

# WFP Executive Board: 2014—2016 Management Plan

1st Informal Consultation  
10:00 am – 1:00 pm, 11 July 2013



**World Food Programme**

# Agenda

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- 1. Management Plan Timeline**
- 2. Strategic & Financial Context**
- 3. Preliminary Projected Operational Requirements**
- 4. Beneficiary Numbers and Average Costs**
- 5. Funding Gap and Prioritization of Activities**
- 6. PSA Budget for 2014 and alignment with Fit for Purpose**
- 7. Fit for Purpose priority area: Creating a people centred WFP**

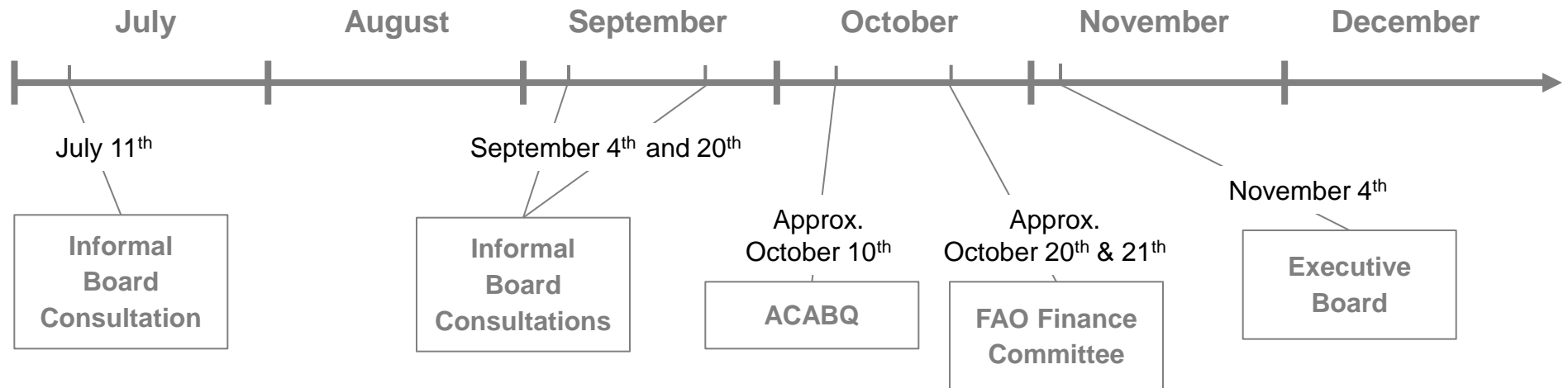
# 1. Management Plan Timeline

# Key Dates

## Objective

Present for approval the 2014-16 Management Plan for the Second Session of the Executive Board

## Timeline



## 2. Strategic & Financial Context

# Evolution of the Management Plan

## Elements continued from the 2013—2015 Management Plan

- Operational Requirements by Strategic Objective – for info
- 2014 PSA Budget – for approval

## New elements in the 2014—2016 Management Plan

- Strategic Plan 2014-2017
- Analysis of Funding Gap
- New Management Results Framework
- PSA Prioritization Framework

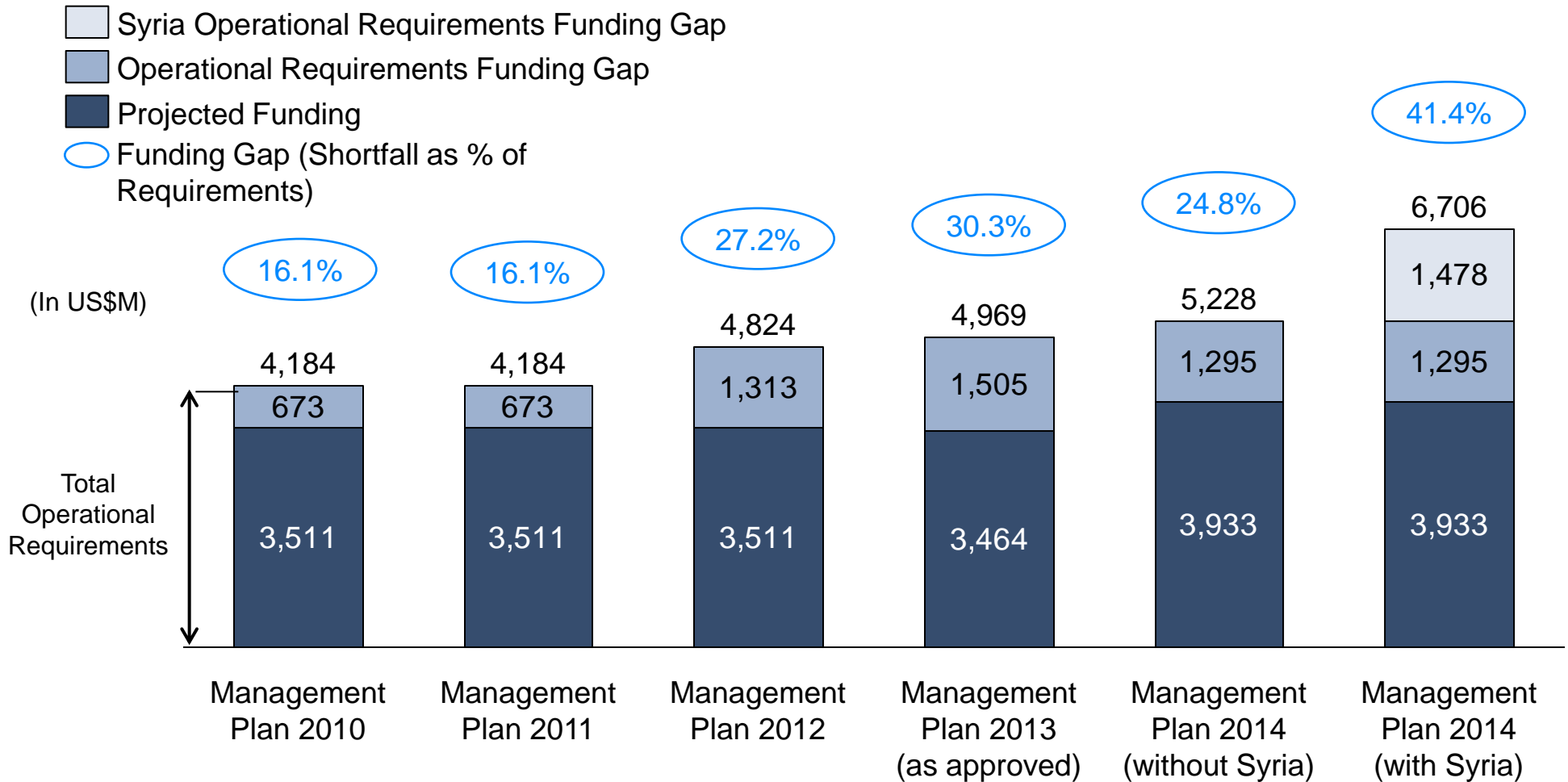
Supporting the Fit for Purpose journey

# Strategic Objectives 2014-17

## Strategic direction:

1. Save lives and protect livelihoods in emergencies
2. Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies
3. Reduce risk and enable people, communities and countries to meet their own food and nutrition needs
4. Reduce under nutrition and break the intergenerational cycle of hunger

# Financial Context for Management Plan: Operations





# Financial Context for Management Plan: PSA

US\$M	Management Plan 2010	Management Plan 2011	Management Plan 2012	Management Plan 2013 (as approved)	Management Plan 2013 (current estimate)
<b>PSA Expenditure Authorised / Planned</b>	238	238	249.1	249.1	249.1
<b>One-time PSA Allocation</b>	12.95	12.95	22.2	20	20
<b>ISC Income Earned / Projected</b>	251	251	255	236	256
<b>Surplus / Deficit</b>	0.05	0.05	-16.3	-33.1	-13.1

### 3. Preliminary Projected Operational Requirements

# Key Operational Highlights

- Operational requirements trending upwards
- Syria-related projections for January- December 2014 account for most of the increase, skewing the global ratio of activities
- Syria could be quantified for Jan-Jun 2014 and remainder covered in “unforeseen requirements”

# Operational requirements per 2013-15 MP, & Current PoW

Programme Category	MP 2013 projected operational requirements (US\$M)	PoW 2013 current operational requirements (US\$M)	
		Non Syria-related	Syria-related
PRRO	2,800	2,735	
EMOP	1,074	1,252	795
DEV/CP	839	723	
SOP	257	287	10
<b>TOTAL</b>	<b>4,969</b>	<b>4,997</b>	<b>805</b>
		<b>5,803</b>	

**Total increase of US\$834 million in operational requirements, 80% due to EMOPs**

## Major operational changes in 2013 PoW since MP 2013-15

Country office	MP 2013 projected operational requirements (US\$M)	Unforeseen requirements (US\$M)	PoW 2013 current operational requirements (US\$M)	% Variation
Syria Regional	72	352	424	488%
Syrian Arab Republic	74	307	381	417%
Mali	83	75	158	90%
Republic of South Sudan	394	65	459	17%
Other countries	4,346	34	3,734	6%
<b>TOTAL</b>	<b>4,969</b>	<b>834</b>	<b>5,803</b>	<b>17%</b>

**Syria Emergency-related operational requirements increased by US\$659M**

# Major operational changes in MP 2014 vs MP 2013

Country office	MP 2013 projected operational requirements (US\$M)	2013 Current PoW (US\$M)	MP 2014 projected operational requirements (US\$M)	Variation from MP 2013 to MP 2014
Syria Regional	72	424	1,025	953
Syrian Arab Republic	74	381	452	379
Niger	160	189	387	227
Mali	83	158	182	98
Malawi	52	58	149	97
Zimbabwe	135	107	205	70
Other countries	4,393	4,485	4,306	-87
<b>TOTAL</b>	<b>4,969</b>	<b>5,803</b>	<b>6,706</b>	<b>1,737</b>

**Syria Emergency-related operational requirements projected to increase by US\$1,331M or 75% of MP13–MP14 overall increase**

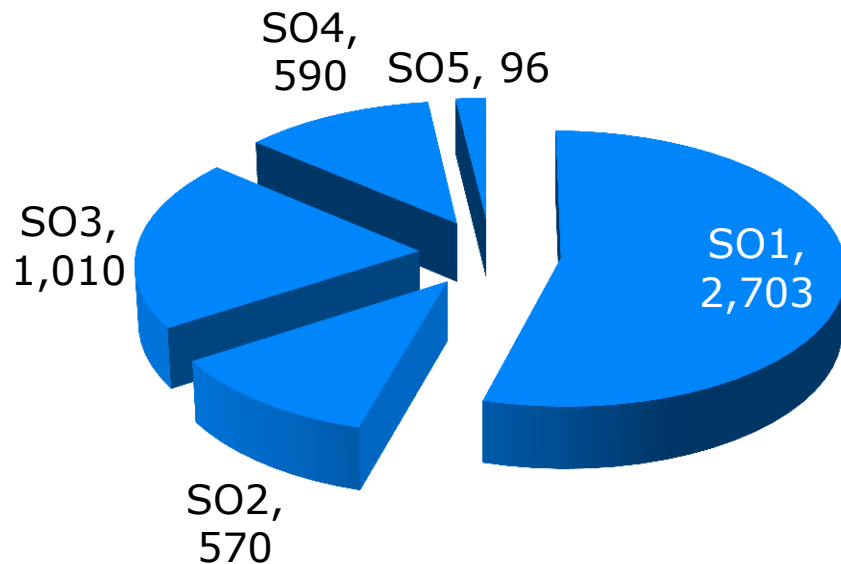
# MP 2013 vs. MP 2014 by Regional Bureau

