



CORPORATE PLANNING AND PERFORMANCE DIVISION (CPP)

WFP Management Plan (2024-2026)

2nd Executive Board Informal Consultation

September 2023



World Food Programme

SAVING LIVES
CHANGING LIVES



World Food Programme



Objective of the 2nd Informal Consultation

- Update on **Programmatic Figures** (Op. Requirements & Implementation Plan)
- Detailed baseline and **PSA figures**
- 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, FUNDING CONTEXT, PROGRAMMATIC CONTEXT



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



Malnutrition

persists in many forms across all regions



Public debt levels

are **alarmingly high**.



Hunger

remains **extremely high**



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



Funding

Stretched resources will require WFP to prioritize



Partnerships and Innovation

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



Scaling

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



Prices

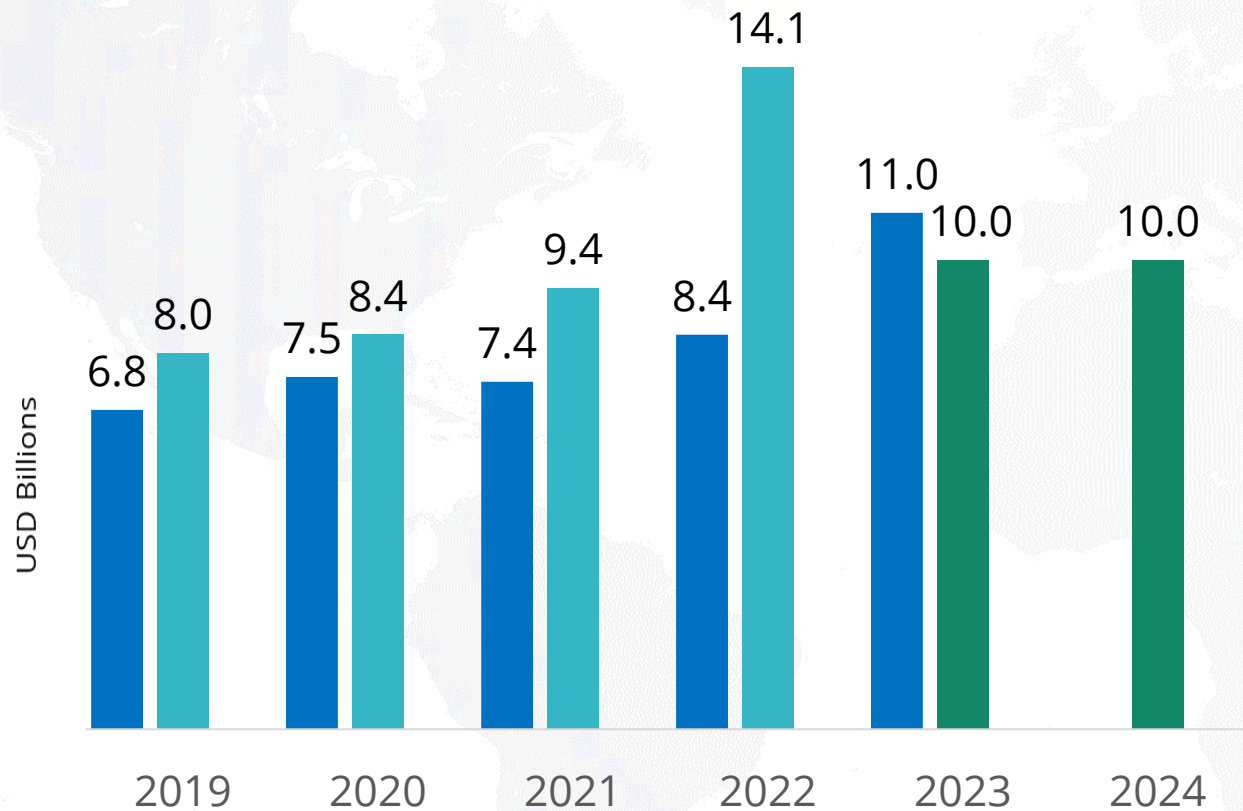
Increases to **operational costs** due to global inflation



Trust

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

Funding levels expected to return to previous trend



- Forecasted contributions as per MP
- Actual contributions
- Projections

- **2023 & 2024** contributions forecasts are projected at **USD 10 billion**
- Efforts directed at:
 - **Strengthening and diversifying donor base**
 - Secure **high-value, multi-year partnerships**, while exploring new opportunities
 - Procuring agreements signed with **national governments, including leveraging IFI resources**
 - Building long-term relationships for **increased, flexible and regular income** from the private sector.

Key programmatic 2024 figures

Operational Requirements

 **USD 22.7 B**

15% increase from MP 2023

Targeted Beneficiaries

 **157 M**

5% increase from MP 2023

Contribution Forecast

 **USD 10B**

Provisional Implementation Plan

 **USD 11B**

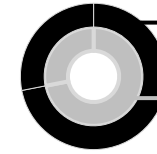
48% of operational requirements

Planned Beneficiaries

 **120 M**

76% of operational requirements beneficiaries

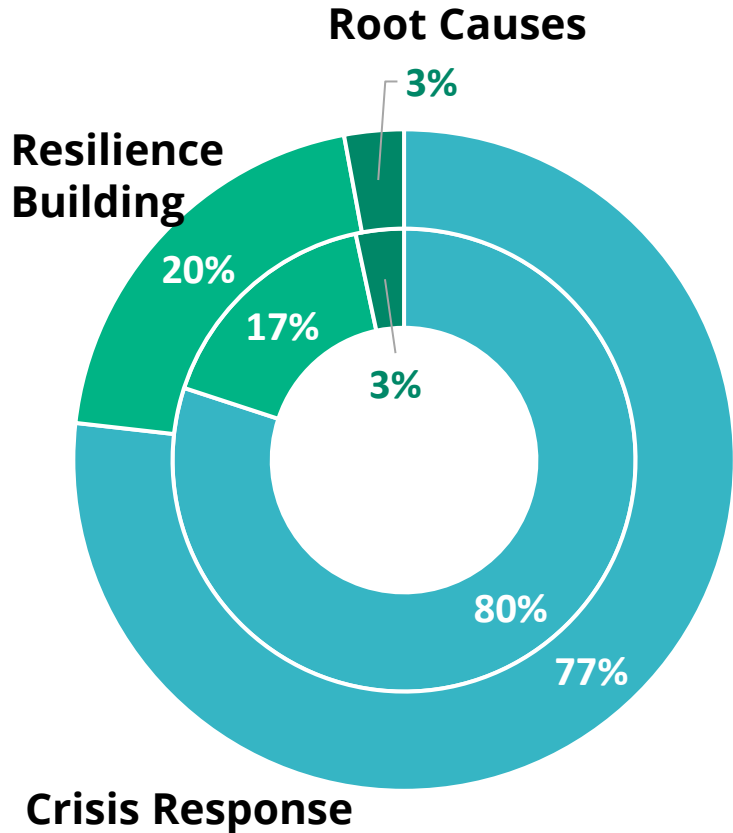
2024 Operational Requirements vs. Provisional Implementation Plan



