



# Briefing on the Management Plan

MP 2026-2028

23 May 2025

# MP 2026-2028

## Outline of the document

- 1 **Introduction** (internal and external context)
- 2 **Funding context**
- 3 **Programmatic context** (operational requirements and provisional implementation plan)
- 4 **Programme Support and Business Operations** (including PSA, ISC rate, and use of reserves)
- 5 **External Audit Recommendations**



# PSA planning assumptions for 2026



- **USD 6.4 billion** Global Forecast
- **ISC income** forecasted at **USD 365 million**, based on a **standard ISC rate of 6.5 percent**, with exceptions for lower rates as per previous EB decisions
- Proposed 2026 PSA budget will continue WFP's effort to **live within our means**
- In 2026, **global inflation** projected at **3%**

# Budget Principles for MP 2026-2028

- Maintain essential activities to meet governance obligations and to support operations as adjusted to the level of operational activity and size of the organization
- Efficiency-enhancing and cost-reduction measures to further reduce 2026 PSA in Global Headquarters to prioritize resources for frontline operations
- Streamline Global Headquarters management structures (including removal of layers) and processes
- Prioritize support capacity closest to our operations
- Diversify and grow WFP's resource base through innovative funding mechanisms and a revised resources mobilization strategy

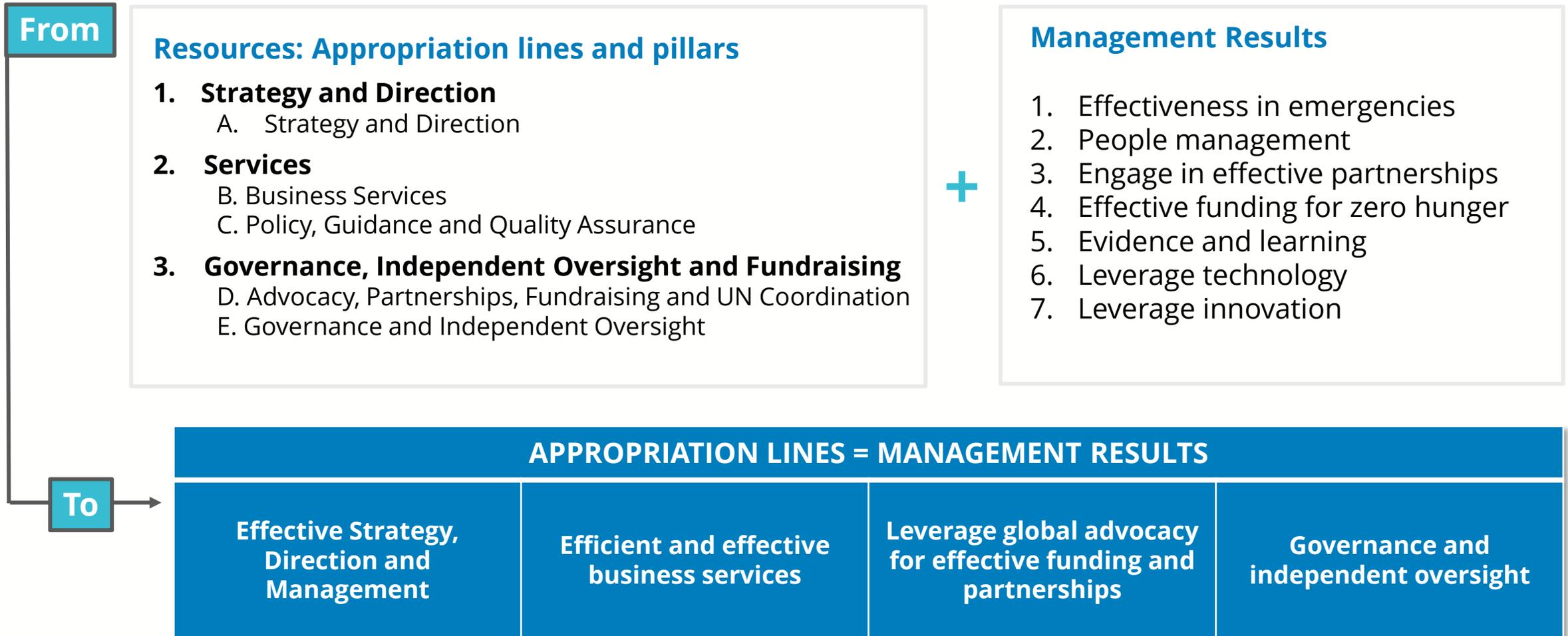
# PSA 2026 presentation (with reorganization)