Regional Bureau	MP 2013 projected operational requirements (US\$M) [2012 MP]	MP 2014 projected operational requirements (US\$M)	
		Non Syria-related	Syria-related
<b>OMC</b>	1,030 [919]	838	1,477
<b>OMN*</b>	1,797 [1,716]	1,698	
<b>OMD</b>	677 [565]	1,111	
<b>OMJ*</b>	634 [244]	750	
<b>OMB</b>	707 [1,179]	698	
<b>OMP</b>	124 [200]	134	
<b>TOTAL</b>	<b>4,969</b>	<b>5,228</b>	<b>1,477</b>
		<b>6,706</b>	

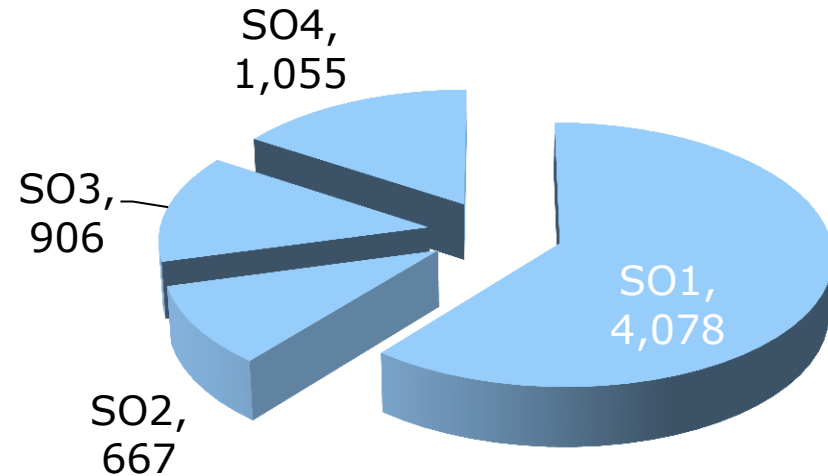
**64% of OMC's 2014 projected operational requirements is for Syria-related operations**

# MP 2013 & MP 2014 (with Syria) by Strategic Objective

## MP 2013 by Strategic Objective (US\$M)



## MP 2014 by Strategic Objective (US\$M)

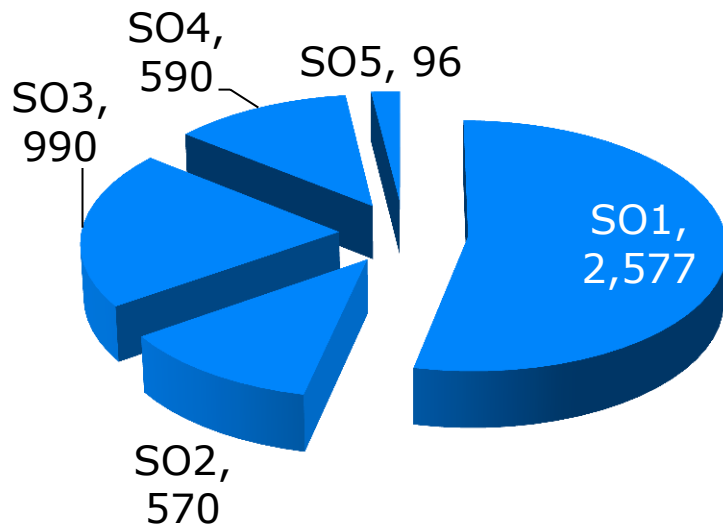


**36% (US\$1.5B) of SO1 operational requirements in MP 2014 attributed to Syria crisis**

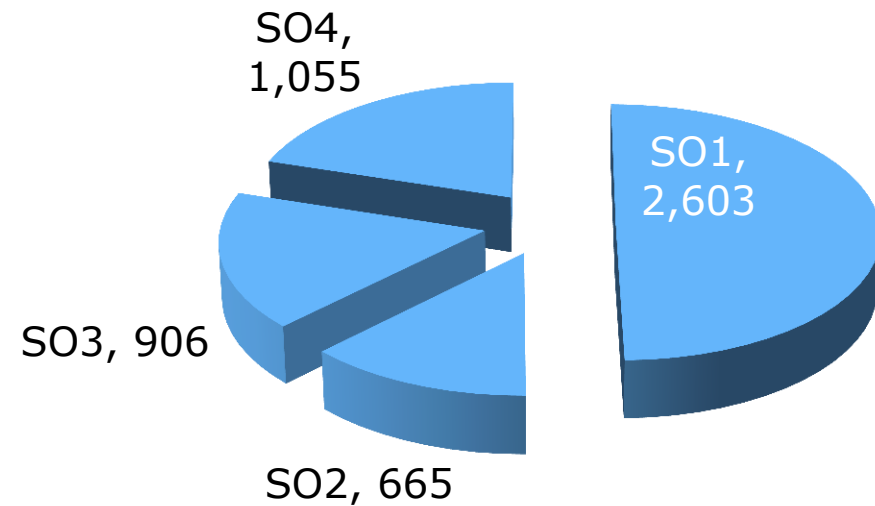


# MP 2013 & MP 2014 (without Syria) by Strategic Objective

MP 2013 by SO excluding Syria ops.  
(US\$M)



MP 2014 by SO excluding Syria ops.  
(US\$M)



20% of 2014 operational requirements are for SO4 (“Reduce undernutrition and break the intergenerational cycle of hunger”)

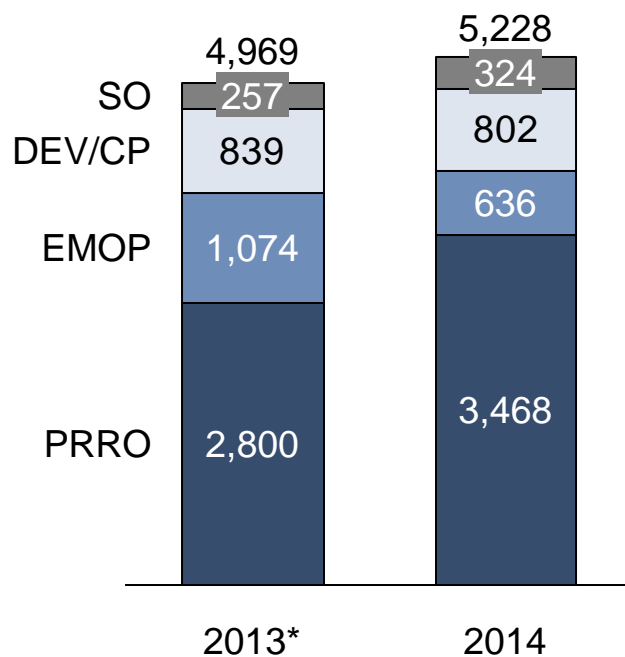
# MP 2013 vs. MP 2014 by Programme Category

Programme Category	MP 2013 projected operational requirements (US\$M)	MP 2014 projected operational requirements (US\$M)	
		Non Syria-related	Syria-related
PRRO	2,800	3,468	
EMOP	1,074	636	1,467
DEV/CP	839	802	
SOP	257	324	10
TOTAL	4,969	5,228	1,477
		6,706	

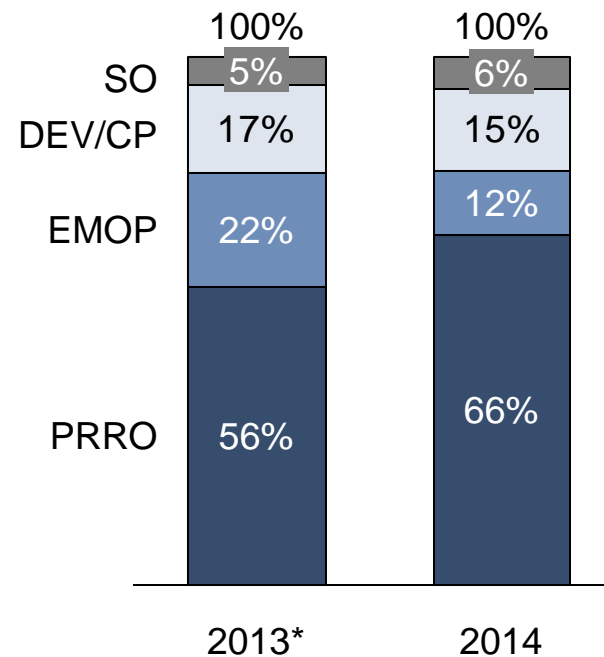
**Total increase of US\$1,737 million in operational requirements, 75% attributed to the Syria Emergency**

# MP 2013 & MP2014 (without Syria) by Programme Category

MP by Programme Category (in US\$M)



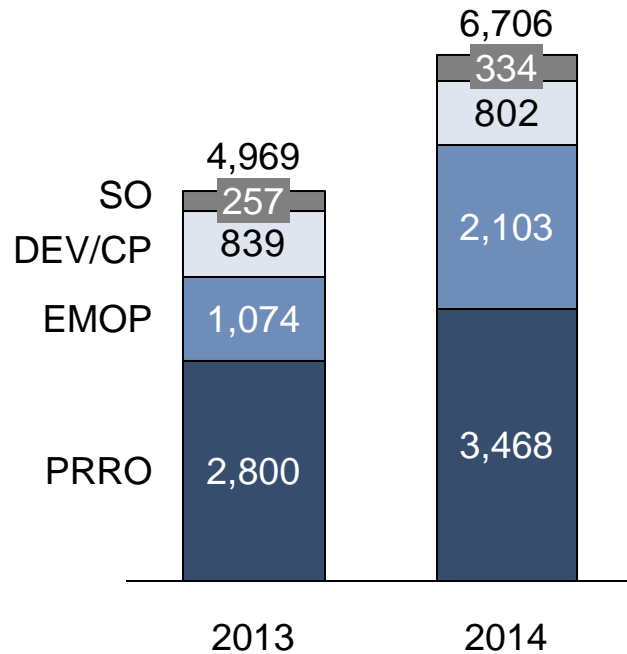
MP by Programme Category (in %)