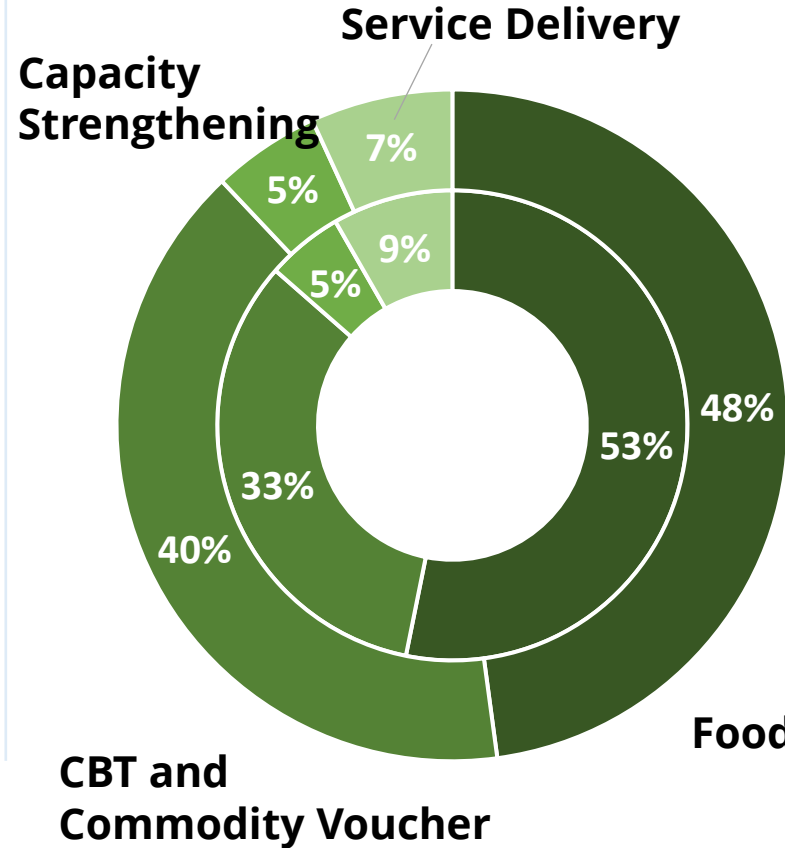
Outer circle: Operational Requirements

Inner circle: Provisional Implementation Plan

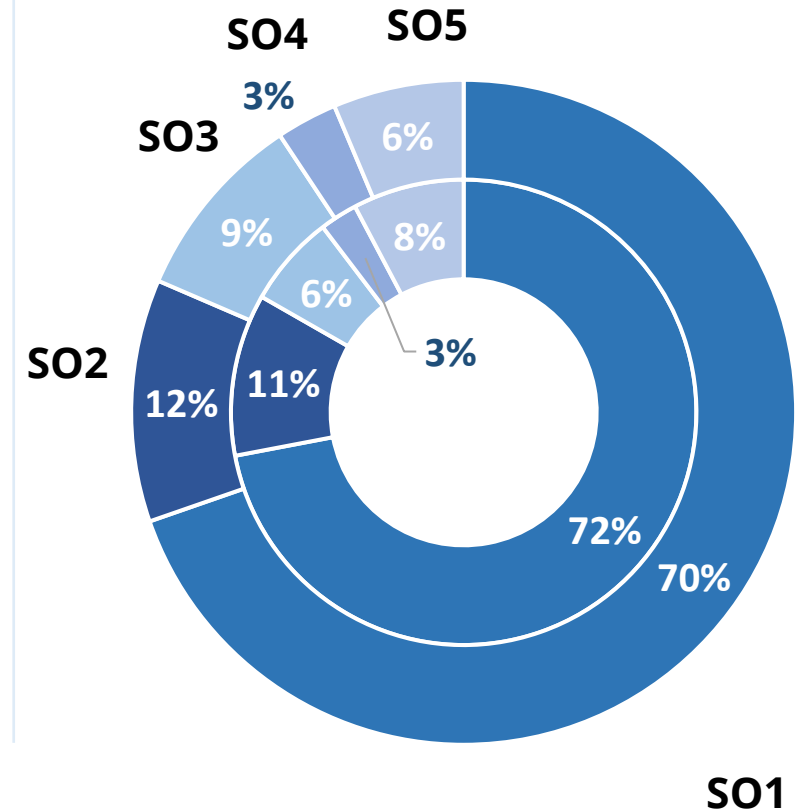
By Focus Area



By Transfer Modality



By Strategic Outcome



Q&A



PROGRAMME SUPPORT AND BUSINESS OPERATIONS



Status of BUSBE

BUSBE PROJECT

BUSBE AUDIT

Results



Transparency and Full Visibility of the budget



Technical Budgeting
(linking budget to corporate priorities, management results and risk areas)



Robust Budget Governance

Ongoing Activities



Review of the **Cost Recovery**



Enhancing Tools



Redesigned Structure to Efficiently support COs

Programme Support and Business Operations Budget

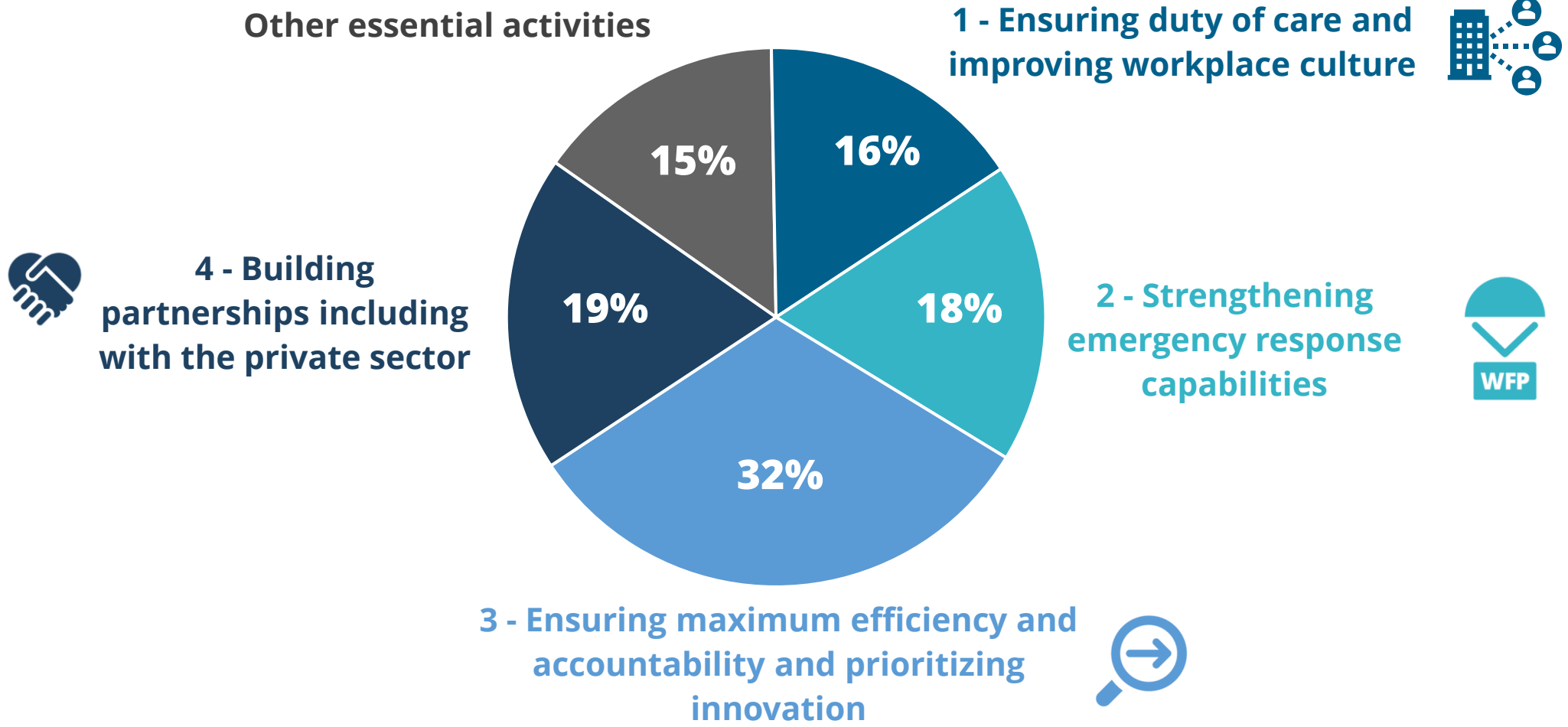
Programme Support and Business Operations (USD million)							
	Baseline				Other Services	Direct activities	Total
	PSA	CCIs	TF, SA, & Other Funding Sources	Total			
2024	568.0	97.9*	145.6	811.4	39.7	131.9	983.0
2023	576.3	58.2	118.1	752.6	55.7	127.4	935.7
Increase (Decrease)	(8.3)	39.7	27.4	58.8	(16.0)	4.5	47.3
% change	(1%)	68%	23%	8%	(29%)	4%	5%