Departments	PSA 2025 (% of total)	PSA 2026 (% of total)
<b>Country offices</b>	<b>13%</b>	<b>15%</b>
<b>Regional bureaux</b>	<b>20%</b>	-
<b>Global Headquarters</b>	<b>60%</b>	<b>75%</b>
Offices of the ED and CoS	18%	%
DED and COO	4%	%
Partnerships and Innovation Department	8%	%
Programme Operations Department	13%	%
Workplace and Management Department	16%	%
<b>Central Appropriations</b>	<b>8%</b>	<b>10%</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>

- Efforts to safeguard Country Offices
- Central appropriations relatively inflexible
- Reductions will need to come from all other organizational units including independent offices

# Towards CRF 2026-2029: A single unified framework for Management Results and Resources

Two frameworks from 2022-2025 will be merged into a single framework.



# Proposed Management Results and Resources Framework 2026-29

Management Result and Appropriation Line 1: <b>Effective Strategy, Direction and Management</b>	Management Result and Appropriation Line 2: <b>Efficient, effective and evidence based business services</b>	Management Result and Appropriation Line 3: <b>Leverage advocacy for effective funding and partnerships</b>	Management Result and Appropriation Line 4: <b>Governance and Independent oversight</b>
1.1. Strategic direction and change management	2.1. Emergency coordination and preparedness	3.1. Global <u>advocacy</u> , Communications, and Branding	4.1. Effective engagement with Governing Bodies (Executive Board, FAO, UN ACABQ)
1.2. Management oversight, <u>assurance</u> and compliance	2.2 <u>People</u> management and duty of care	3.2. Accelerated, diversified, flexible, multi-year <u>funding</u>	4.2. Audit and Evaluation
1.3. Policy development	2.3. Leveraging innovation and technology	3.3. Engage in effective <u>partnerships</u>	
1.4. Risk management	2.4. Programme operations support		
	2.5. Administrative and financial services		
	2.6. Supply Chain Services		

# External Audit Recommendations

- Revisit budget-related definitions, regulations and rules
- Consolidate budgetary policy, more comprehensive Regulations and Rules
- Reduce length and number of Management Plan decisions

## Main elements to be revised

- **Update Financial regulations** - Criteria for MP updates, flexibility across appropriations lines, refine based on definitions of WFP budget and programme of work
- **New Financial regulations or rules** - Use of PSAEA and UGF
- **Definitions in Financial regulations or rules** - **WFP budget**, Programme of work, CCIs, central appropriations, thematic funding, standard position cost rates

# Financial Regulations to be updated

**Financial Regulation 9.7:** The Executive Director may make transfers within each of the main appropriation lines of the approved Programme Support and Administrative budget. The Executive Director may also make transfers between appropriation lines up to limits the Board may specifically set.

To address the recommendation of regulations being more comprehensive, and to allow flexibility during implementation as context or assumptions change:

- Proposed addition – ***ED authority to transfer across appropriation lines up to 5% of the approved appropriation line, unless otherwise agreed by the Board***

**Financial Regulation 9.8:** The Executive Director may propose a revision in the Management Plan, including a revised [PSA] budget, for the financial period in a form and manner consistent with the Management Plan.

To address the recommendations of more specific criteria needed for MP revisions and shorter MP decisions:

- Proposed addition is to delegate authority to the ED to:
  - ***“Increase PSA by up to 25% of the forecast increase in ISC income after any projected deficits are covered”***
  - ***“implement cost savings measures to decrease PSA expenditures by up to 10%”***

# Next key dates for the Management Plan process

May 23

Jul 23

Aug 26

Sept 8

End Sept

Oct 18

Oct 27 - 28

Nov 17



EB informal  
briefing

1<sup>st</sup> informal  
consultation

MP “extracts”  
posted on EB  
website  
(in English)

2<sup>nd</sup> informal  
consultation

Advisory  
Committee on  
Administrative  
& Budgetary  
Questions  
(ACABQ)

Posting of full  
MP in all  
languages on  
EB website

FAO  
Finance  
Committee

EB Second  
regular  
session – MP  
approval

A photograph showing a woman and three children sitting together in a traditional, rustic setting. The woman, on the left, is wearing a white t-shirt and a colorful beaded necklace, and is smiling as she eats. The children, two boys and one girl, are also smiling and eating. The background is a wall made of woven reeds or mud. A blue rectangular box is overlaid on the top right of the image, containing the text "Q&A Thank you".