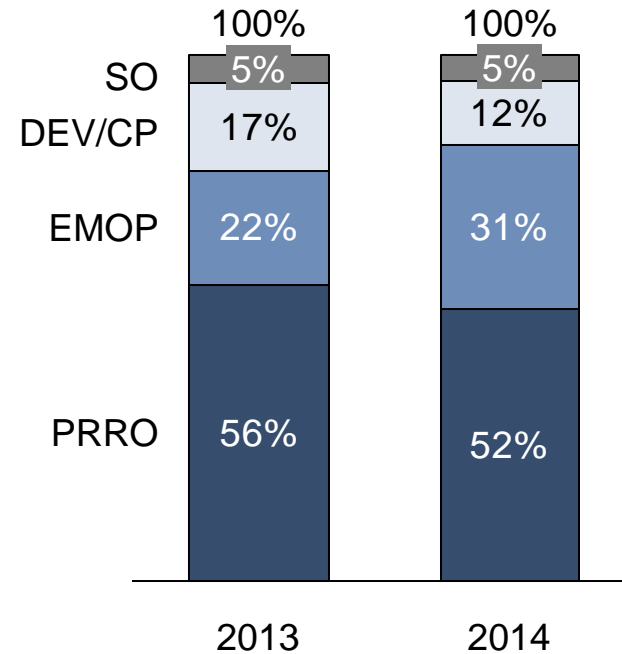
**The share of PRROs increases from 58% to 66% from 2013 to 2014**

# MP 2013 & MP2014 (with Syria) by Programme Category

MP by Programme Category (in US\$M)



MP by Programme Category (in %)



**In 2014, over 99% of Syria Operations are EMOP**

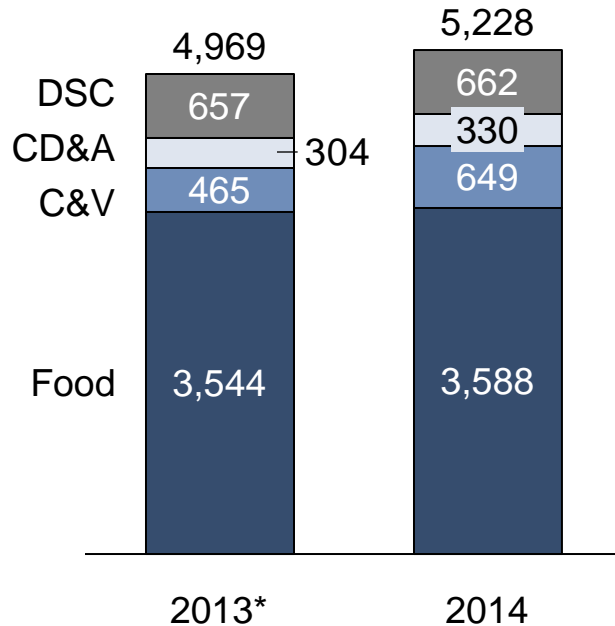
## MP 2013 vs. MP 2014 by tool

Programme Category	MP 2013 projected operational requirements (US\$M)	MP 2014 projected operational requirements (US\$M)	
		Non Syria-related	Syria-related
Food	3,544	3,588	413
C&V	465	649	996
CD&A	304	330	6
DSC	657	662	62
<b>TOTAL</b>	<b>4,969</b>	<b>5,228</b>	<b>1,477</b>
		<b>6,706</b>	

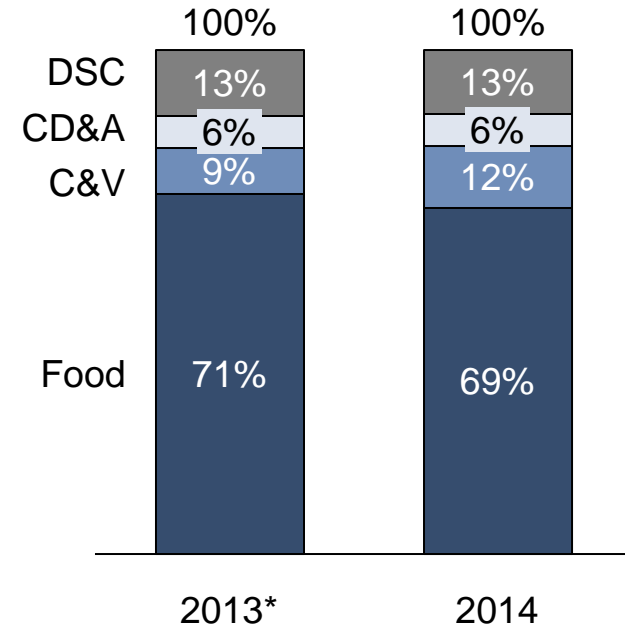
**C&V share increased from 9% (2013) to 25% (2014)  
67% of Syria ops. to be implemented through C&V (2014)**

# MP 2013 & MP 2014 (without Syria) by tool

MP by Tool (in US\$M)



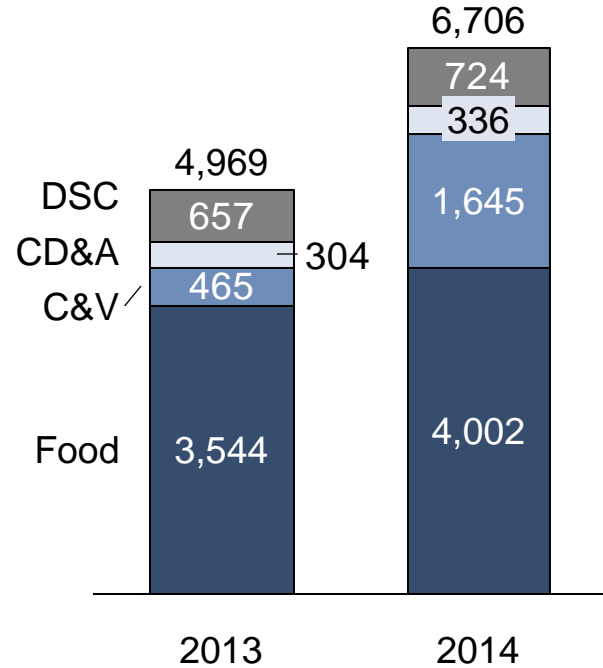
MP by Tool (in %)



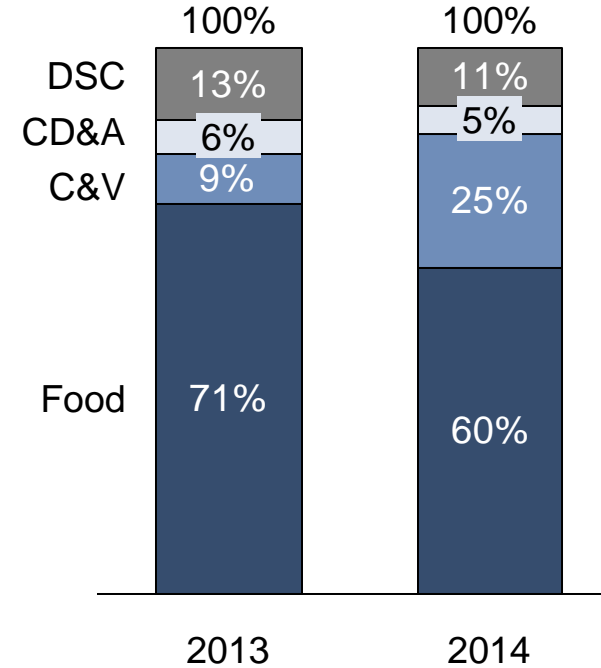
**Excluding Syria-related operations, C&V requirements increase by 40% from 2013 to 2014**

# MP 2013 & MP 2014 (with Syria) by tool

MP by Tool (in US\$M)

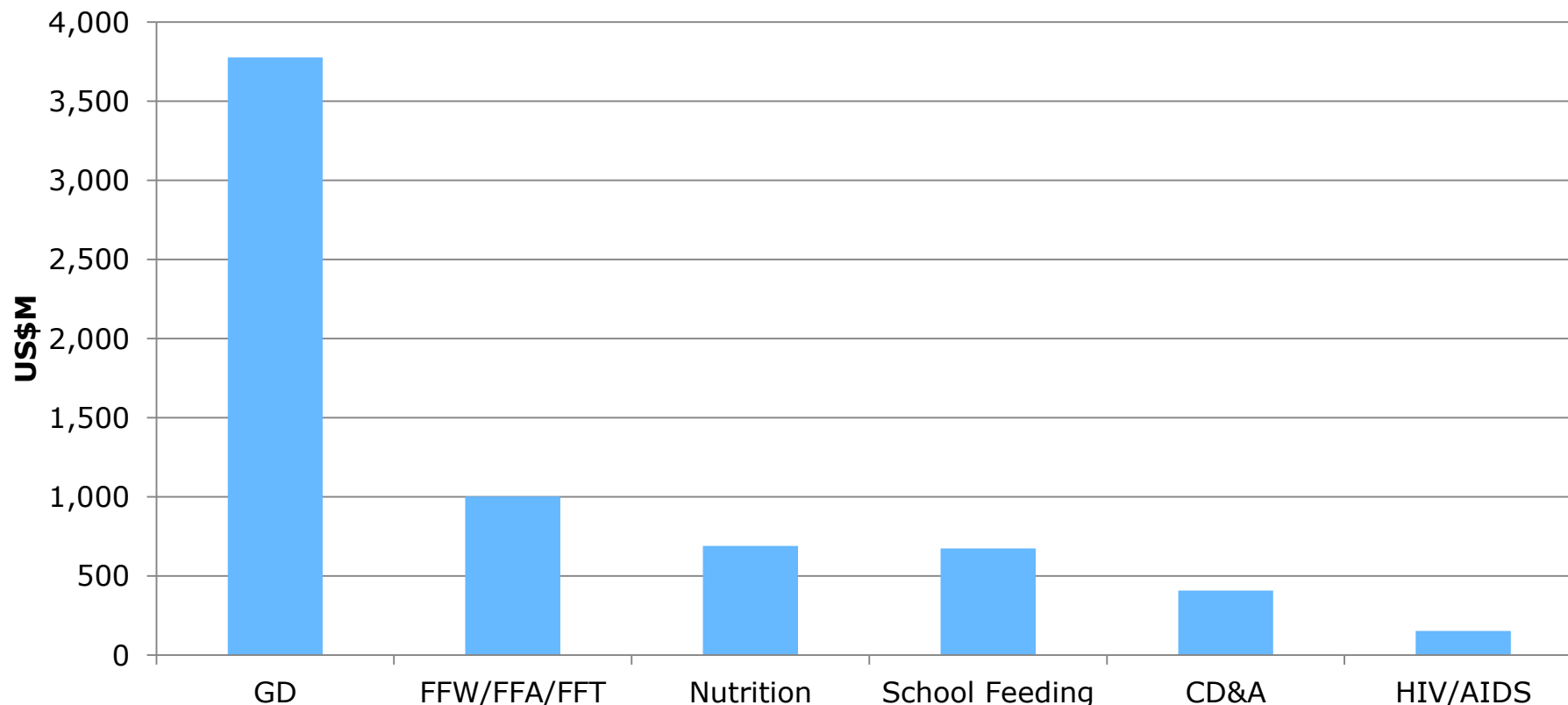


MP by Tool (in %)