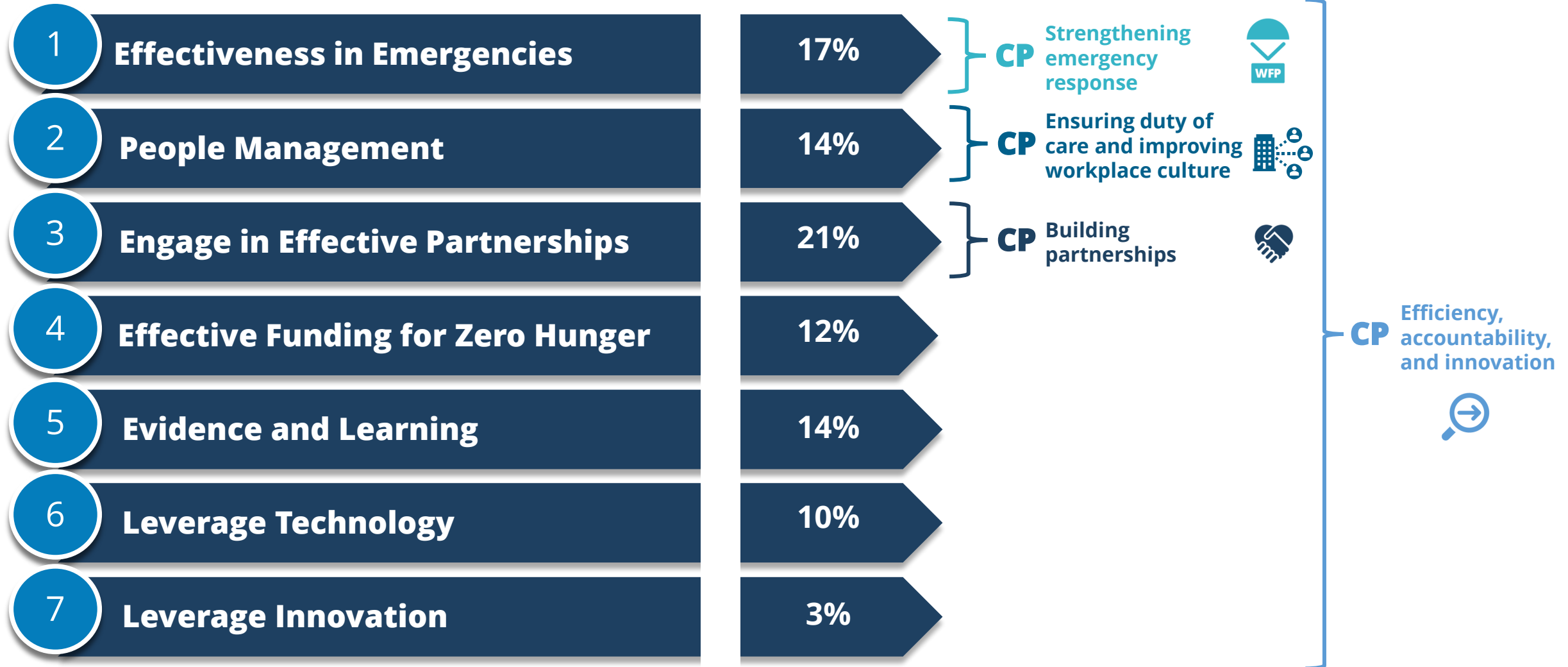
Focus of Management Plan

* For EB approval, the amount is USD **88.4** million, excluding carry over funds

