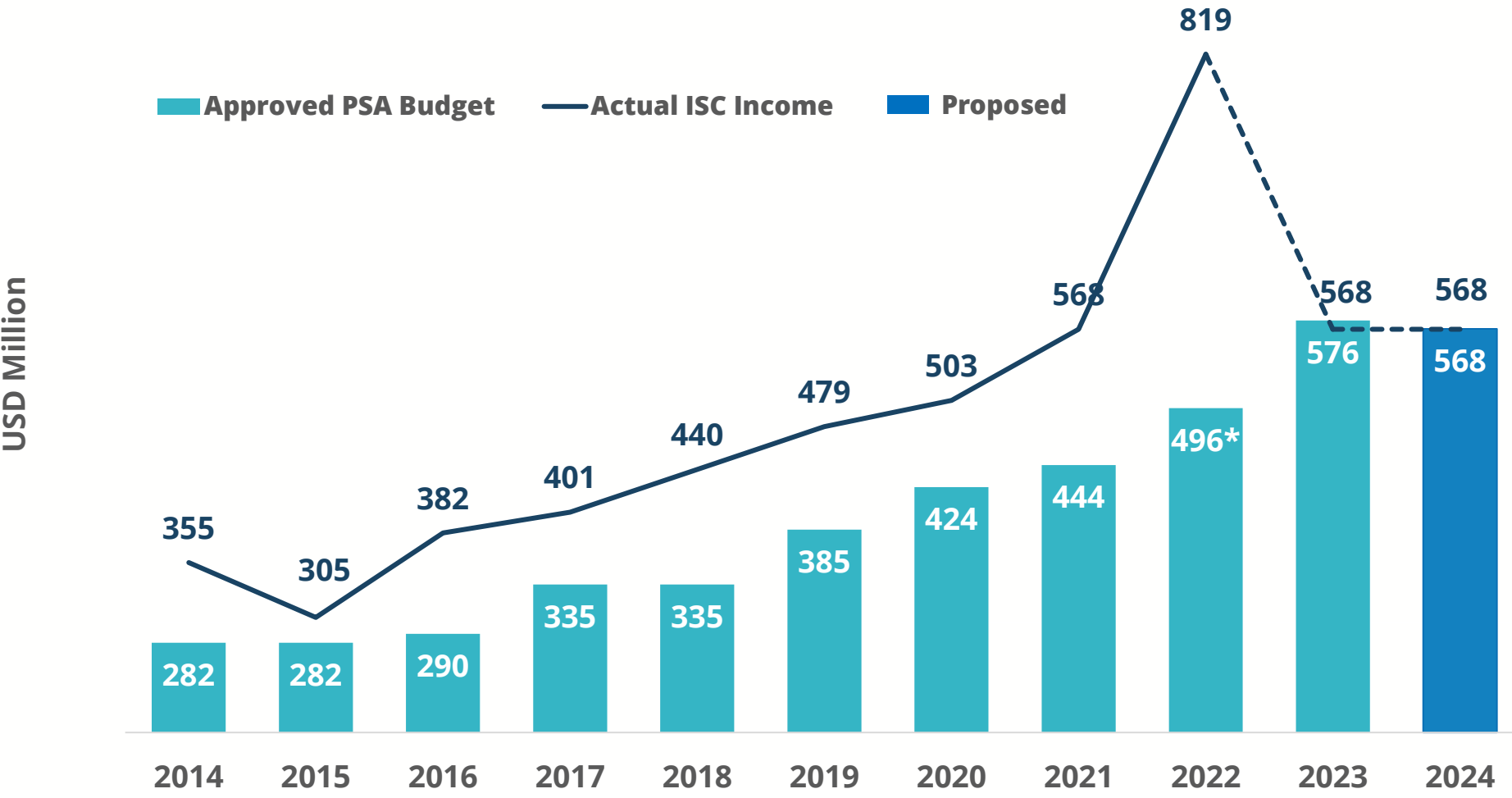
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PSA planning assumptions for 2024



- In 2024, **global inflation** projected at **4.5%**, **Eurozone inflation** projected at **2.5%**
- **Dollar expected to be weaker** than the 2023 budget assumptions
- Maintain **ISC standard rate of 6.5 percent**, with exceptions for lower rates as per EB decisions
- **USD 10B income** generates an **ISC of USD 568M**
- Proposed **2024 PSA** budget at **568M** compared to 576M in 2023.
- The budget will be presented based on the May 2023 **organigram**