**Q&A**  
**Thank you**

**Additional slides for background**

# **MP purpose, key concepts and financial framework**





# Management Plan purpose

Management Plan is a **comprehensive, annual plan of work**. It is one of our key financial planning documents that presents:

- **External context** – outline of the global food security, economic, and political situation
- **Programmatic context** - projected operational needs and implementation plan (prioritized plan of work)
- **Funding context** - forecasts of the resources available to meet needs
- WFP's **Programme Support and Business Operations** and proposes:
  - **Programme Support and Administrative (PSA) budget**
  - **Indirect Support Cost (ISC) rate**
  - **Use of reserves (PSAEA and GF)**
  - **IRA resourcing target**
- and presents **Trust Funds and Special Accounts** (for visibility purposes)



For context



For EB approval

# WFP's programme of work is determined by anticipated needs and funding forecasts



## Needs-based Plan

- Anticipated **operational needs** based on assessments at country level
- Included and approved in CSPs



## Implementation Plan

- **Prioritized** operational needs
- Based on projected contributions



The PSA budget is geared to support the implementation plan

# WFP's Financial Framework

## How WFP funds its budget



### Voluntarily funded

- 100% voluntarily funded with no core budget.



### Full Cost Recovery

- Operates under a Full Cost Recovery model. This means that each contribution\* must cover all associated operational, direct, and indirect support costs.
- This applies to contributions from both the public and private sectors and is applicable to in-kind and cash contributions.