Corporate Priorities for 2024 Baseline Budget



Management Results

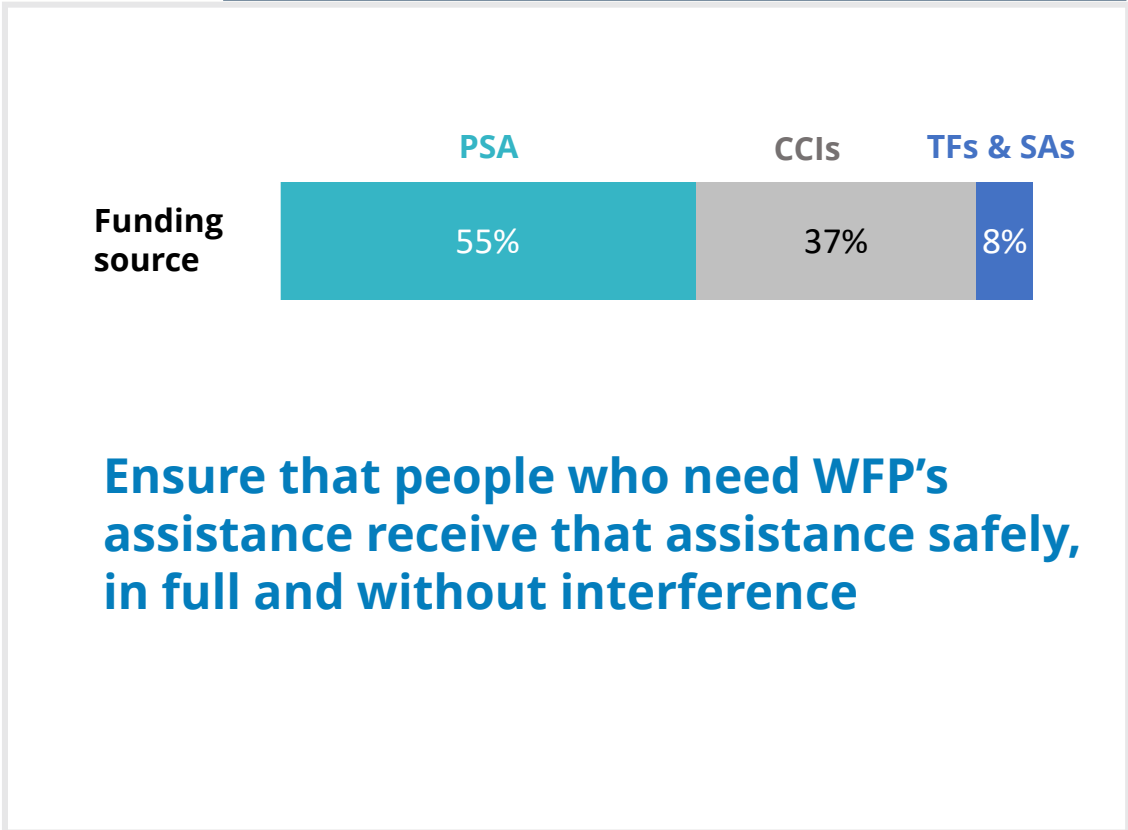


*Remaining 9 percent is associated with activities that do not contribute directly to any management result, which include transactional activities and the majority of central appropriations.

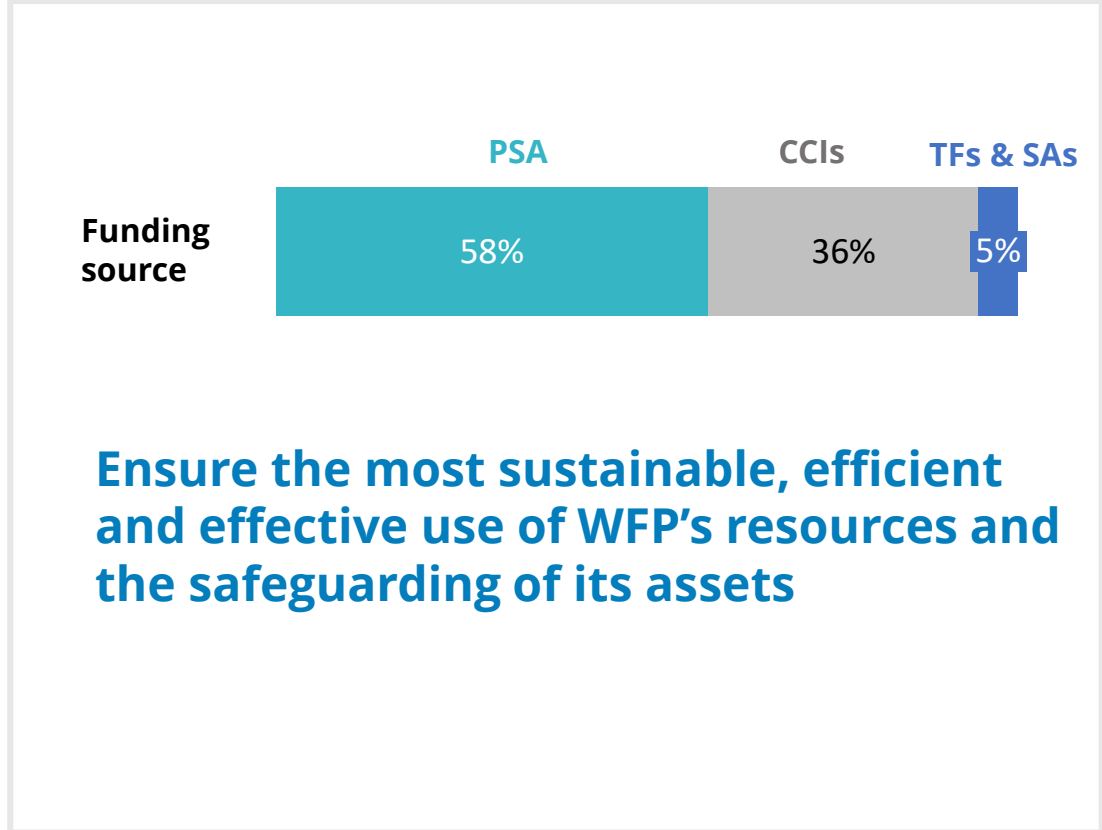
Costed workplans for key risk areas



Monitoring, beneficiary identity management, cooperating partners, CBTs and supply chain




People management and workplace culture



Organizational Changes in 2024 vs. 2023

Departmental Name Changes

2023		2024
Operations Management Department	➔	Chief of Staff <i>(now combined as Executive Director and Chief of Staff Department)</i>
Supply Chain, Emergencies and Security Department	➔	Operations Management Department

