

## ANNEX VIII

### Terminology

As far as possible, common United Nations terminology for budget preparation has been used in this document. WFP-specific terms and definitions have been used where necessary.

#### **Account**

A formal record of an asset, liability, revenue or expense for which the effects of transactions are recorded in terms of their monetary value or other unit of measurement.

#### **Activity**

Activities are actions taken or work performed through which inputs such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.

#### **Activity category**

Activities, which are described in country strategic plans, are classified in standardized groups throughout WFP, which allows aggregation by nature of the activities. A comprehensive list of WFP activity categories can be found in the corporate results framework.

#### **Annual performance report (APR)**

A corporate-level report submitted to the Board and donors highlighting WFP's main achievements and challenges. Reporting progress against the WFP strategic plan and management plan, the APR reflects results-based management principles and constitutes an essential piece of WFP's accountability and performance management system. The report draws on WFP's accounting and operation management systems and on consultation with divisions, regional bureaux, country offices and partners.

#### **Appropriation**

The amount approved by the Board for purposes specified in the programme support and administrative (PSA) budget for a financial period, against which obligations up to the amount approved may be incurred for those purposes.

#### **Appropriation line**

The largest subdivision of the PSA budget within which the Executive Director is authorized to make transfers without prior approval of the Board.

#### **Baseline**

Essential activities that contribute to the efficient and effective delivery of the annual implementation plan but that cannot be readily traced to individual CSPs.

#### **Beneficiaries**

Beneficiaries are individuals who benefit directly (tier 1 beneficiaries) or indirectly (tier 2, tier 3 beneficiaries) from WFP interventions at any time during a given reporting period.

#### **Board**

The Executive Board of WFP, and its predecessors.

#### **Capital Budgeting Facility**

A revolving facility for enabling WFP to implement large-scale initiatives that improve efficiency by reducing costs in the long term.

**Contribution**

A donation of appropriate commodities, non-food items, acceptable services or cash made in accordance with procedures set out in WFP's financial regulations. A contribution may be multilateral, directed multilateral or bilateral.

**Corporate results framework (CRF)**

The normative document approved by the Board in order to operationalize WFP's strategic plan and policy on country strategic plans. It establishes the logic model for programme results and the management support architecture used to guide the planning and monitoring of and the reporting on WFP's performance towards the achievement of strategic objectives. The CRF aligns the "line of sight" with indicators used to measure results. These indicators are maintained in two compendiums: the CRF programme output and outcome compendium; and the CRF management key performance indicator compendium. Targets for results are set in the performance cycles of country, regional and headquarters offices and reviewed by the Board in the annual performance report.

**Country strategic plans (CSPs)**

Country strategic plans describe WFP's entire portfolio of humanitarian and development activities in a country or countries and are prepared on the basis of country-led analyses of sustainable development. Within the MP the use of this term includes Interim country strategic plans (ICSPs), Limited emergency operations, and Transitional interim country strategic plans (T-ICSPs).

**Critical corporate initiatives**

Non-recurring investments funded by allocations from the PSA equalization account and aimed at strengthening WFP's programming, operational and administrative capacity.

**Directed multilateral contribution**

A contribution, other than a response to an appeal made by WFP for a specific emergency operation, that a donor requests WFP to direct to a specific activity or activities initiated by WFP or to a specific programme or programmes.

**Direct support cost**

A cost that corresponds to country-level expenditures that are directly linked to the execution of the programme as a whole but cannot be attributed to a specific activity within it.

**Executive Director**

The Executive Director of the World Food Programme or the official to whom the Executive Director has delegated authority and responsibility for the matter in question.

**Extrabudgetary funding**

Extrabudgetary resources include special accounts and trust funds, which may be established by the Executive Director as stipulated in [Financial Regulation 5.1](#).

**Financial regulations**

Regulations adopted pursuant to general regulations that govern the financial management of the WFP Fund. The Board may, in exceptional circumstances, grant exemptions from the financial regulations.

**Focus areas**

Mutually exclusive categories of the contexts in which WFP operations are implemented. Focus areas appear as tags in WFP logical frameworks at the WFP strategic outcome level and are three in number: crisis response, resilience building and response to root causes. Each strategic outcome statement should be associated with one focus area.

**Full cost recovery**

The recovery of all the costs of the activities financed by a contribution or service provision payment.

