

Structure of the presentation

-- Several pauses for Q&A throughout presentation --

A. Section-by-section review of the MP document

- Introduction
- Funding context & resourcing assumptions
- Operational requirements and provisional implementation plan for 2022
- BUSBE process and baseline prioritization
- Programme support & administrative budget
- Corporate services financing mechanism
- Status of reserves
- Management performance measurement

B. Draft decisions

Extracts of each section provided to Board members prior to this consultation; a **complete draft** of the Management Plan (2022-24) document will be shared in **October**



Presenting a “baseline” budget

encompassing **all essential indirect costs** to HQ and Regional Bureaux **regardless of funding source**, split between recurring and one-time costs

Classifying most appropriate funding sources

to **increase transparency** in budget implementation and allow WFP to continue **strengthening its budget capabilities**

Enabling greater standardization of activities

to facilitate the **reduction of horizontal overlaps** among HQ divisions and **vertical overlaps** between HQ and Regional Bureaux, leading to potential cost efficiencies

The new Strategic Plan and Corporate Results Framework (2022-2026) will guide WFP’s prioritization framework for budgeting over the next five years

A.

**SECTION-BY-SECTION
REVIEW OF THE MP
DOCUMENT**



World Food Programme

Section-by section review of the MP document

1.

INTRODUCTION



World Food Programme

Section I: summary of content



Reader's guide & structure of the document

Para 1-5

Short guide on **how to read** the MP document

Overview of **purpose and content** of each section



Organizational context

Para 6-11

New **strategic plan** and **CRF** for 2022–2026

BUSBE results as basis for resource allocation



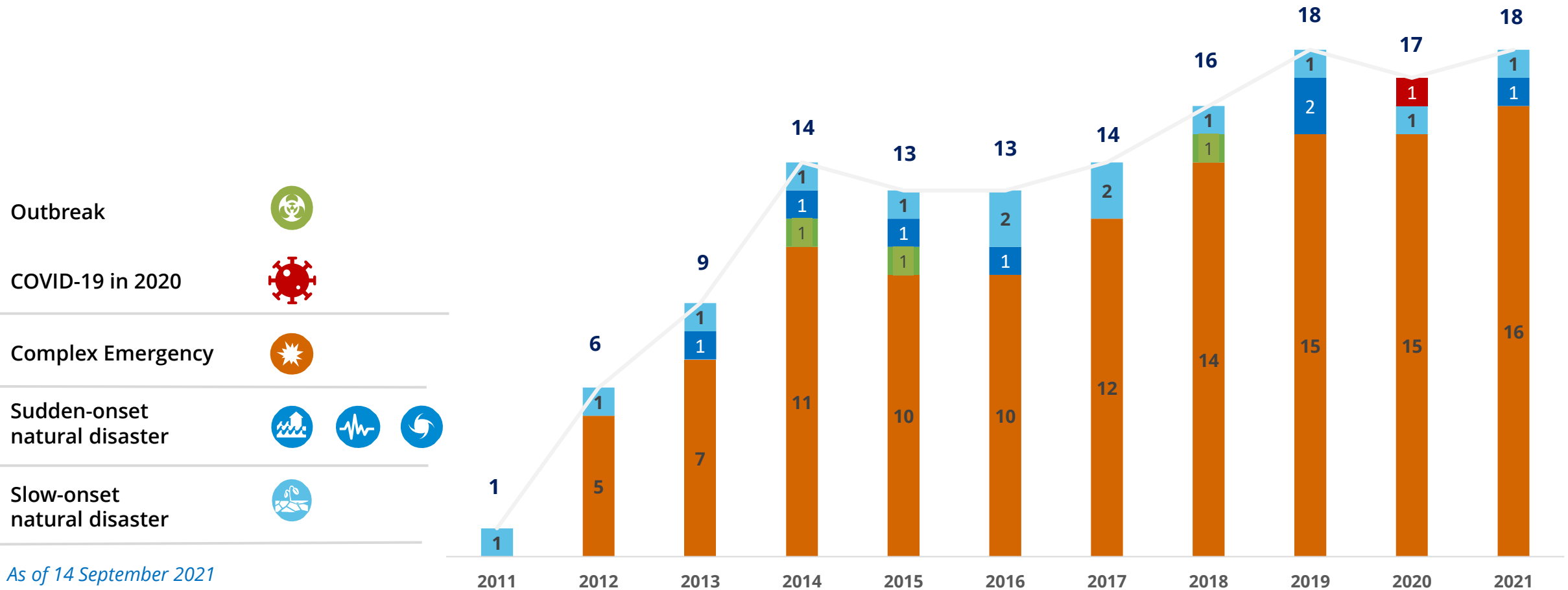
Global economic and political context

Para 12-28

Hunger on the rise; COVID-19 causing first rise in **extreme poverty** in two decades

Summary of global **economic situation** in wake of COVID-19, **insecurity, conflict and displacement** and **climate outlook**

Evolution in the context of WFP operations, 2011-2021



WFP is operating in an environment of **protracted complex emergencies** and **increasing food insecurity**

Section-by section review of the MP document

2.