Divisional Structural Changes

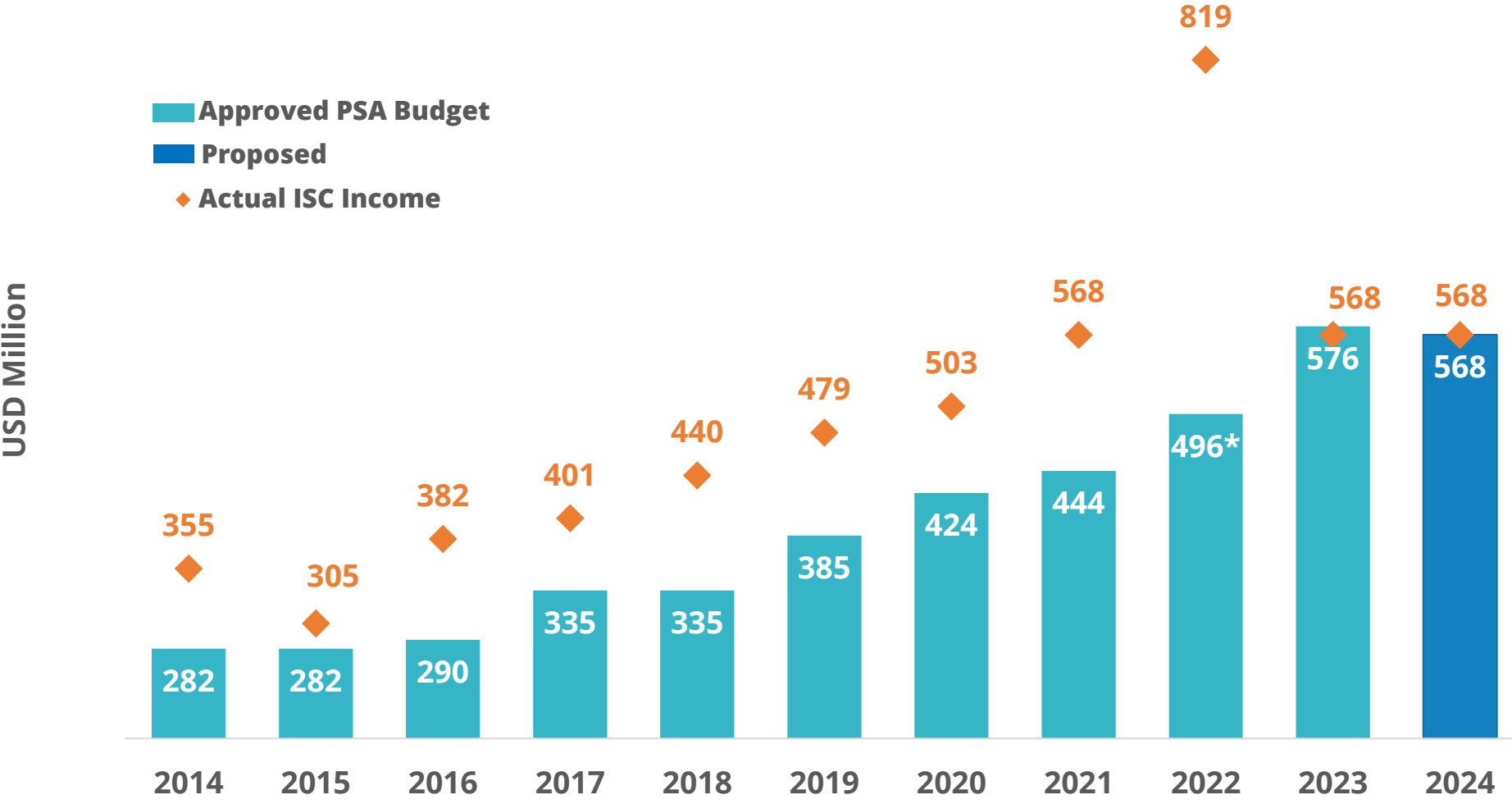
Both **Executive Board Secretariat (EBS)** & **Operation Management Support office (OMS)** were moved to the new Operations Management Department

Security Division (SEC) moved to Management Department

2024 PSA BUDGET



2024 Proposed PSA set at ISC Income



2024 projections (USD)	
Contributions	10 B
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 adjustments of up to 2% increase of the contributions to be released under ED's authority

2024 PSA Budget by Appropriation Line and Pillar



✓ For EB's approval

Item	USD million
Strategy and direction	✓ 121.3
A. Strategy and direction	121.3
Services to operations	✓ 295.8
B. Business services	193.2
C. Policy, guidance and quality assurance	102.6
Governance, independent oversight and fundraising	✓ 150.9
D. Advocacy, partnerships, fundraising and United Nations coordination	105.5
E. Governance and independent oversight	45.4
Grand Total	✓ 568.0

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 2 percent** of the anticipated change in income

For EB's authority

PSA budget changes – 2023 to 2024



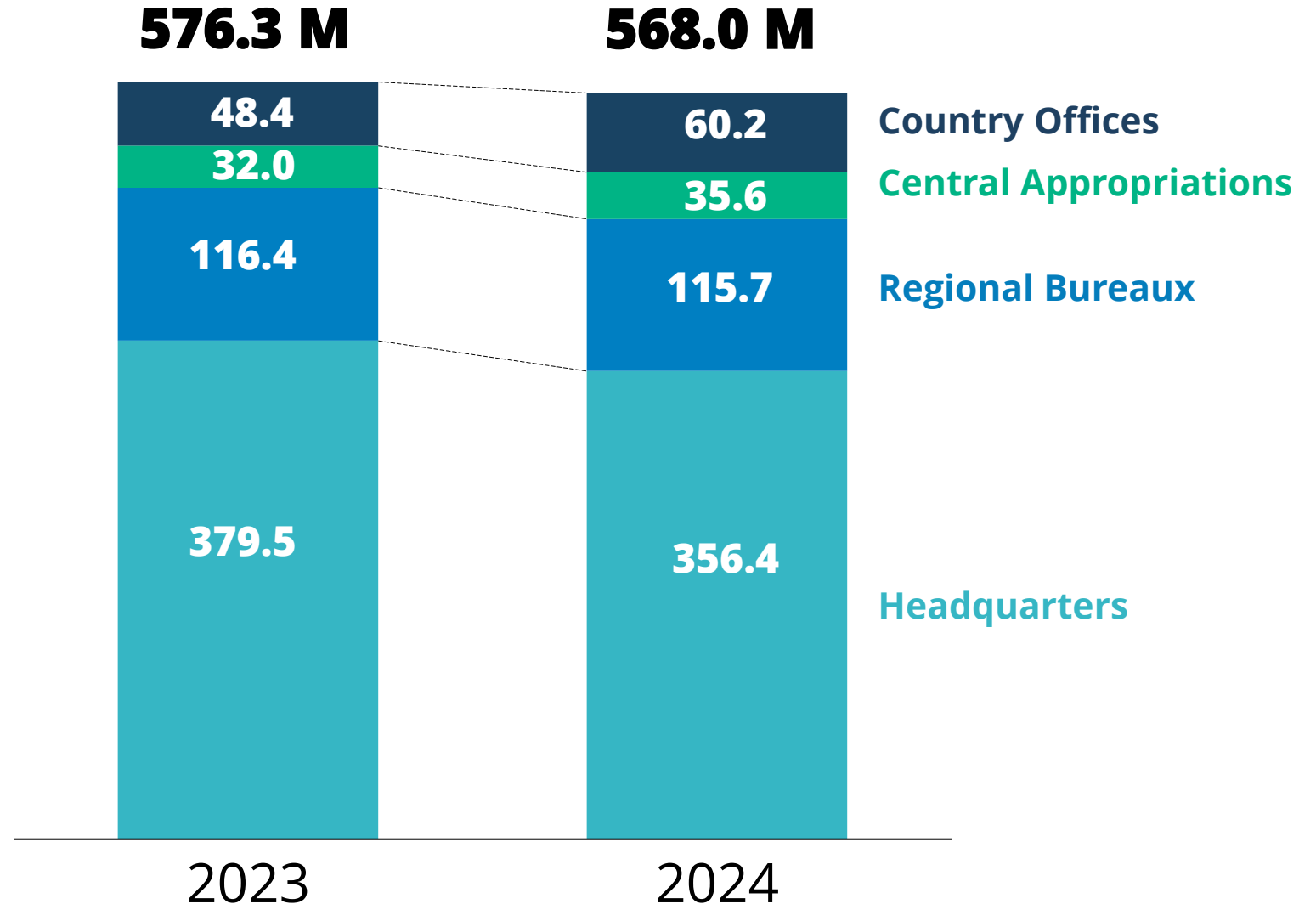
Emphasis on Strengthening Country Offices