**Funding Compact**

An agreement between Member States and the United Nations to increase the quality and quantity of resourcing in exchange for increased transparency and accountability.

**General Fund**

The accounting entity established for recording, under separate accounts, indirect support cost recoveries, miscellaneous income, operational reserve and contributions received which are not designated to a specific programme category fund, trust fund or special account.

**Global Commodity Management Facility**

A facility that enables WFP to buy food on the basis of estimated regional needs and funding forecasts with a view to exploiting favourable market conditions and minimizing the time required to deliver food to beneficiaries.

**Global contribution forecast**

Based on donor intelligence including funding trends, political developments and information received from donor counterparts at the capital level, the global contribution forecast provides a projection of WFP's expected contributions. The global forecast is used in the management plan document to arrive at the corporate key figure for projected contribution revenue for the coming years. The projected indirect support cost income in the management plan is in turn derived from the projected contribution revenue figure and serves to support the proposed programme support and administrative budget.

**Implementation plan**

An annual plan of prioritized and adjusted operational requirements, based on funding forecasts, available resources and operational challenges.

**Indirect support cost**

A cost that cannot be directly linked to the execution of a programme or activity.

**Internal project lending**

An internal advance financing mechanism whose objectives are to maximize the utilization of project resources in order to improve the timely availability of food. The facility enables projects to receive advance funding pending confirmation of forecast contributions within established risk management parameters.

**Management cost recovery fees**

Management cost recovery fees are charges to external entities based on the total cost of services to cover the costs of managers and the management support infrastructure of WFP's service provision activities, including oversight, risk management and tool development.

**Management plan**

The three-year comprehensive plan of work approved by the Board each year on a rolling basis, inclusive of planned outcomes and indicators of achievement, together with the annual WFP budget.

**Multilateral contribution**

A contribution for which WFP determines the programme or WFP activities for which the contribution will be used and how it will be used, or a contribution made in response to a broad-based appeal for which WFP determines, within the scope of the broad-based appeal, the programme or WFP activities for which the contribution will be used and how it will be used, and for which the donor will accept reports submitted to the Board as sufficient to meet the requirements of the donor.

**Operational costs**

Transfer costs and implementation costs of a programme.

**Operational requirements**

All direct operational needs and direct support costs related to approved programmes and programmes that are expected to be submitted for approval.

**Other services**

Other services are activities that are incidental or supplementary and are not central to directly supporting the operations of the organization.

**Pillars**

Five categories (A–E) that describe products and services delivered by regional bureaux and headquarters to support country offices in implementing their CSPs and therefore to align the plans and budgets of regional bureaux and headquarters offices.

**Programme of work**

The total approved WFP programme requirements determined in collaboration with governments and other partners and utilized for funding appeals.

**Programme support and administrative (PSA) budget**

The portion of the WFP budget that pertains to providing indirect support for WFP's activities.

**Programme support and administrative equalization account (PSAEA)**

The PSAEA records the differences between WFP's ISC revenue and the PSA expenses for the financial period. The balance acts as a safety net for underwriting the risk of a shortfall in ISC income needed for PSA expenditure.

**Project**

A separately identified undertaking within a programme category.

**Ration**

A ration is the food or cash or voucher equivalent provided daily for a beneficiary in a targeted group; it is expressed as the weight in grams of each food type and varies in size according to needs and available funding.

**Service provision**

The provision of services consistent with the purposes, policies and activities of WFP to a party in exchange for payment.

### **Special account**

An account established by the Executive Director for a special contribution or for monies earmarked for specific activities, the balance of which may be brought forward to the succeeding financial period.

### **Strategic outcomes**

Part of WFP's programmatic results chain, strategic outcomes are statements in WFP logical frameworks that reflect the stated or implied goals of a country's national plan and regional framework to which WFP's assistance will contribute. Strategic outcomes are formulated by country offices and derived from national needs and priorities for achieving zero hunger by 2030. They are formulated collectively, in cooperation with national entities, donors and other partners, usually during joint formulation workshops and consultations. Strategic outcomes measure aggregable system, institutional changes at scale and/or behaviour, practices and beliefs. Strategic outcomes contribute to WFP strategic results, and below them are outputs and activities. Strategic outcomes are classified in standard outcome categories for the purpose of aggregation throughout WFP.