FUNDING CONTEXT AND RESOURCING ASSUMPTIONS



World Food Programme

Section II: summary of content



Funding Context

Para 29-32

Overview of **contributions trend**

Growing **operational needs** and managing the **funding gap**



Strengthening and diversifying donor base

Para 33-51

Intensifying **private sector** resourcing efforts; strategic engagement with **IFIs**; robust **UN partnerships**; increased engagement with high-level **Govt partners**;

Strengthening/consolidating **thematic approaches** and funding; advocating **predictable/flexible** resourcing



Pursuing innovative modalities and greater impact from funding

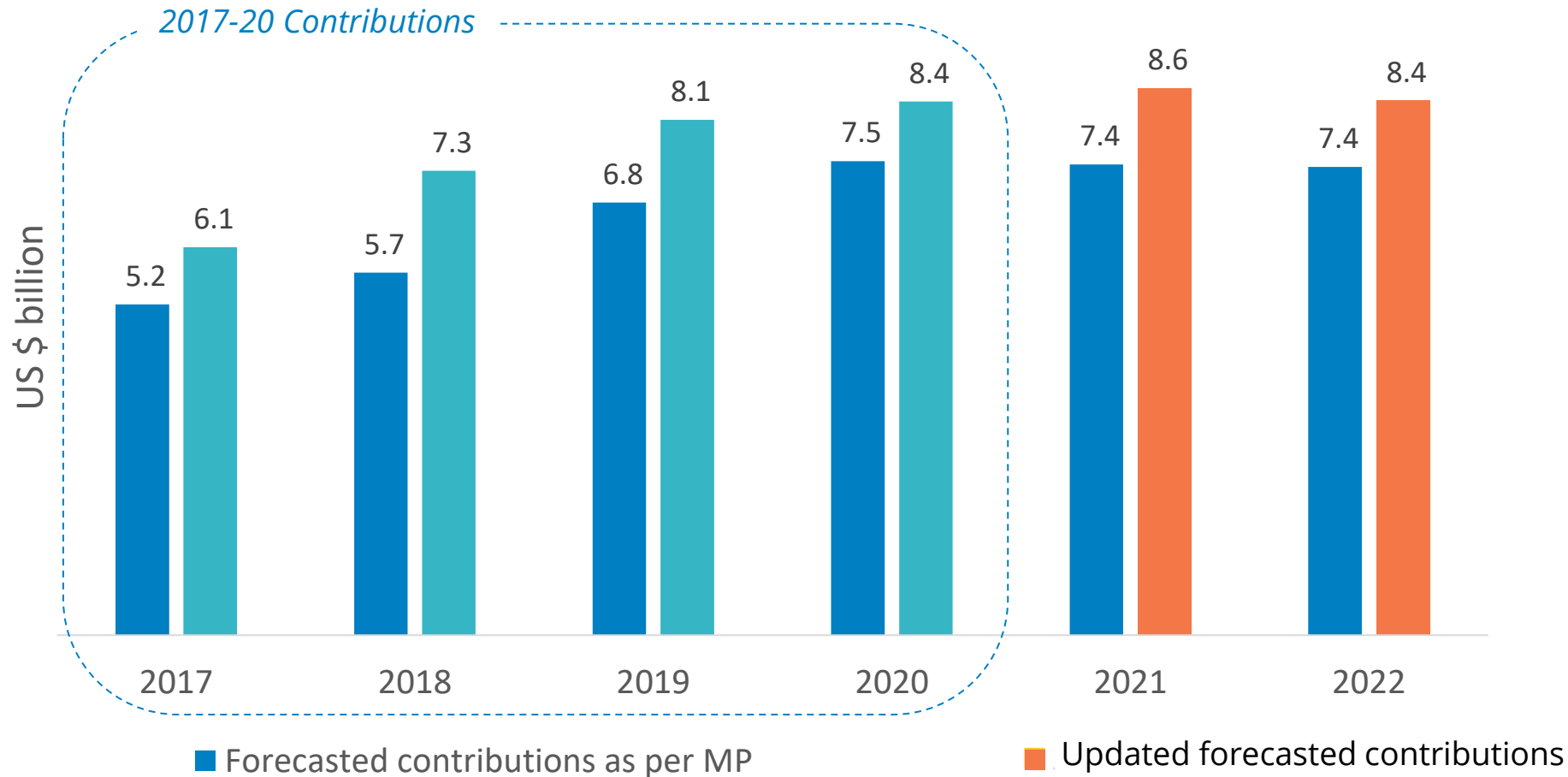
Para 52-65

Innovative finance to access a range of resources for **dev investment**; promote **debt relief/South-South Triangular Cooperation** and investment in **social safety nets**; strengthening awareness & promoting **efficiency gains** through anticipatory actions and other financing instruments