↑ 24%
increase in **Country Office** PSA funding

↑ 11%
increase in **Central appropriations**

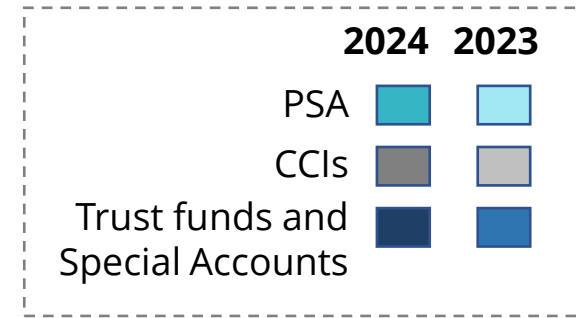
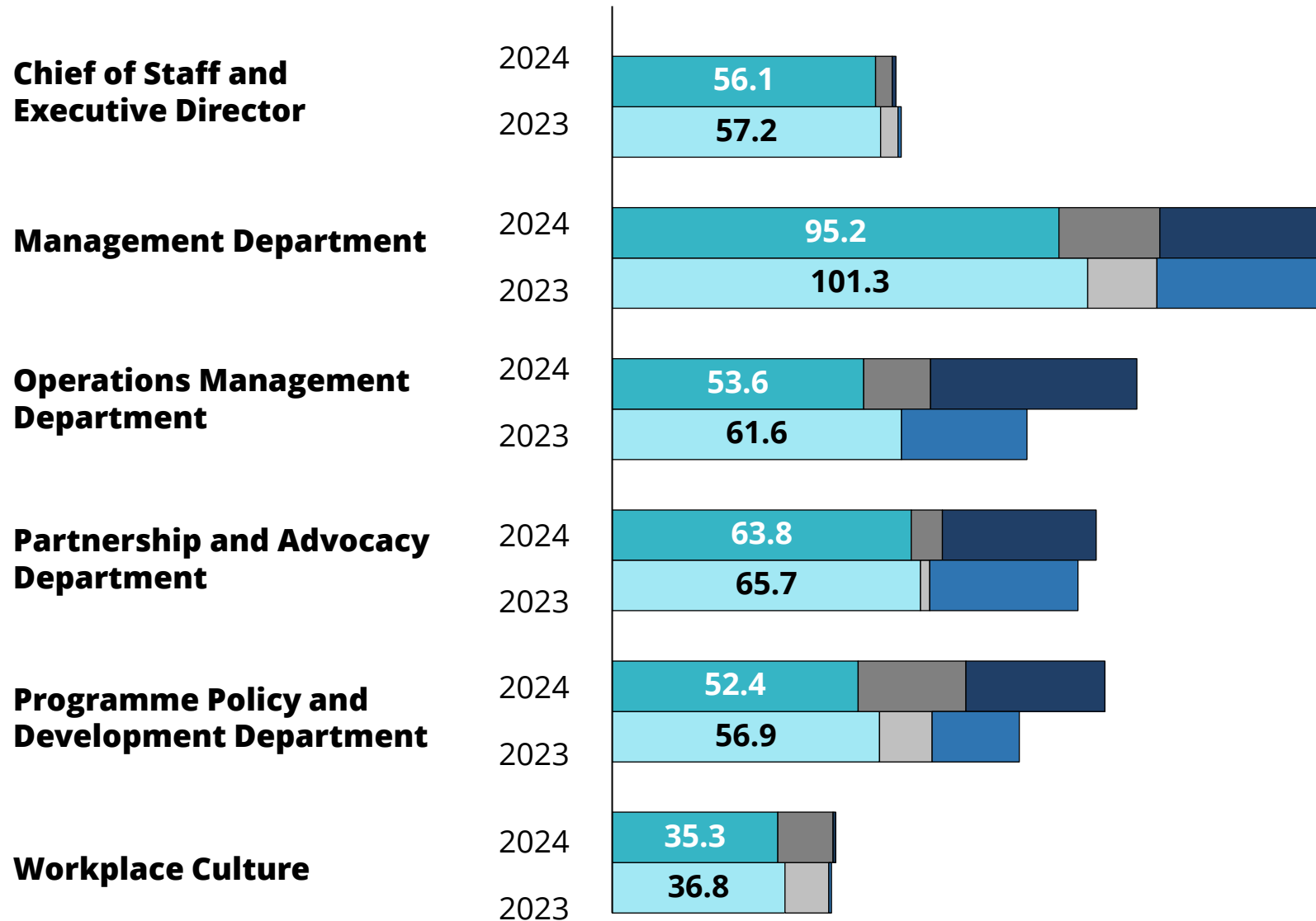
↓ 1%
RB budget **prioritized** over HQ