2024 Proposed PSA set at ISC Income



2024 PSA projections (USD)	
Contribution Forecast	10 B
Estimated ISC Income	568 M
Proposed PSA level	568 M

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

* Excludes additional USD 17.1 M released under ED's authority

PSA budget changes – 2023 to 2024

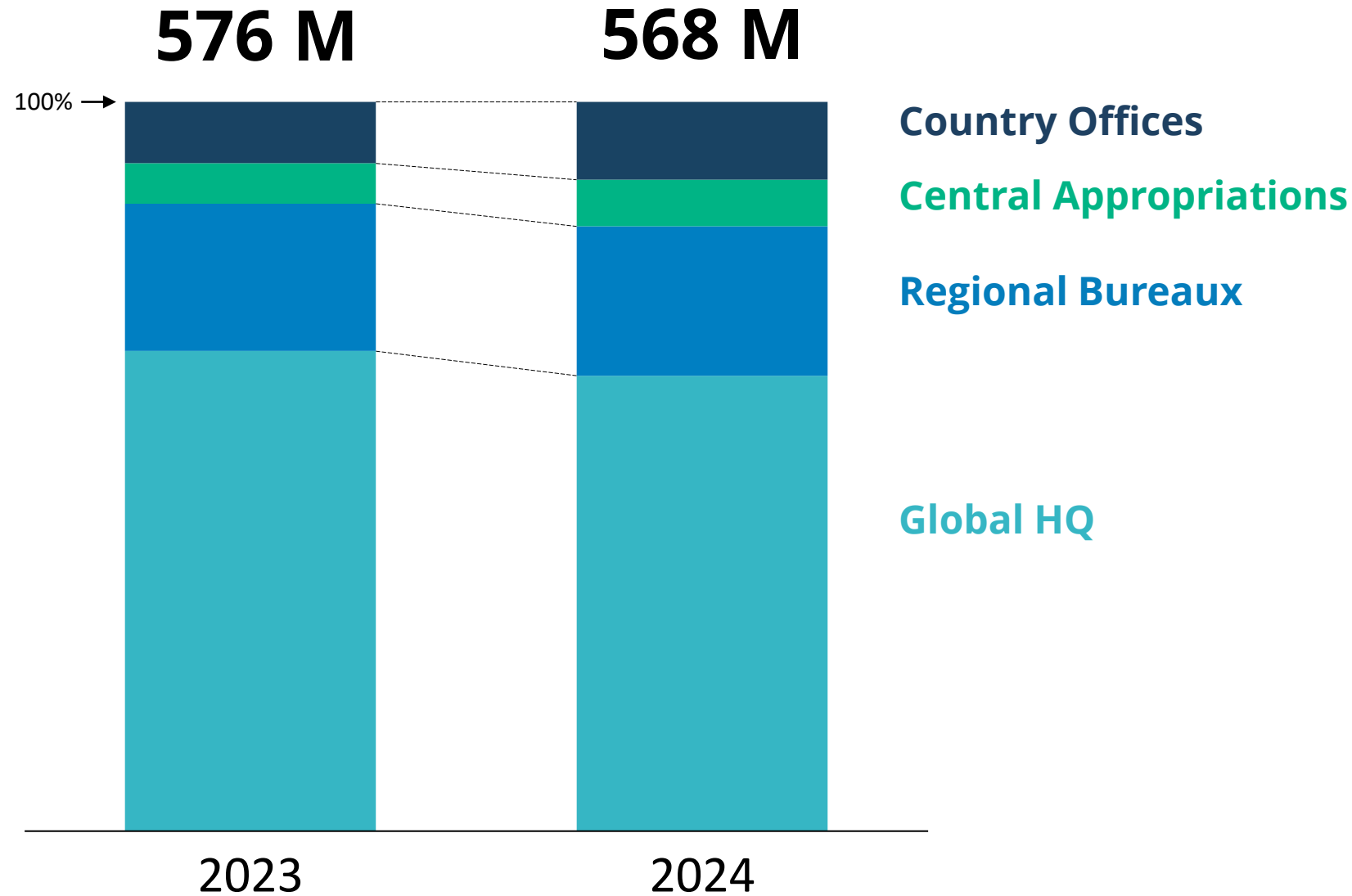
Emphasis on **Strengthening Country Offices**