**Syria-related operations account for more than 60% of total C&V requirements for 2014**

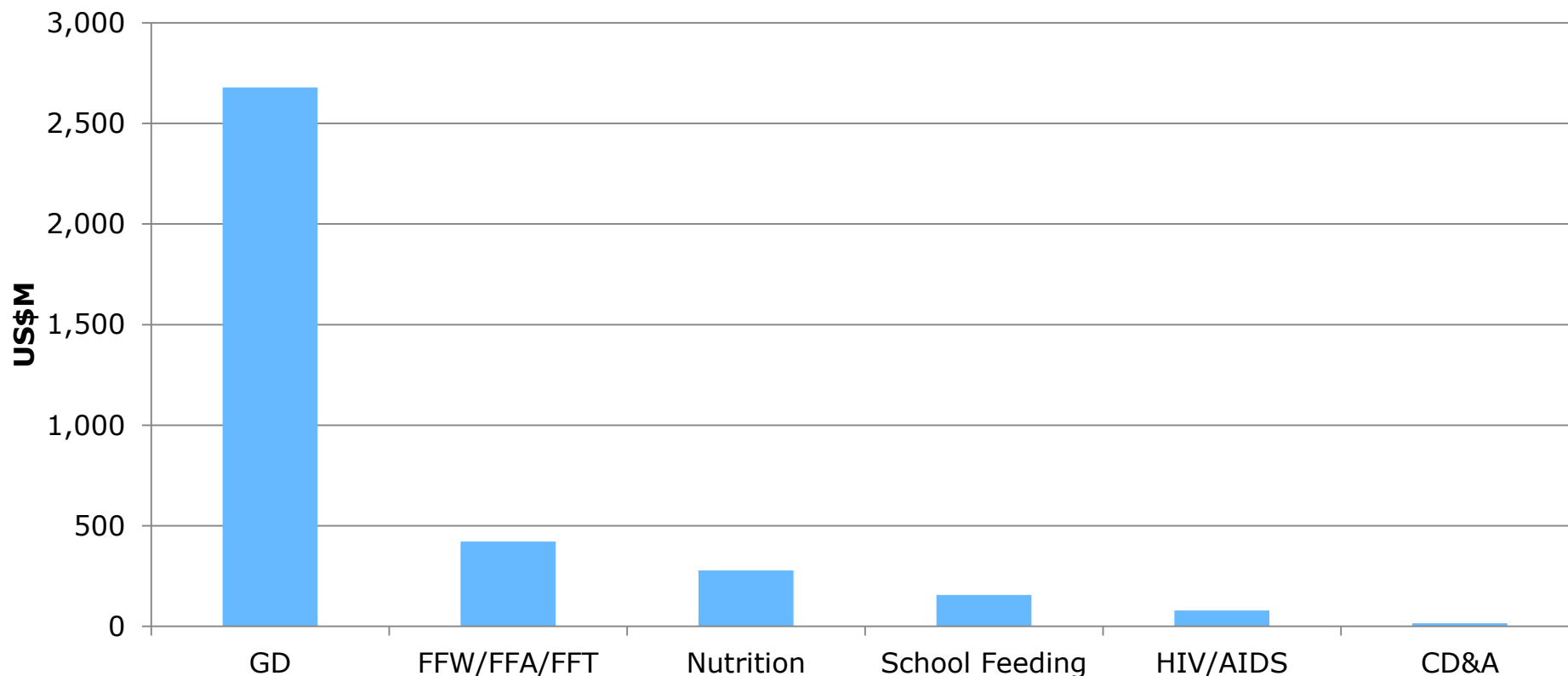
# MP 2014 Projected Operational Requirements (including Syria) by Activity



**GD accounts for 56% (\$3.8B) of total operational requirements in 2014 (\$6.7B)**

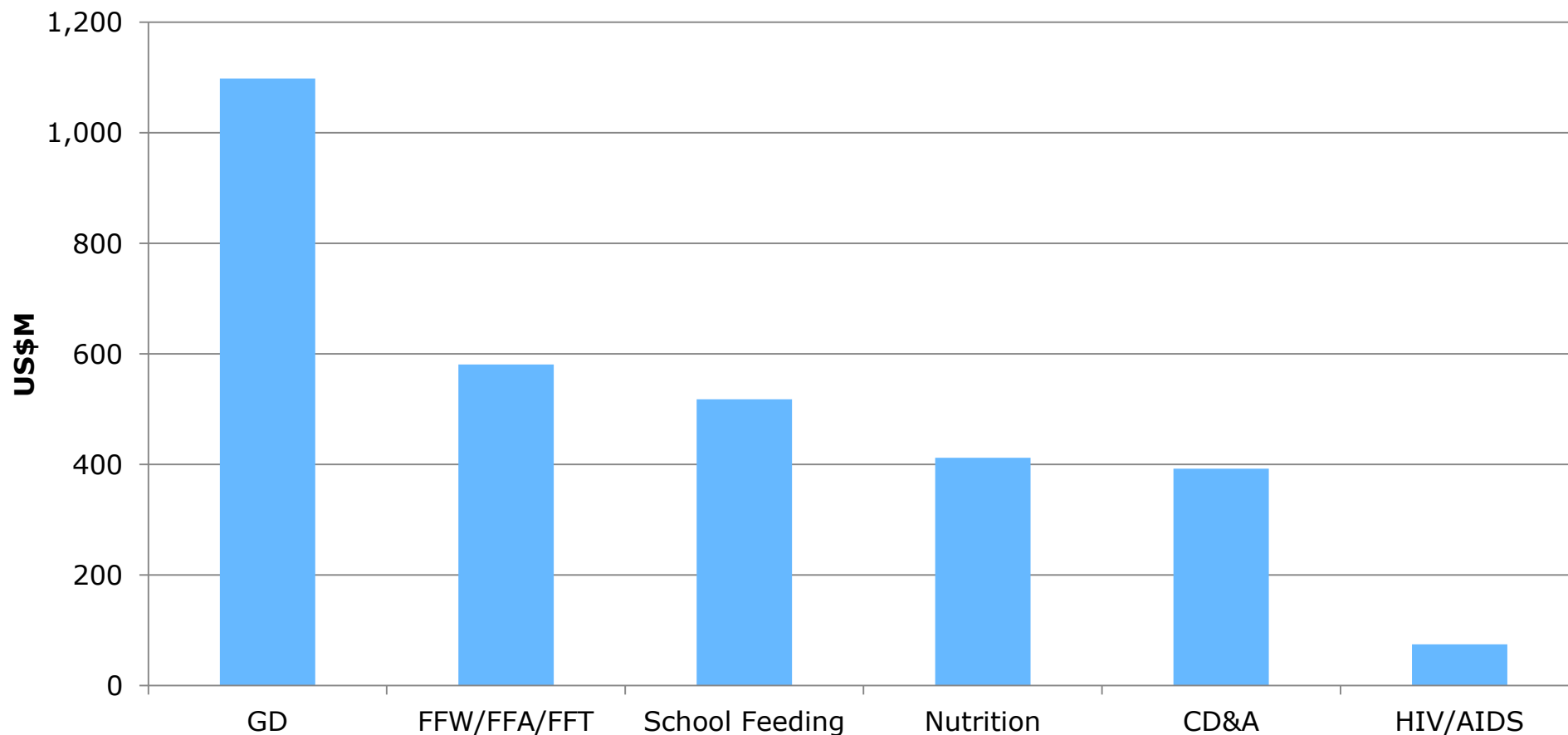


# MP 2014 Top 10 Operations by Activity



**GD accounts for 74% (\$2.7B) of 2014 requirements (\$3.6B);  
50% of which is for Syria-related operations**

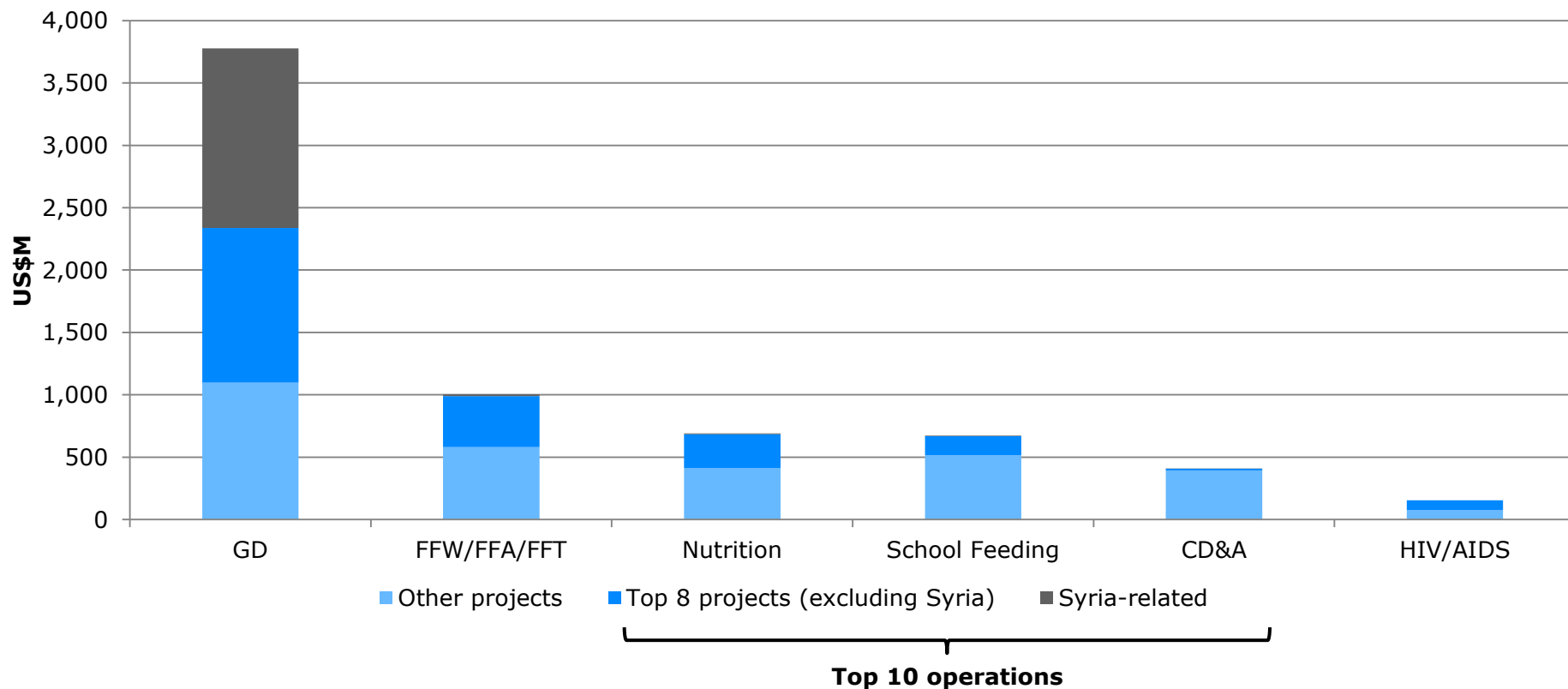
# MP 2014 Operations by Activity (excluding top 10)



**GD accounts for only 1/3 (US\$1.1B) of total operational requirements for operations, excluding top 10, in 2014**

# MP 2014 by activity [Syria/top 10/other operations]

MP 2014 operational requirements by activity (US\$M)