↓ 6%
HQ departments absorb the burden



PSA budget changes – 2023 to 2024 HQ Detail

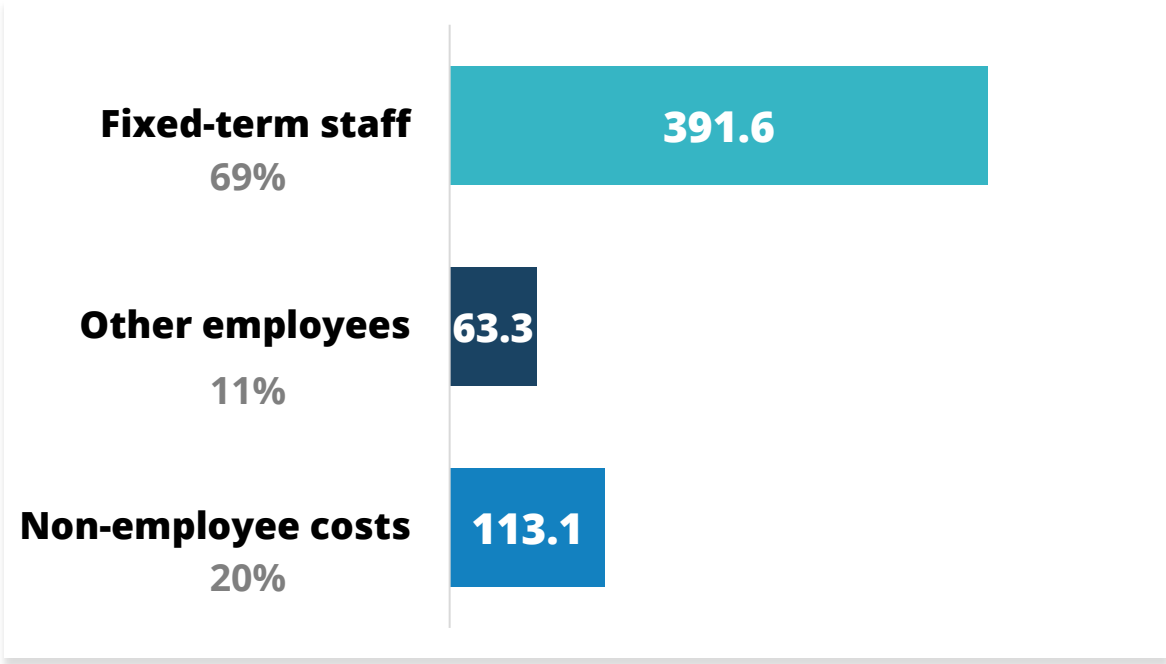
USD millions



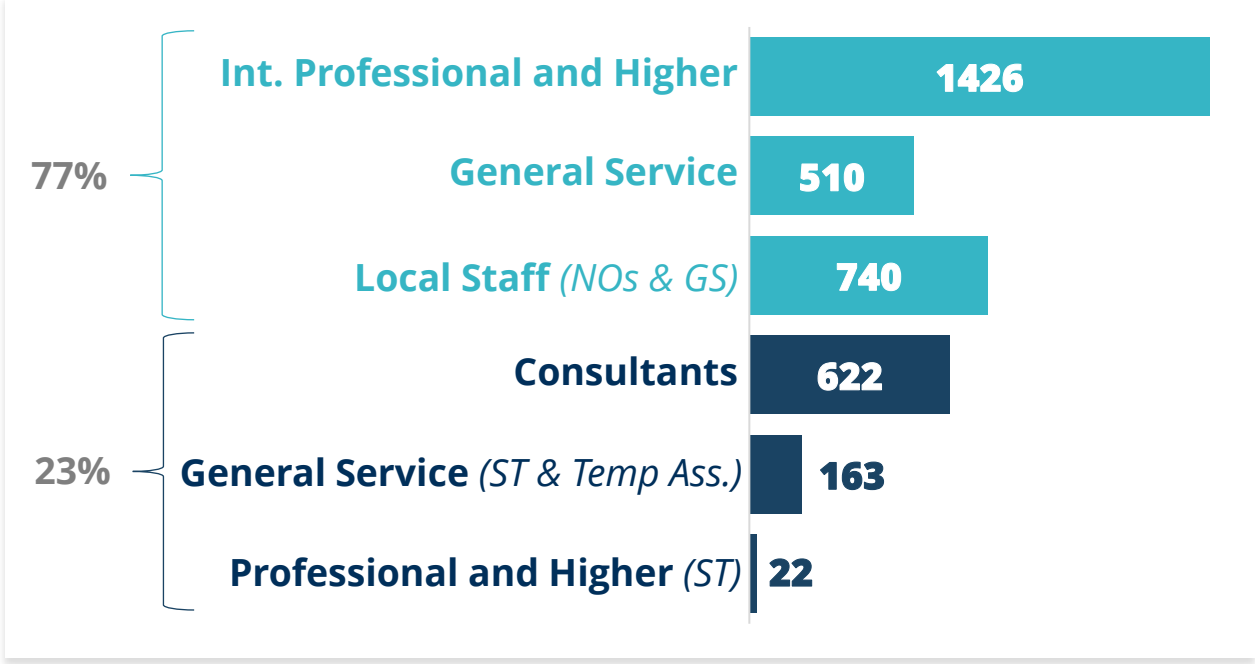
Total HQ 2024 PSA
USD 356.4 M

PSA by Object of Expenditure

PSA by Object of Expenditure USD Million



PSA Full Time Equivalents (FTEs)



WFP will continue to **improve the contractual conditions of its employees**, especially those who have been performing essential functions for several years but remain on short-term contracts.

Indirect Support Cost Rates

✓ For EB's approval

✓ Maintain the standard **ISC rate of 6.5 percent**, and a **4 percent** rate as per General Rule XIII.4 (e) for:

1

Host government
contributions to their own
programmes

2

Contributions from
**governments of
developing countries** or
with economies in
transition

3

**International financial
institutions** under such
conditions as determined
by the Board

*(Approved at EB.A/2022 and
Secretariat requested JIU
review of UN rates applied
to IFIs)*

Q&A



RESERVES AND GENERAL FUND



Reserve and General Fund Overview

(USD millions)



	PSAEA	UGF	Total
Projected balance 31 Dec 2023	390	330	720
Projected earnings in 2024	0	125	125
Prudent balance	(237)	(150)	(387)
Availability after prudent balance Dec 2024	153	305	458

Proposed usage

Repurposing of the staff wellness fund	-	-	-
Treasury Management		2	2
IRA	50		50
CCIs	88		88
Human Capital Management		15	15
Country Office safety net		85	85
Total proposed usage	138	102	240