↑ 22%
increase in **Country Office PSA funding**

↑ 11%
increase in **Central appropriations**

↓ 2%
RB budget **prioritized over HQ**

↓ 9%
HQ departments absorb the burden



Start of calibration on PSA 2023



Revised contributions for 2023 influence ISC income for 2023

- ✓ PSA 2023 approved at **576M** considering funding forecast of 11 B
- ✓ Updated funding forecast of 10 B will generate ISC income of **568 M**



Calibration to a lower PSA has begun with reductions to 2023 allotments



Any shortfall of 2023 ISC income vs. 2023 PSA expenses incurred up to the appropriation of USD 576M could be absorbed by the PSAEA

RESERVES AND GENERAL FUND



Reserve and General Fund Overview

(USD millions)



	PSAEA	UGF	Total
Projected balance 31 Dec 2023	390	330	721
Projected earnings in 2024	0	125	125
Prudent balance	(237)	(150)	(387)
Availability after prudent balance Dec 2024	154	305	459

Proposed usage

Repurposing of the staff wellness fund	-	-	-
IRA	50		50
CCIs	90		90
Country Office Support		85	85
Human Capital Management		15	15
Total proposed usage for approval	140	100	240

IRA Transfer and Resourcing Target

IRA Transfer

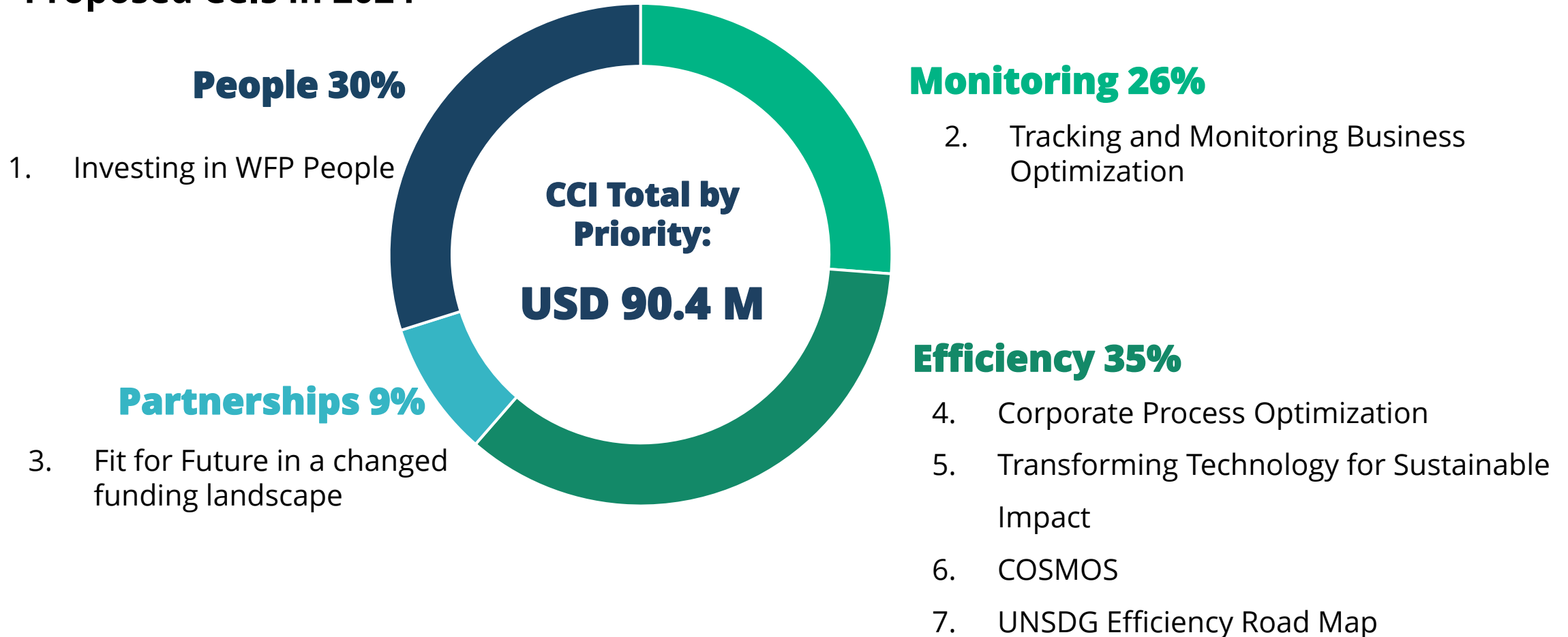
PSAEA **proposed use** of USD 50 million for the Immediate Response Account