**Top 10 operations account for 55% of global operational requirements (40% considering GD only)**

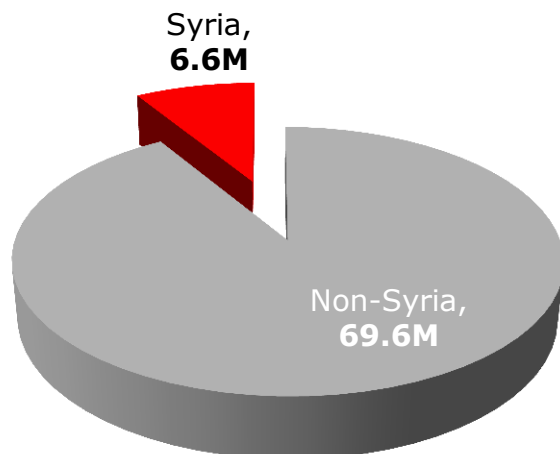
# Key Operational Highlights

- Operational requirements up from US\$5B in 2013 to US\$6.7B in 2014
- Syria-related operations account for US\$1.3B or 75% of MP13-MP14 overall increase
- SO1: 61% of operational requirements, SO2: 10%, SO3: 13%, SO4: 16%
- Activity Indicators, and SO%, skewed by 10 largest operations, (which tend to be GD/SO1 based)
- Syria requirement could be quantified for Jan-June 2014 and remainder covered in “unforeseen requirements” in MP

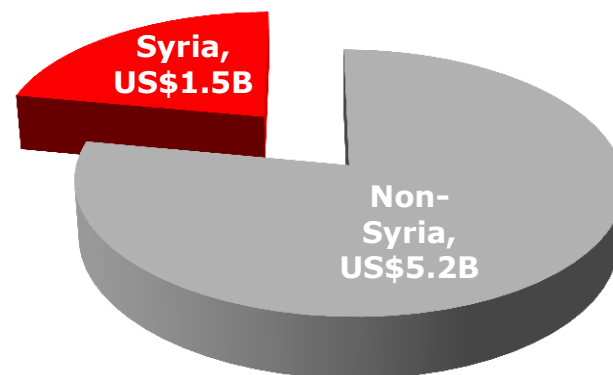
## 4. Beneficiary numbers and average costs

# Beneficiary numbers and cost overview (Syria/Non-Syria)

## MP 2014 beneficiaries



## MP 2014 operational requirements



Item	Year	Cost per beneficiary (US\$)
Syria Emergency Operations	2014	224
Non Syria-related operations		75
Operational requirements (all ops.)		84
Operational requirements (all ops.)	2013	66

# Beneficiary: Average Monthly Cost vs. Average Cost

## Example:

Project 1 (Yemen EMOP):

- US\$ 104 M for 12 months: 2.1 million beneficiaries
- US\$ 49.2 average cost per beneficiary
- US\$ 4.1 average monthly cost per beneficiary

Project 2 (Yemen PRRO):

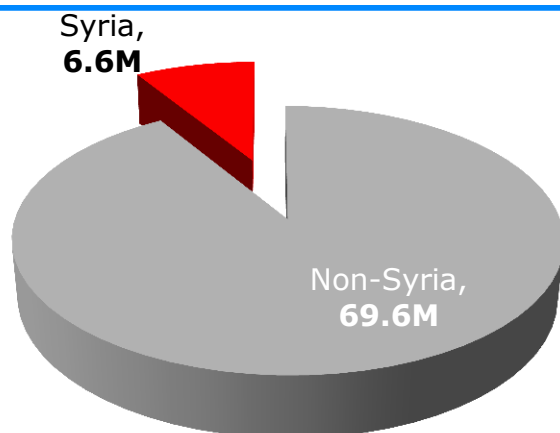
- US\$ 88.5 M for 9 months: 2.3 million beneficiaries
- US\$ 38.9 average cost per beneficiary
- US\$ 4.3 average monthly cost per beneficiary

**Yemen CO average cost: US\$ 43.75**

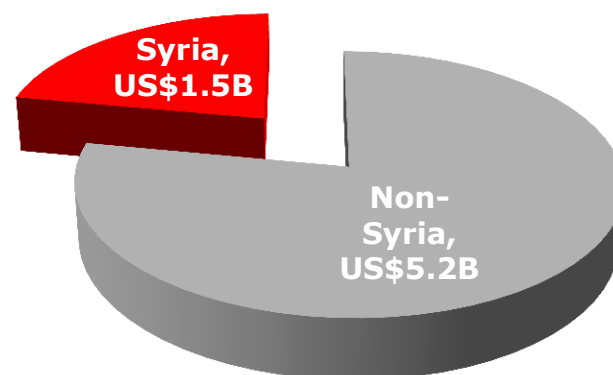
**Yemen CO average monthly cost: US\$ 4.2**

# Beneficiary numbers and cost overview (Syria/Non-Syria)

## MP 2014 beneficiaries



## MP 2014 operational requirements



Item	Year	Cost per beneficiary (US\$)	Monthly average cost per beneficiary (US\$)
Syria Emergency Operations	2014	224	31.7
Non Syria-related operations		75	6.6
Operational requirements (all ops.)		84	8.1
Operational requirements (all ops.)	2013	66	8.5

**Beneficiary counting is being, and will continue to be improved**

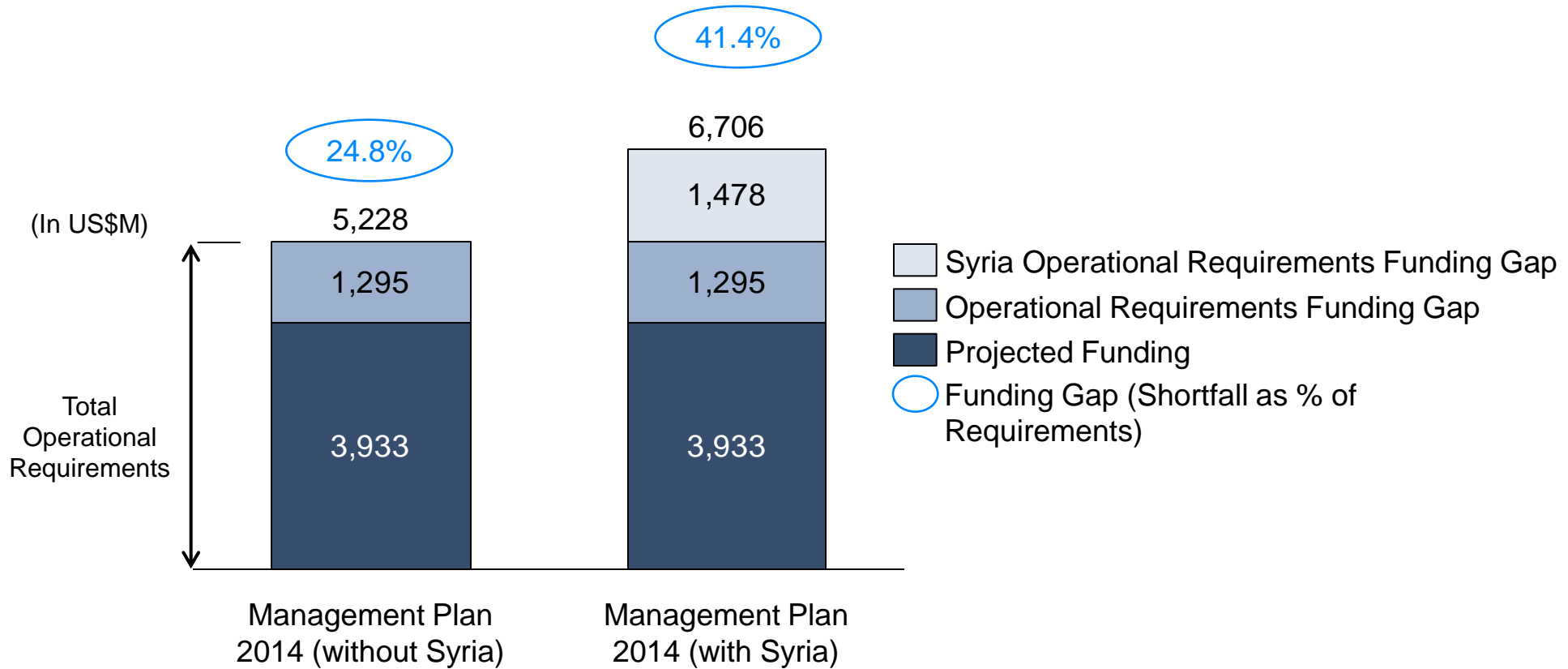


# Beneficiary numbers and costs

- Beneficiaries are up from 71M to 76M (6.6M Syria)
- Average costs/beneficiary increases from \$66 to \$84
- But duration of support has increased (feeding same person for longer), and Average monthly cost per beneficiary decreases from \$8.5 to US\$8.1 (\$6.6, if Syria excluded)