### **Trust fund**

An identifiable subdivision of the WFP Fund, established by the Executive Director in order to account for a special contribution, the purpose, scope and reporting procedures of which have been agreed with the donor.

### **WFP budget**

The annual budget component of the management plan approved each year by the Board indicating estimated resources and expenditures for programmes and activities and including a programme support and administrative budget.

### **WFP transfer modalities**

- **Commodity voucher.** A paper or electronic entitlement expressed in fixed quantities of specified goods. It is a distinct transfer modality and is not cash-based or in-kind.
- **Capacity strengthening.** Modality where capacity is built at the community level and/or for institutional counterparts by promoting education, awareness-raising and social behavioural change (SBCC) initiatives; providing technical training and assistance; enabling and brokering partnerships; ensuring coherent policies and actions; encouraging multi-stakeholder participation in implementation; promoting innovation; and improving access to resources, expertise, knowledge and networks for the achievement of SDG 2 and other SDGs.
- **Cash-based transfers.** Transfer modalities through which beneficiaries are provided with purchasing power in the form of cash and/or value vouchers.
- **Food.** Modality where in-kind food commodities are transferred to beneficiaries..
- **Service delivery.** A service provided by a WFP country office to other country offices, external partners, other United Nations entities, NGOs, governments, etc.

## Acronyms

|          |  |
|----------|--|
| BOS      | business operations strategy   |
| BUSBE    | bottom up strategic budgeting exercise   |
| CAM      | Communications, Advocacy and Marketing Division  |
| CBT      | cash-based transfer  |
| CCI      | critical corporate initiative  |
| CERF     | Central Emergency Response Fund  |
| CFM      | community feedback mechanism   |
| COMP     | Country Operations Management Plan   |
| COSMOS   | Country Office Support Model Optimization and Simplification                                   |
| COVID-19 | coronavirus disease 2019   |
| CPP      | Corporate Planning and Performance Division  |
| CRF      | corporate results framework  |
| CSP      | country strategic plan   |
| DSC      | direct support costs   |
| FAO      | Food and Agriculture Organization of the United Nations  |
| FIN      | Corporate Finance Division   |
| FTE      | full-time equivalent   |
| GEN      | Gender Equality Office   |
| GST      | Global Support Team  |
| IDM      | Identity Management  |
| IFI      | international financial institution  |
| INK      | Innovation and Knowledge Management Division   |
| IRA      | Immediate Response Account   |
| ISC      | indirect support costs   |
| KPI      | key performance indicator  |
| LEG      | Legal Office   |
| MR       | management result  |
| MSD      | Management Services Division   |
| NGO      | non-governmental organization  |
| NUT      | Nutrition Division   |
| ODA      | Official Development Assistance  |
| OECD-DAC | Development Assistance Committee of the Organisation for Economic Co-operation and Development |
| OED      | Office of the Executive Director   |

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| OEV    | Office of Evaluation   |
| PA     | Partnerships and Advocacy Department                         |
| PACE   | performance and competency enhancement system                |
| PCC    | People and Culture Coordination Unit                         |
| PD     | Programme and Policy Development Department                  |
| PPF    | Private Partnerships and Fundraising Division                |
| PPR    | Public Partnerships and Resourcing Division                  |
| PRO    | Programme – Humanitarian and Development Division            |
| PSA    | programme support and administrative (budget)                |
| PSAEA  | programme support and administrative equalization account    |
| RAM    | Research, Assessment and Monitoring Division                 |
| RMD    | Risk Management Division                                     |
| SA     | special account  |
| SCO    | Supply Chain Operations Division                             |
| SDG    | Sustainable Development Goal                                 |
| SOP    | Standard Operating Procedure                                 |
| SRM    | Security Risk Management                                     |
| STR    | Strategic Partnerships Division                              |
| TEC    | Technology Division  |
| TF     | trust fund   |
| UNDCO  | United Nations Development Coordination Office               |
| UNDIS  | United Nations Disability Inclusion Strategy                 |
| UNDSS  | United Nations Department for Safety and Security            |
| UNICEF | United Nations Children’s Fund                               |
| UNSDCF | United Nations sustainable development cooperation framework |
| UNSDG  | United Nations Sustainable Development Group                 |
| WP     | Workplace Culture Department                                 |