IRA Transfer and Resourcing Target



For EB's approval



IRA Transfer

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

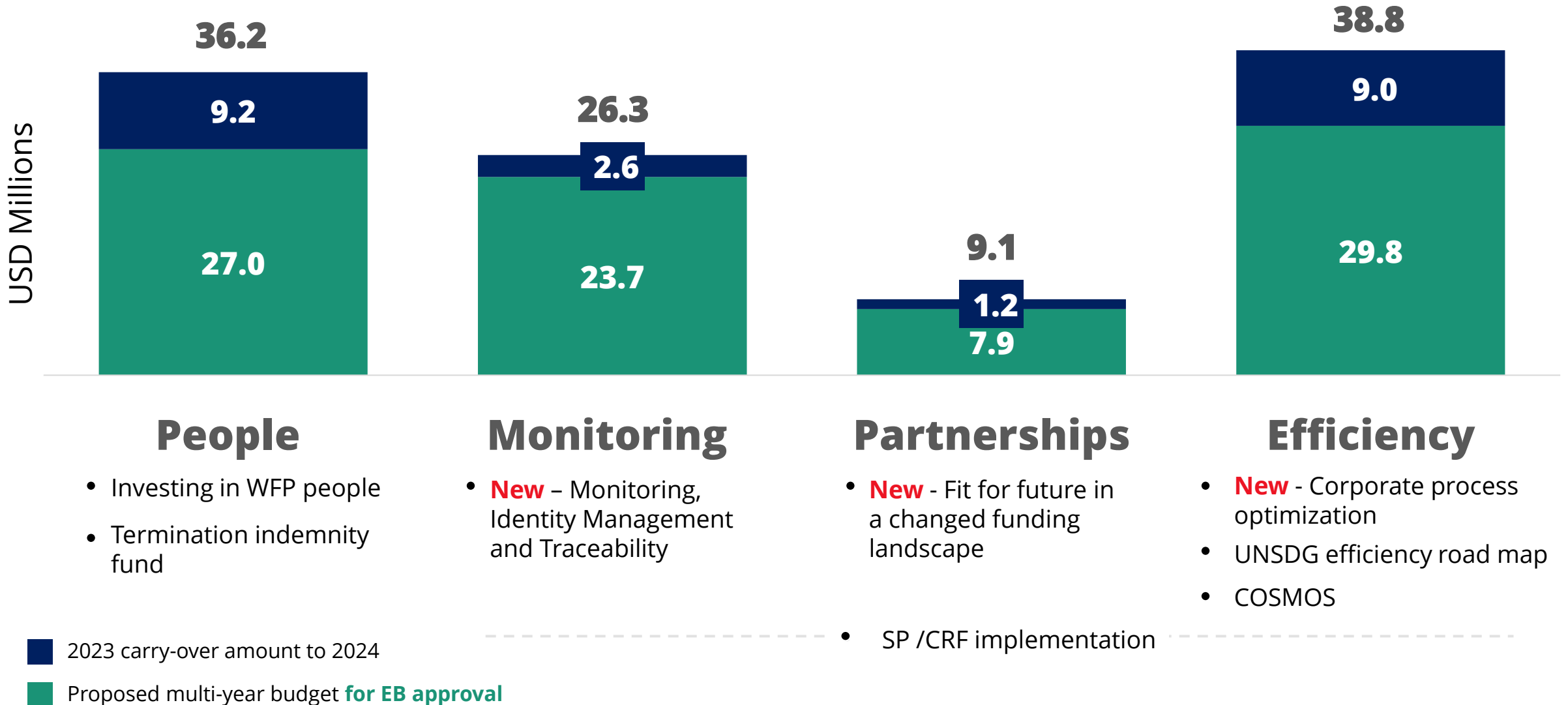


IRA resourcing target

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

Proposed Critical Corporate Initiatives

✓ For EB's approval



People

- Investing in WFP people
- Termination indemnity fund

Monitoring

- New** - Monitoring, Identity Management and Traceability

Partnerships

- New** - Fit for future in a changed funding landscape

Efficiency

- New** - Corporate process optimization
- UNSDG efficiency road map
- COSMOS

- SP /CRF implementation

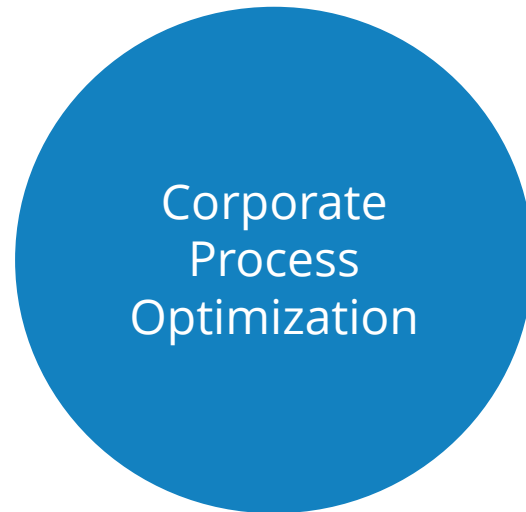
New Critical Corporate Initiatives (Multi-year, 2024-2025)



23.7M




7.9M

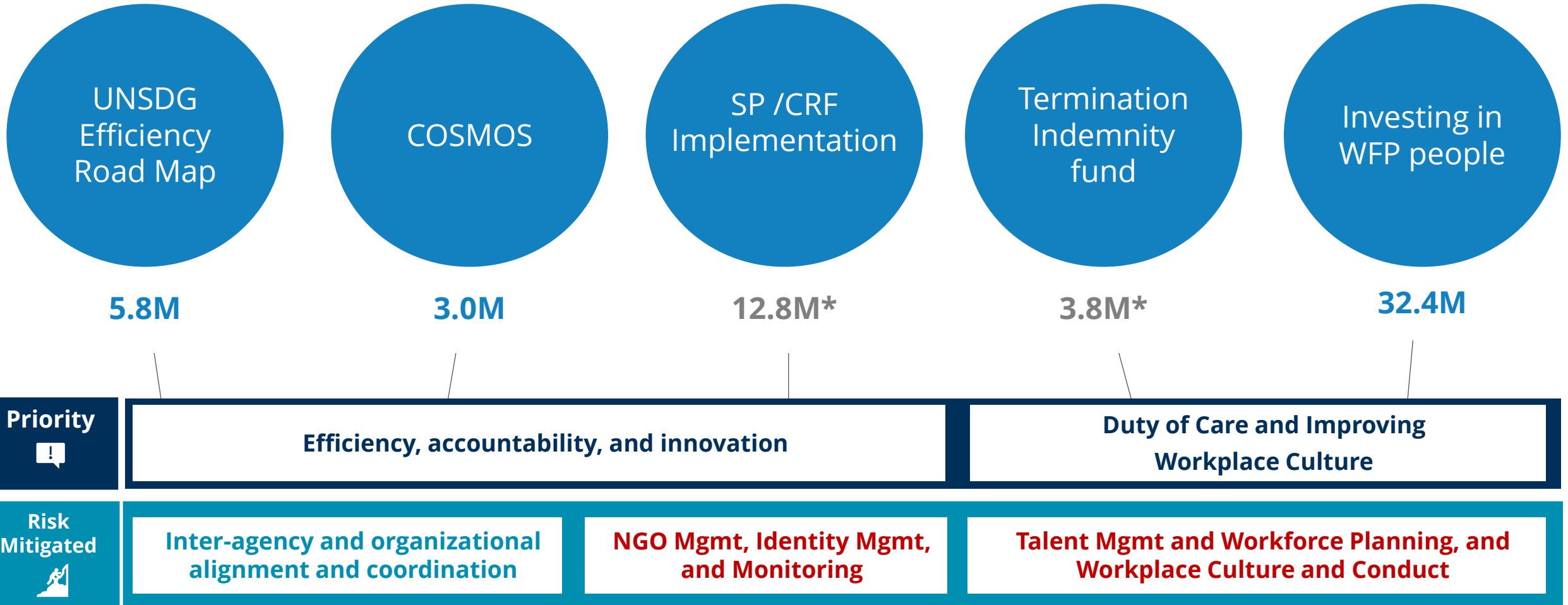


21.0M

Priority 	Efficiency, accountability, and innovation	Partnerships, Including Private Sector	Efficiency, accountability, and innovation
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Risk Mitigated 	NGO Mgmt, Identity Mgmt, and Monitoring	Corporate adaptation to changing donor landscape	Fragmented data, systems and solutions landscape
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Existing Critical Corporate Initiatives (to be completed in 2024)



*Remaining budget covered from 2023 carry-over

Proposed use of the General Fund



For EB's approval

Human Capital Management Project

USD 15 million for an anticipated Capital Budget Facility repayment to develop a platform used in Country Offices



The platform

- Operational in 2024
- Improve **people management**, human resources services and data-driven decision-making.
- Significantly **reduce manual transactions** required to process the local staff payroll of country offices



Early repayment

- Processing of the local staff payroll is outsourced and **funded through CSPs**.
- Under the current repayment plan starting in 2024, the reduction in the cost of the service will allow for the **repayment**.
- Using the GF instead, will allow COs to benefit from the **reduction of costs**.

Proposed use of the General Fund



For EB's approval



Country Office safety net

USD 85 million proposed to support country offices mitigate the impact of reductions in contribution revenue



Objective

- Prioritize support to most vulnerable beneficiaries maintaining **high standards of assistance**
- Preserve **operational integrity**
- Meet **norms and assurance standards**
- Maintain **capacity** for **scaling up** to respond to acute crises
- Support country offices to **adjust** to **lower resourcing levels**



Eligibility criteria

- **Context-specific**, considering:
 - **Relevance** for strategic long-term realignment;
 - **Complexity** of the operational environment;
 - **Risks** to operational integrity from a drastic and rapid scale-down; among other



Potential areas of support

- Transition costs for **cooperating partners**
- **Retargeting exercises** to manage reductions in assistance
- Enhanced capacity of **CFM** to **manage feedback** from reduced assistance
- Costs associated with **reduction** of WFP's **footprint**

NEXT STEPS



Next Key Dates for the Management Plan Process



Q&A THANK YOU



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