## 5. Funding gap and prioritization of activities

# 2014 Funding Gap



# Funding Gap

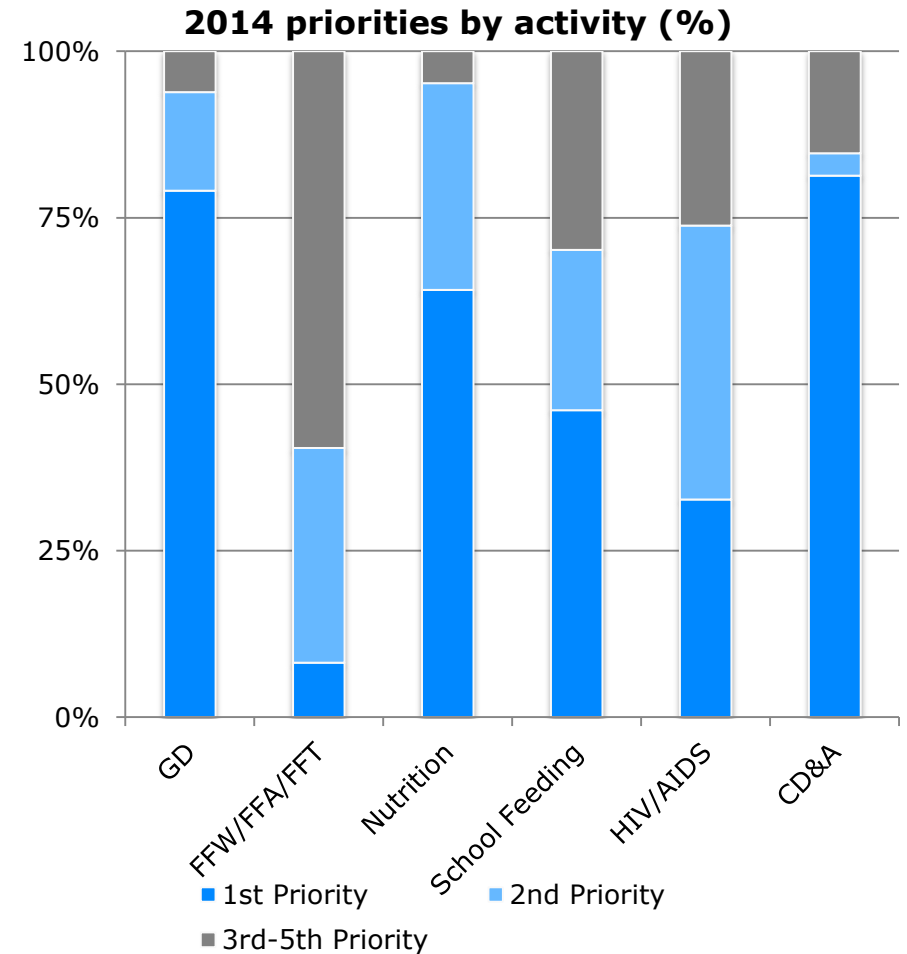
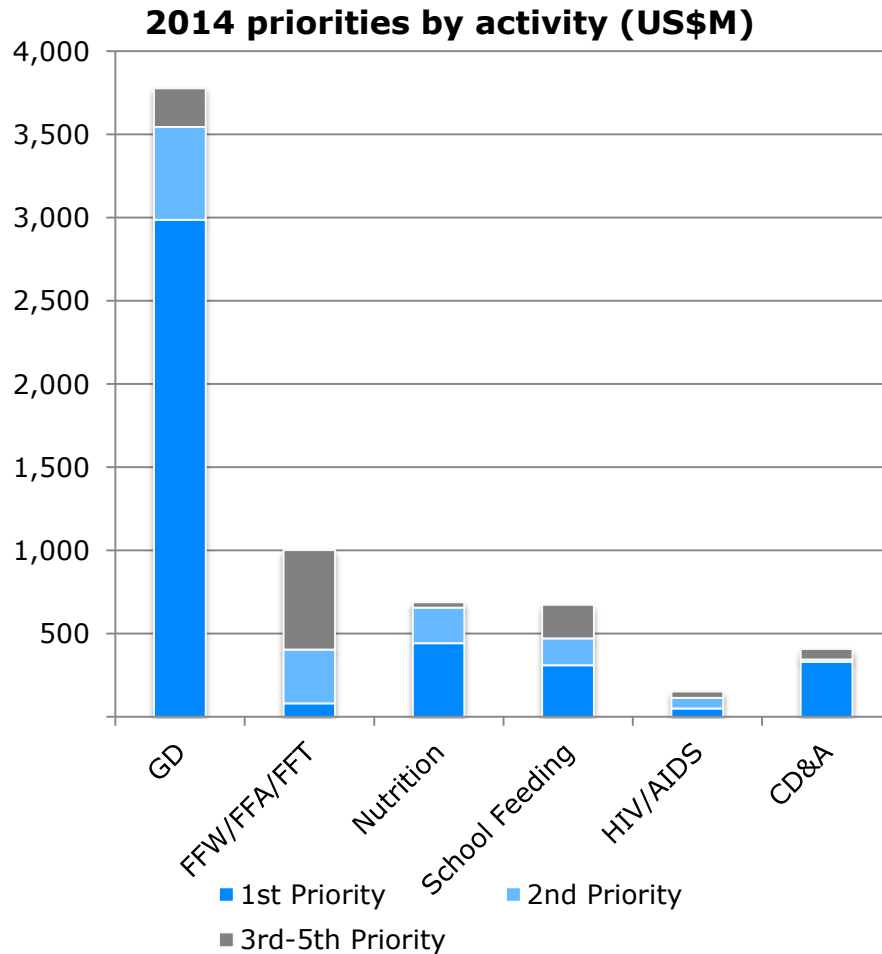
**To be addressed in MP 2014-16**

**Data collected from every country office and reviewed by Regional Bureaux and HQ**

**The impact of Funding Gap will be presented at aggregate level, by:**

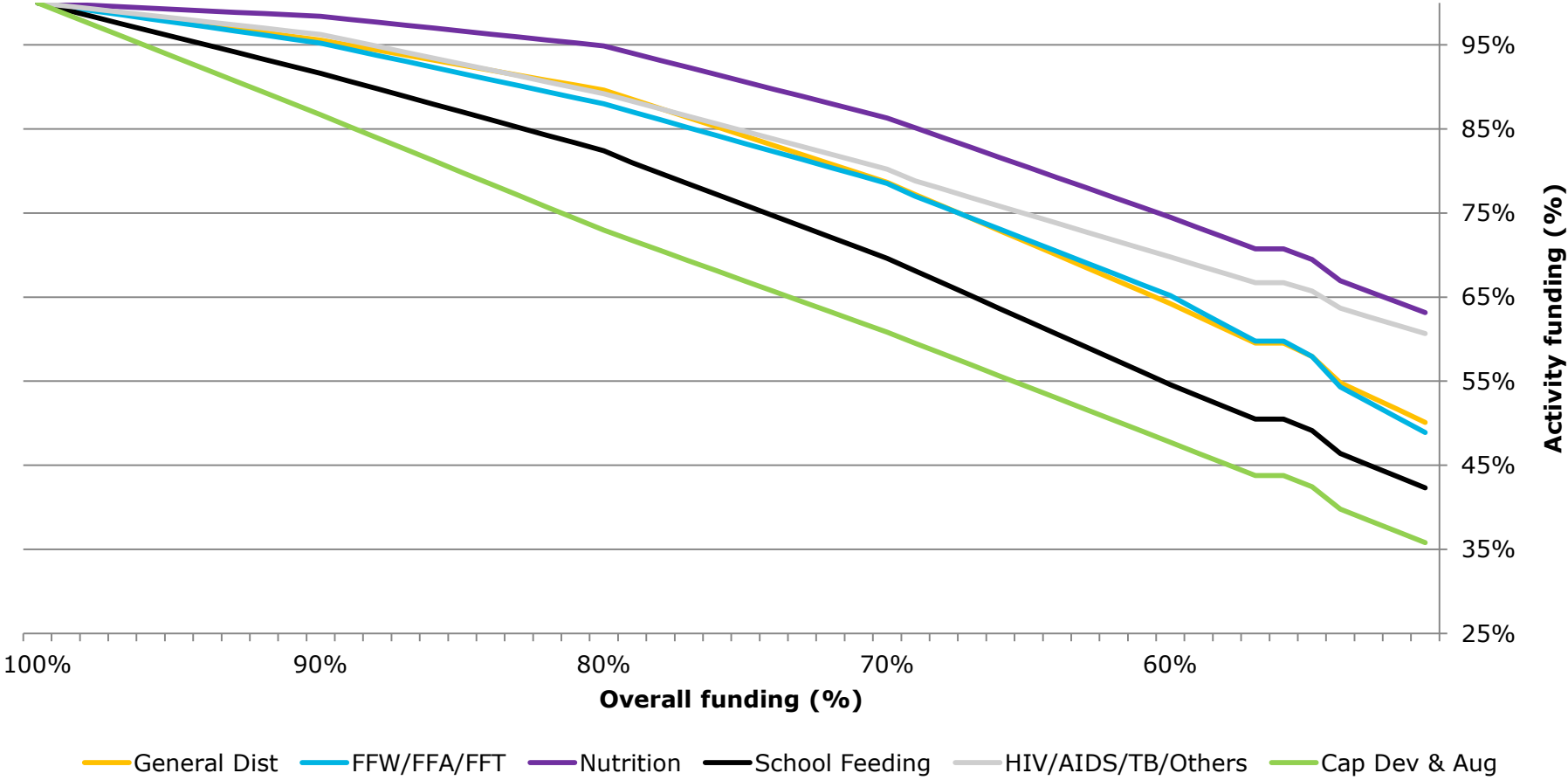
- Programme category
- Strategic Objective
- Activity
- Tools

# Prioritization by activity (including Syria)



# Prioritization scenarios

Activity funding percentage based on project resourcing level (%)



## 6. Proposed Programme Support & Admin (PSA) Budget Envelope for 2014

# What is the Programme Support & Administrative (PSA) budget?

- Portion of the WFP budget funding indirect costs
- Covers the majority of Headquarter and Regional Bureaux costs, as well as a core presence in each country office
- Plan for expenditure presented within the Management Plan
- Board approval of the PSA appropriation within the Management Plan gives authority to the Executive Director for expenditures
- Funded from a standard 7% indirect support cost charge on each contribution



# Potential for review of ISC Rate

## Several factors suggest review of ISC could be beneficial:

- ISC harmonization initiative led by UNDP – new ISC rate approved for UNDP/UNICEF/UNFPA and UN Women by joint Board effective 2014
- QCPR impetus for review of fundamental principles, including the concept and application of Full Cost Recovery
- Last WFP review was more than decade ago

## Potential timeline:

- Consultations with EB in 2013 and 2014
- Implementation from 2015

# What is the PSA Equalization Account?

- PSA authority is based on ISC estimated income. ISC income varies due to nature of voluntary contributions. Gaps (surplus or deficit) arise between ISC income and PSA expenditure.
- The PSA Equalization Account (PSAEA): a reserve to cushion deficits in a given financial period.
- PSAEA provides a level of certainty in PSA planning if ISC income does not materialize at the expected rate.
- All uses of the PSAEA are approved by the Executive Board and are limited to support costs, including capital and capacity-building costs.

# Projected 2014 PSA Equalization Account

	2013 MP	2013 Updated	2014 Projection
January 1, Projected Opening Balance	82.1	102.8	91.4
Projected ISC revenue	236	254.7	272*
Estimated PSA expenditure	-249.1	-249.1	-291
One-time activities	-20	-17	
<b>December 31, Projected Closing Balance</b>	<b>49</b>	<b>91.4</b>	<b>72.4</b>

*\*Note: ISC for 2014 includes Private Sector*

# Current Assumptions for 2014 PSA

- **PSAEA<sup>1</sup> surplus @ 1 Jan: \$91M (est) [2013: \$82M]<sup>2</sup>**  
*(Based on revised 2013 resources estimate: \$4.0B)*
- **2014 Estimated Funding: \$4.2B, due to high probability of significant requirements for Syria [2013: \$3.7M]. Settling at \$4.0B in 2015 and 2016**
- **Result: \$272M ISC<sup>3</sup> income [2013: \$255M]**
- **Tentative PSA Expenditure target for Management Plan: \$291M [2013: \$256M, adjusted for Private Sector]**
- **Projected PSAEA surplus @ 31 Dec: \$72M [2013: \$49M]**
- **PSAEA 3 month balance: \$72M<sup>4</sup> [2013: \$62M]**

# Base Increases - Statutory

❖	<b>PSA 2013</b>	<b>\$ 256M<sup>1</sup></b>
✓	Resident Coordinator	\$ 1M
✓	Reassignment Costs	\$ 1M
✓	Standard Staff Cost increase	\$ 6M
✓	Currency	\$ 1M
➤	<b>New (2014) Base</b>	<b><u>\$ 265M</u></b>

<sup>1</sup>\$249M plus \$7M for private sector

# PSA: Prioritized Requests

<b>PSA 2014 base</b>	<b>\$ 265M</b>
✓ <i>Requests under consideration</i>	\$ 26M
<b>➤ Potential 2014 total Allocations</b>	<b>\$ 291M</b>

## Considerations Concerning Additions:

- Some increases will be one-time, others for recurring expenses
- Some requirements not yet quantified (e.g. Business Process Review follow up)
- Majority allocation of recurring costs will be field-focused

# Establishing a Framework for PSA Priority Areas

## Aligning Allocations with Fit for Purpose:

- People
- Programme
- Funding & Stewardship
- Partnerships
- Process Systems & Platforms

**....and degree of reliance on PSA**

# Management Plan 2014 – 2016

(extract from) Priorities for PSA & Extra-budgetary investments

Area	Priority	Description	Alignment & Timing			Funding	Risk
			Relative importance to strategic plan	Relative importance to Fit-for-Purpose shift	Urgency to address in 2014	Degree of reliance on PSA	Corporate risks addressed
1) People	Developing and implementing a new HR strategy	<ul style="list-style-type: none"> <li>Improve succession planning, talent management, reassignment process, promotion process, performance appraisals, and health and safety and strengthened compliance</li> </ul>					5
	Local staff	<ul style="list-style-type: none"> <li>Review systems and processes affecting local staff</li> </ul>					5

Legend



Low



High

High degree of reliance on PSA



## 7. Key Priority Area: Creating a People Centred organization WFP 2014

# To achieve our mission we need to get the best out of our greatest asset - our people

Our people are WFP's greatest asset...