IRA Resourcing Target

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

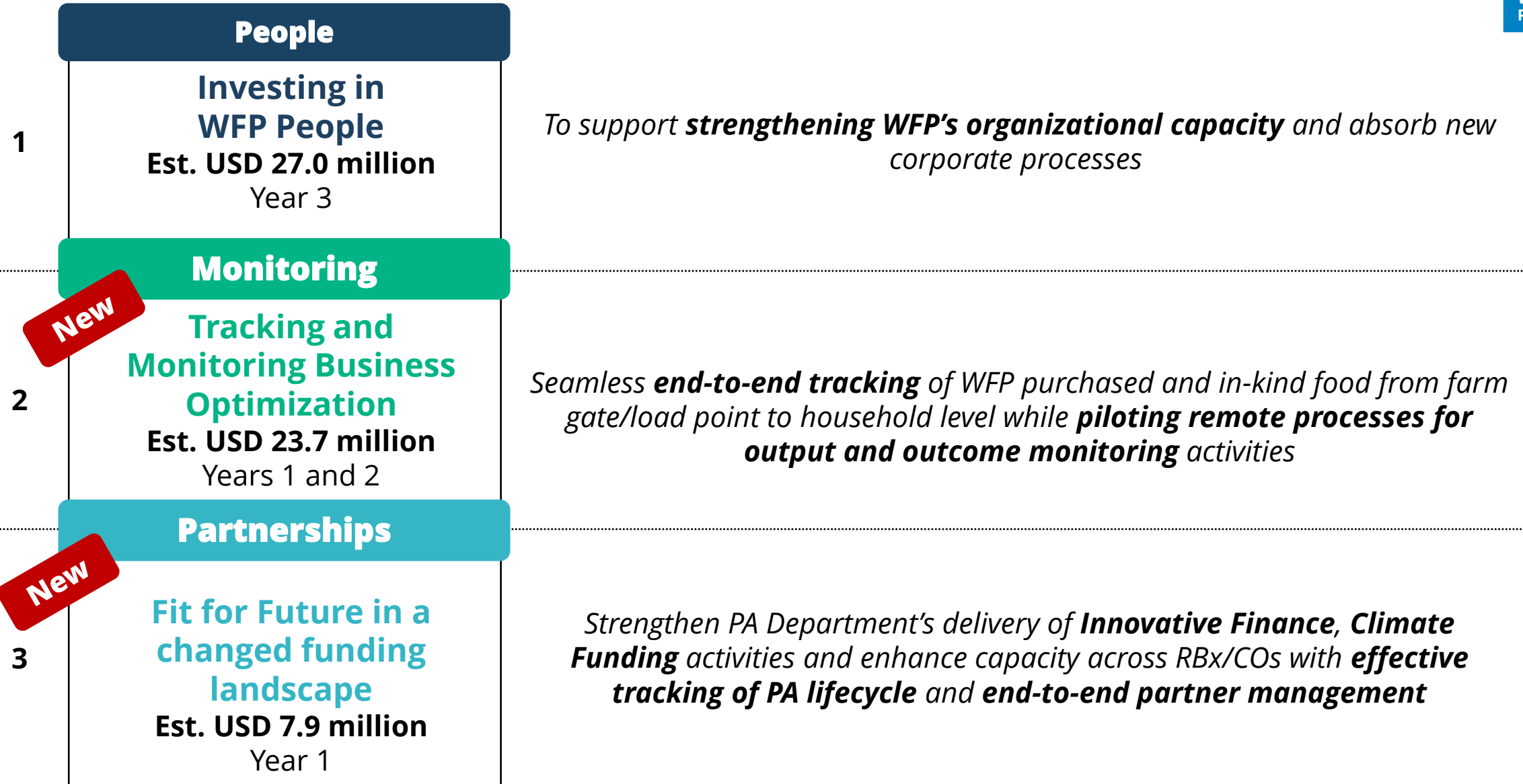
PSAEA usage for Critical Corporate Initiatives