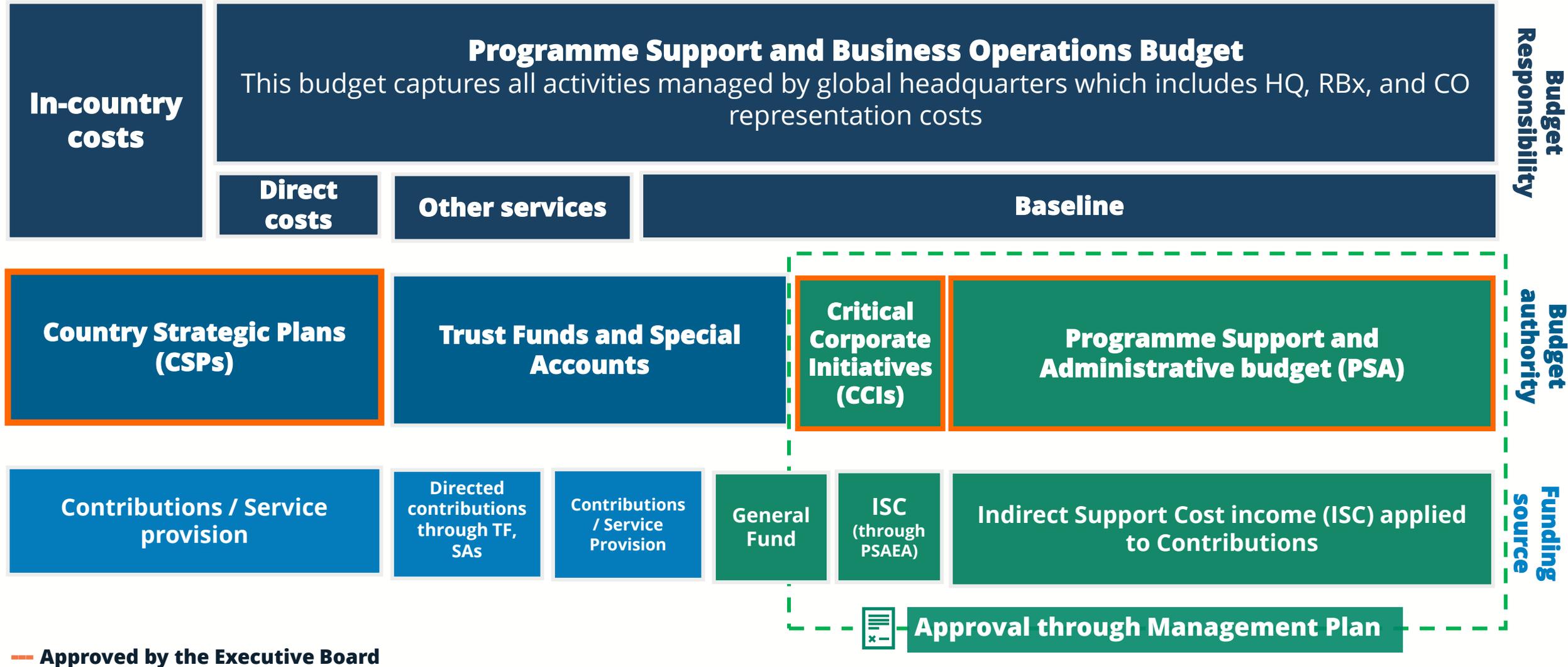


### Sources of revenue

- Contributions
- Investment income
- Service provision
- Foreign exchange gains

*\*Limited exceptions, approved by the Board.*

# Comprehensive budget framework\*



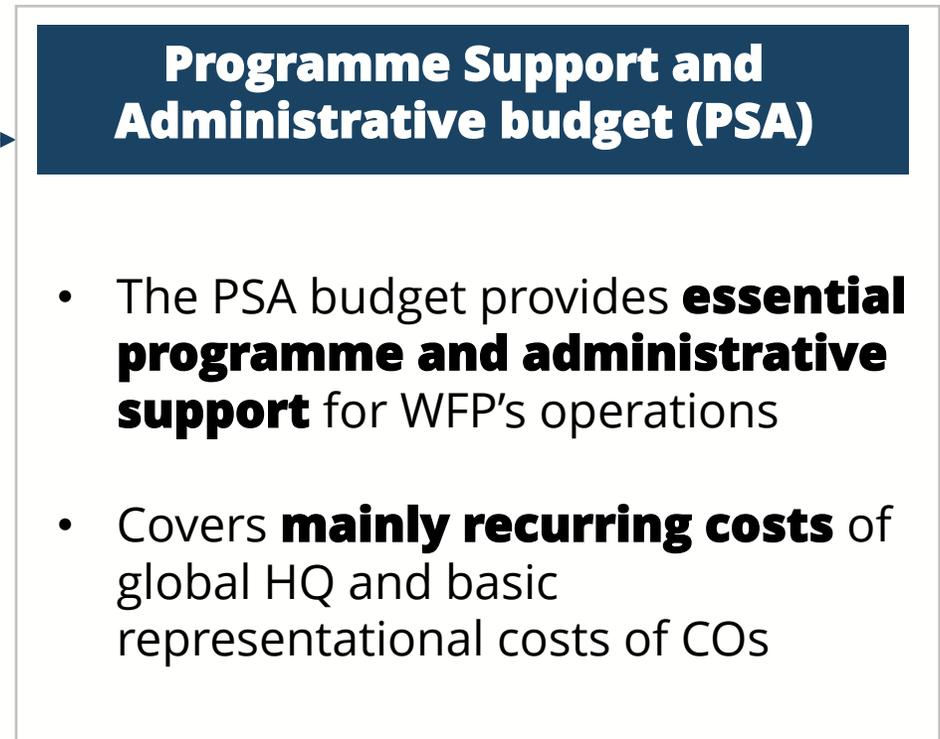
\*Size of the boxes does not reflect the size of the budget. More than 90% of the budget is implemented through CSPs

# Programme Support and Administrative budget (PSA)



Indirect Support Cost (ISC) income

Funds



For EB approval



Difference between  
ISC income and PSA  
goes to



PSA Equalization  
Account (PSAEA)



## PSA Equalization Account (PSAEA)

- PSAEA serves as a **reserve** in case of decrease in ISC revenue
- **Target levels** noted by the EB in 2015 (5-month PSA target level, 2-month spending floor)
- The Board **approves** its use for:
  - Strengthening WFP's reserves, e.g. IRA, Critical corporate initiatives (CCIs), Thematic support funds



## Unearmarked portion of the General Fund

- Main source of income is **investment income** on cash balances and **foreign exchange income**
- Has been used to fund **strategic investments** that strengthen WFP's capacities, resourcing, and financing mechanisms. (E.g, WINGS, IRA, funding for EDMF and CLTF, private sector strategy and CCIs).