**13,500**  
people in  
75 countries

**\$753 m**  
annual  
cost

...but we don't act that way!

“We have several vacant jobs in Chad, and cant find the right nutrition skills for x CO” CD

“HR too bogged down by transactions to manage talent or develop our skills”

**Need a strategic look at creating  
Fit for Purpose workforce**

# Our People Vision: a crucial enabler for WFP's Strategic Plan

## WFP Strategic Objectives 2014-2017

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1. **Save lives and protect livelihoods in emergencies**
2. **Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies**
3. **Reduce risk and enable people, communities and countries to meet their own food and nutrition needs**
4. **Reduce undernutrition and break the intergenerational cycle of hunger**

## External environment

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### Examples

- Increasing number of emergency 'fronts' to handle at any given time
- Global Economic recession
- Evolving contexts we work in e.g. urban hunger
- Shift from food aid to food assistance
- Growing importance of private sector

People implications

## People Vision: *what* is needed

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### An engaged workforce...

- Motivated and willing to 'go the extra mile' for WFP

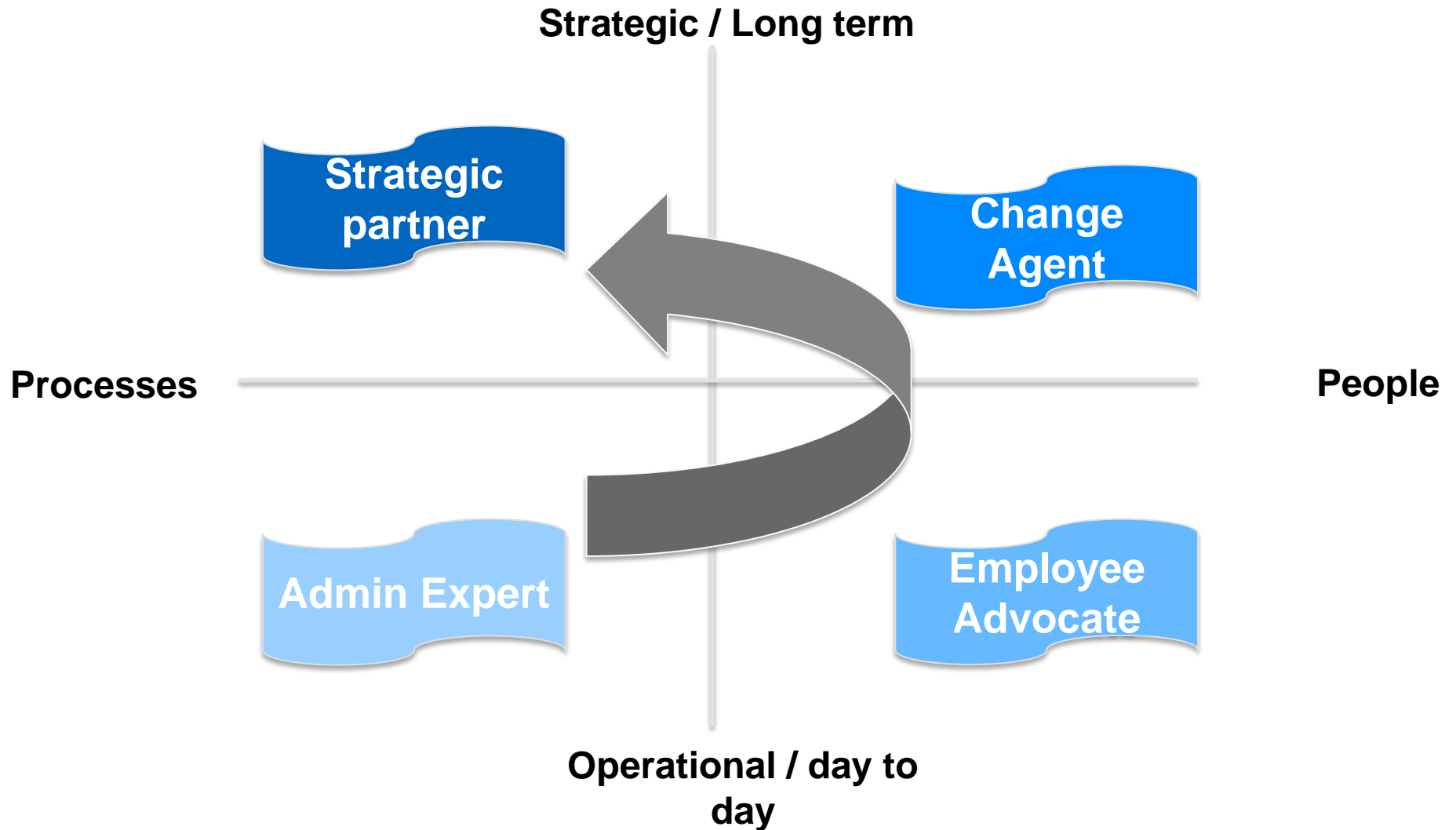
### ...with the right skills....

- Clear understanding of skills required:
  - Emergency skills
  - Partnerships skills
- Understanding of the availability of these skills within the organisation
- Ability to attract and develop these skills

### ...deployed appropriately

- Geographically mobile international staff, deployed based on required skills
- Ability to scale up/down local resources with required skills
  - Local "ramp up and scale down"
  - Mobility across geographies (e.g. TDY, Rosters)
- Flexible workforce with staff able to perform more than one role/with multiple skills
- Ability to realign resources based on evolving priorities

# If we are to deliver this People vision, we need to transform the HR function



# We will deliver the People Vision through four pillars, underpinned by an effective HR division – our People Strategy

**WFP's People Vision:**  
*An engaged workforce, with the right skills,  
deployed appropriately*

## Culture

- An engaged workforce
  - Strong people leadership
  - Connection to the mandate
  - Gender balance
  - Diversity of nationalities

## Skills

- Staff development
- “Skills warehouse” & knowledge management
- Results-orientated performance mgt

## Organisation

- Appropriate set up and use of contract modalities at the right cost
- Funding model for people investment

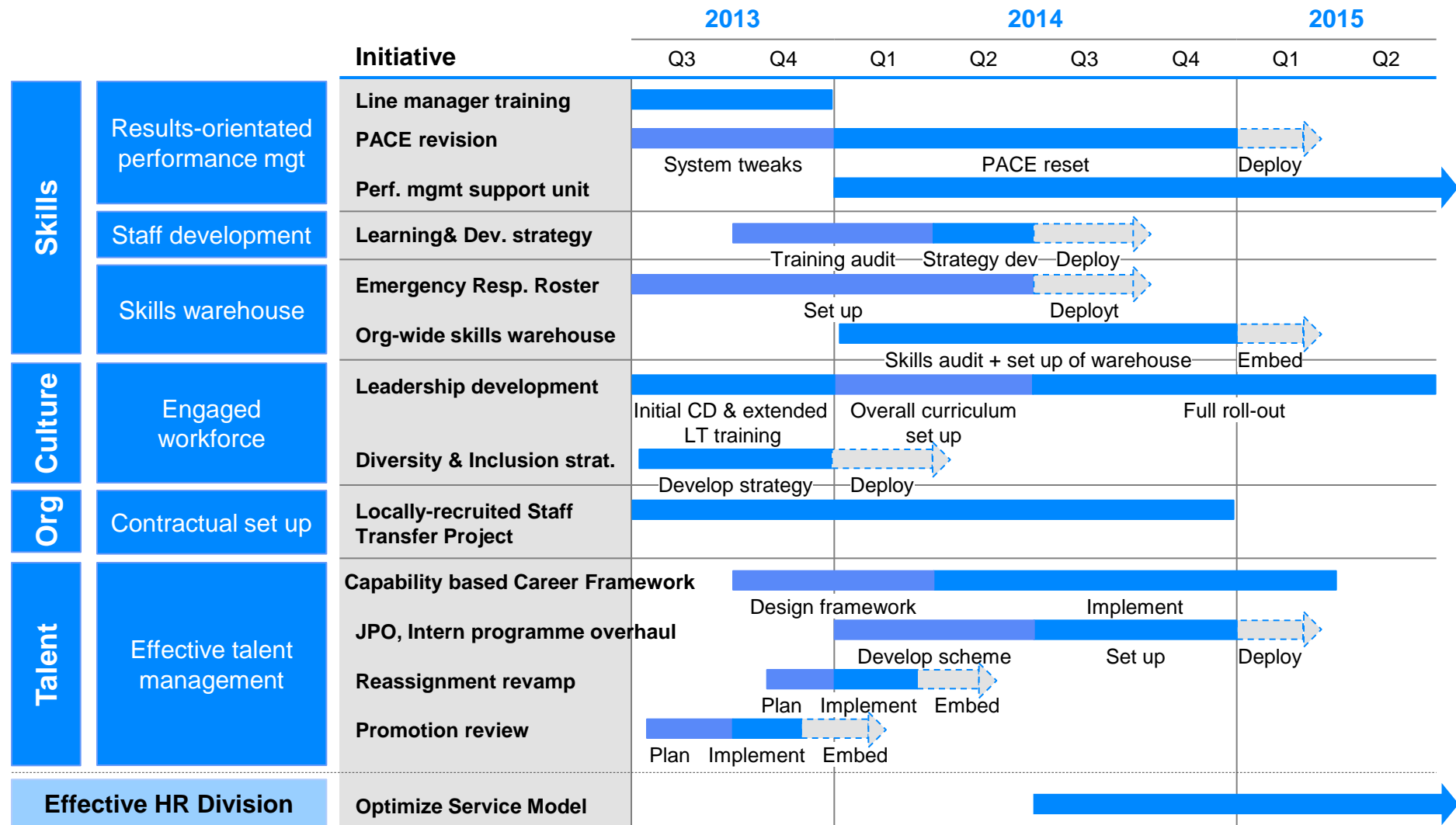
## Talent

- Effective talent management
  - Attract
  - Select
  - Deploy
  - Develop (*see skills*)