Proposed CCIs in 2024

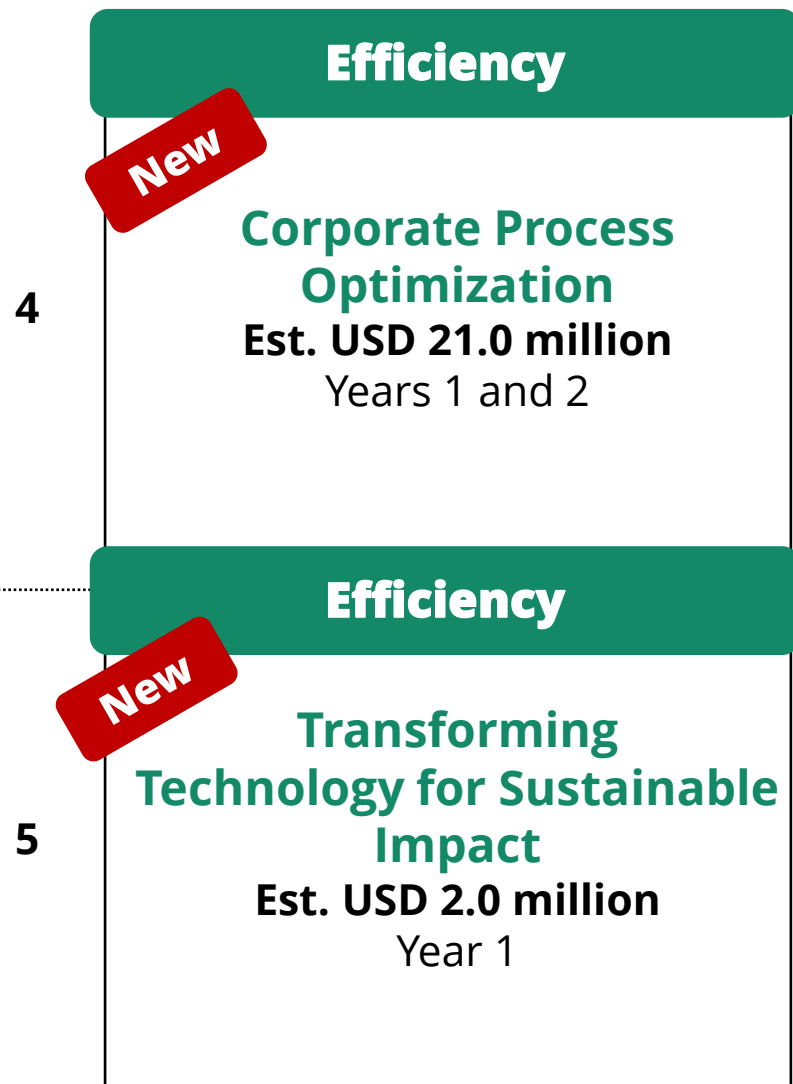


*CCIs *Termination Indemnity Fund* and *Strategic Plan/CRF Implementation* do not require new funding in 2024

2024 Critical corporate initiatives (1 of 3)



2024 Critical corporate initiatives (2 of 3)



To minimize transactional workload through integration, automation and streamlining of enabling services at a global level to leverage global efficiencies and allow Country Offices to focus more on programmatic activities

*To build the **digital and data architecture** that will allow WFP to operate more efficiently and effectively across operations and create a creative culture that harnesses the power of science and data*

2024 Critical corporate initiatives (3 of 3)

6

Efficiency

COSMOS
Est. USD 3.0 million
Year 2

To improve **effectiveness and efficiency of CO support** provided by global HQ. The first phase (2023) included the design, development and implementation of pilot models of support that are to be expanded to more functional areas based on lessons learned in the second phase (2024)

7

Efficiency

**UNSDG Efficiency
Road Map**
Est. USD 5.8 million
Year 2

To ensure WFP has capacity to prepare and respond to **inter-agency reform** efforts

Proposed use of the General Fund

Country Office Support

Cushioning impact of reductions in contribution revenue on COs - USD 85M

Human Capital Management Project

Early Capital Budget Facility loan repayment of USD 15M used to develop system used in Country Offices

NEXT STEPS



Next Key Dates for the Management Plan Process

May 31



EB informal
briefing

Jul 19



1st informal
consultation

Aug 25



MP draft
posted on EBS

Sept 8



2nd informal
consultation

Sept 29



Advisory
Committee on
Admin.
& Budgetary
Questions
(ACABQ)

Oct 13



MP
document
posted on
EBS

Oct 30



FAO Finance
Committee

Nov 13



Second
regular
session – MP
approval

Q&A THANK YOU



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