## Effective HR division

- **Strategic re-alignment of the HR Division**
  - Strategic advisor to ED, EMG and business partner to Country Directors & RDs
  - Global Centre of Expertise model, delivered through strong Field HR
- **Improved HR Service model**

# Our People Strategy will be delivered through selected initiatives over the next 24 months and beyond



# Our only two assets in the fight against hunger



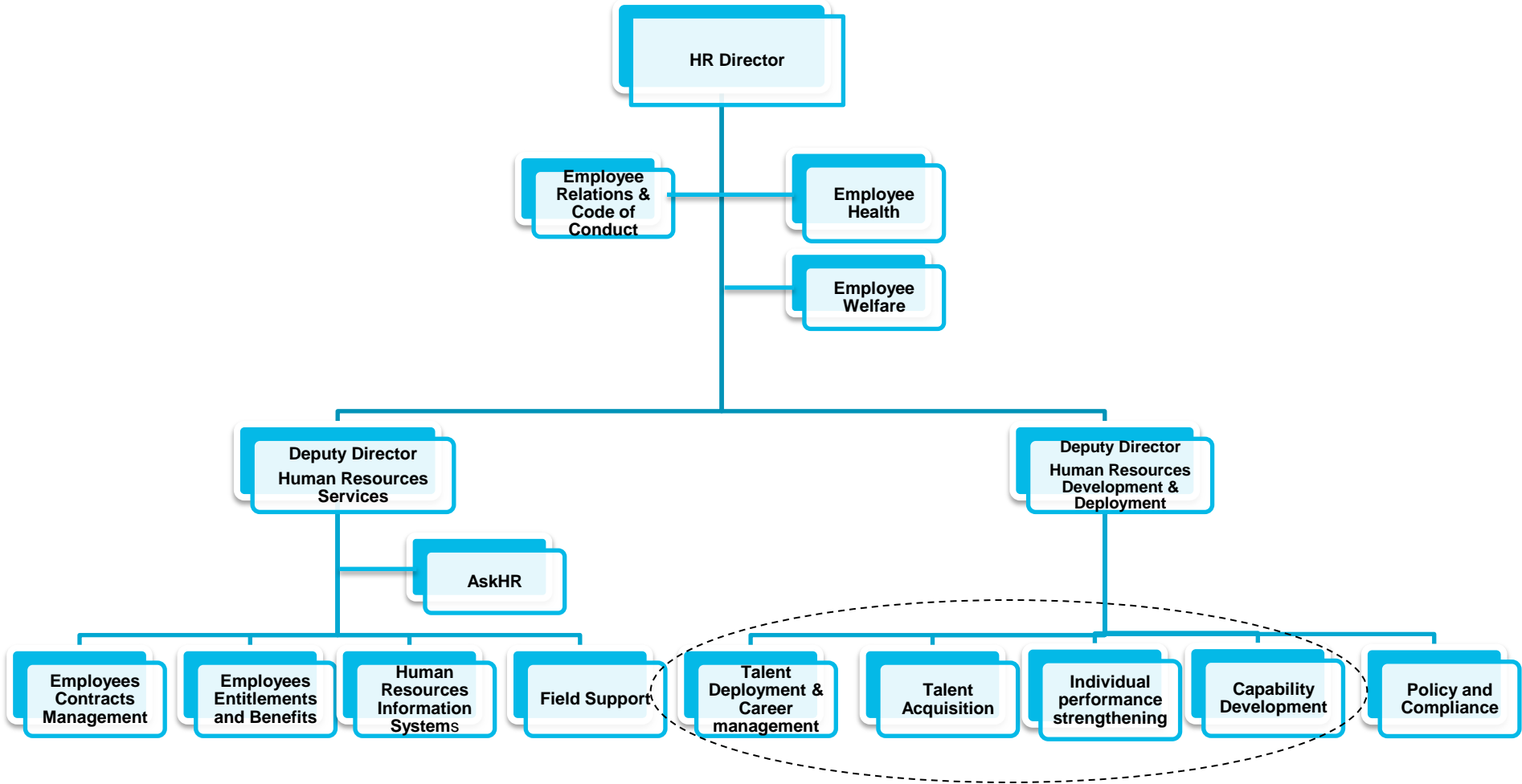
**Partners' Funds**



**Our staff**

# HR Division: investing in our greatest asset

First step taken to create capacity and expertise for that investment

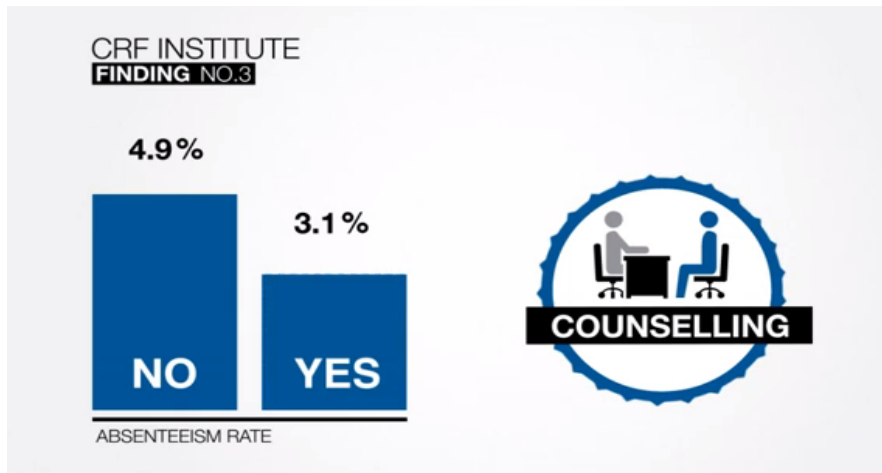
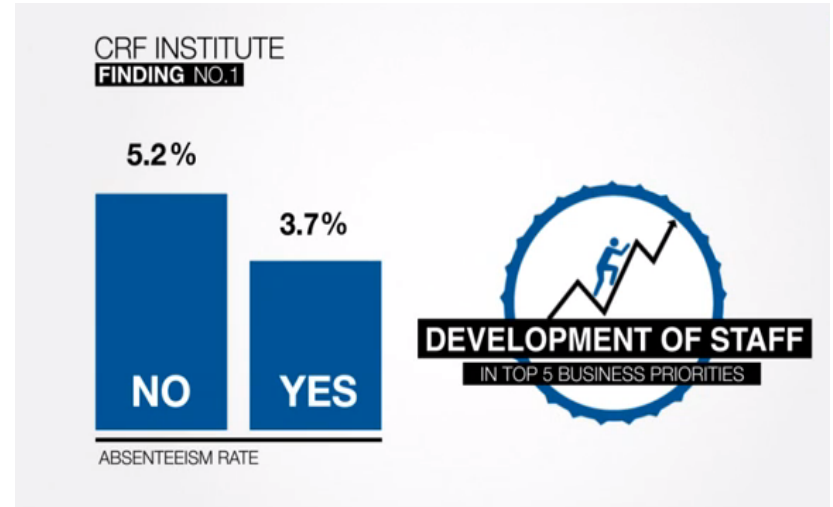


**Business Partnering: Regional Directors, Divisional Directors, EMG**

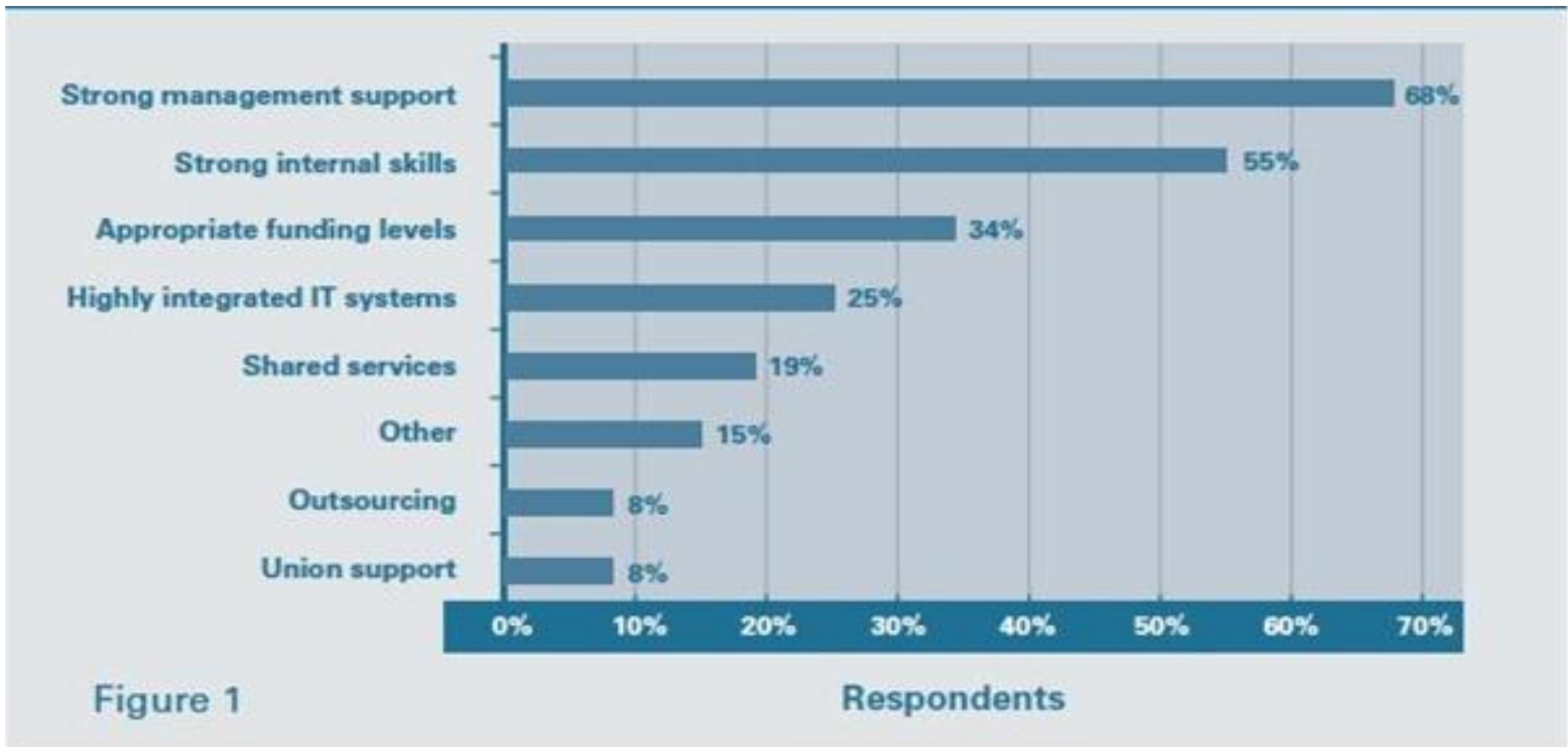


# Return on Investment in our People: Some examples

**\$753 m**  
annual  
cost



# Key enablers of HR transformation



# Thank you!