WFP to **broaden its donor base** and **diversify its funding resources** by adopting new approaches at capital and field levels

2017-20 actual contributions and 2021-22 projections*



Funding forecast of **USD 8.4B** assumed for MP 2022 planning (**USD 1.0B** increase from original projections in MP 2021)

***Data Source:**

- Confirmed and Projected 2017-2022 – Figure II.1 MP 2021
- 2020 Actuals based on Audited Annual Accounts 2020
- 2021-2022 updated forecast

INTRO, FUNDING CONTEXT & RESOURCING ASSUMPTIONS Q&As

Section-by section review of the MP document

3.

OPERATIONAL REQUIREMENTS AND PROVISIONAL IMPLEMENTATION PLAN FOR 2022



Section III: summary of content



Situation analysis *Para 66-70*

Rise in conflicts, global climate crisis and economic shocks



Cross-cutting thematic areas *Para 71-77*

Gender equality, social protection, and prevention of hunger and famine



Analysis of 2022 requirements *Para 78-118*

By focus area, strategic result, activity category and transfer modality



2022 provisional implementation plan *Para 119-133*

By focus area, strategic results, activity category and transfer modality



Special Accounts and Trust Funds *Para 134-136*

Trust funds and Special Accounts supporting SDG 17 and CSP activities



2022 Operational Requirements and Provisional Implementation Plan: Key Figures

Key Figures

USD 8.4B



Updated funding forecast

85 OPERATIONS



Where WFP provides assistance

Operational Requirements

USD 13.9B

↑ 13%



13% increase from MP 2021

124.1M

↑ 23%



Targeted beneficiaries

23% increase from MP 2021 figures

Provisional Implementation Plan

USD 8.5B

61%



61% of 2022 Operational Requirements

115M

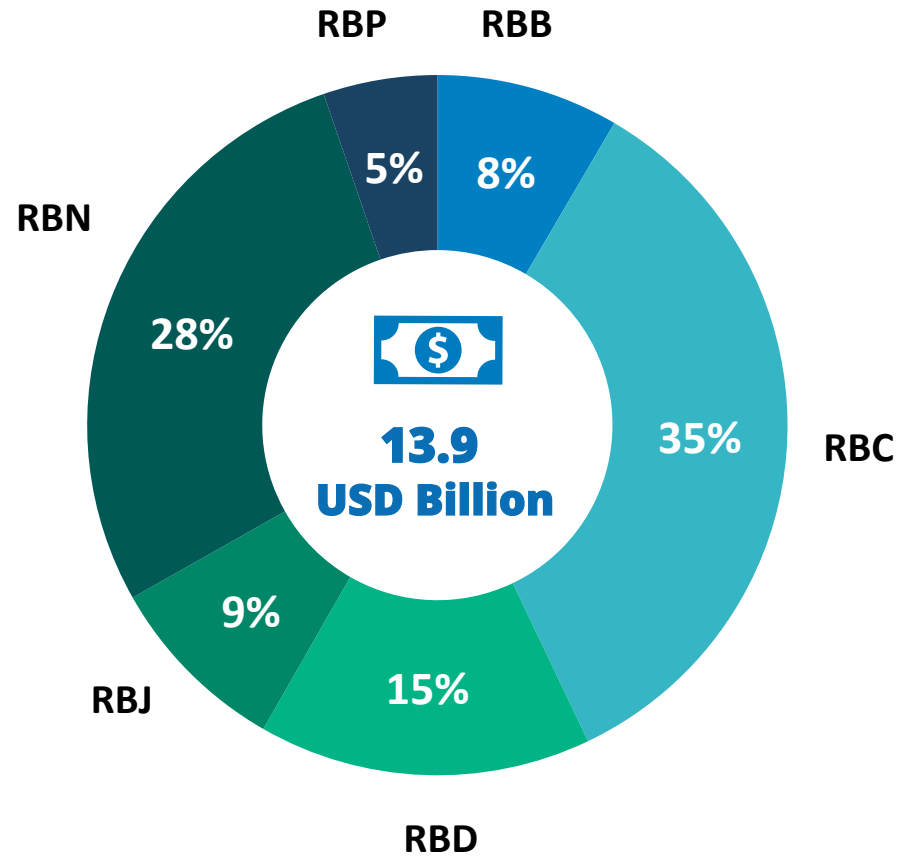
93%



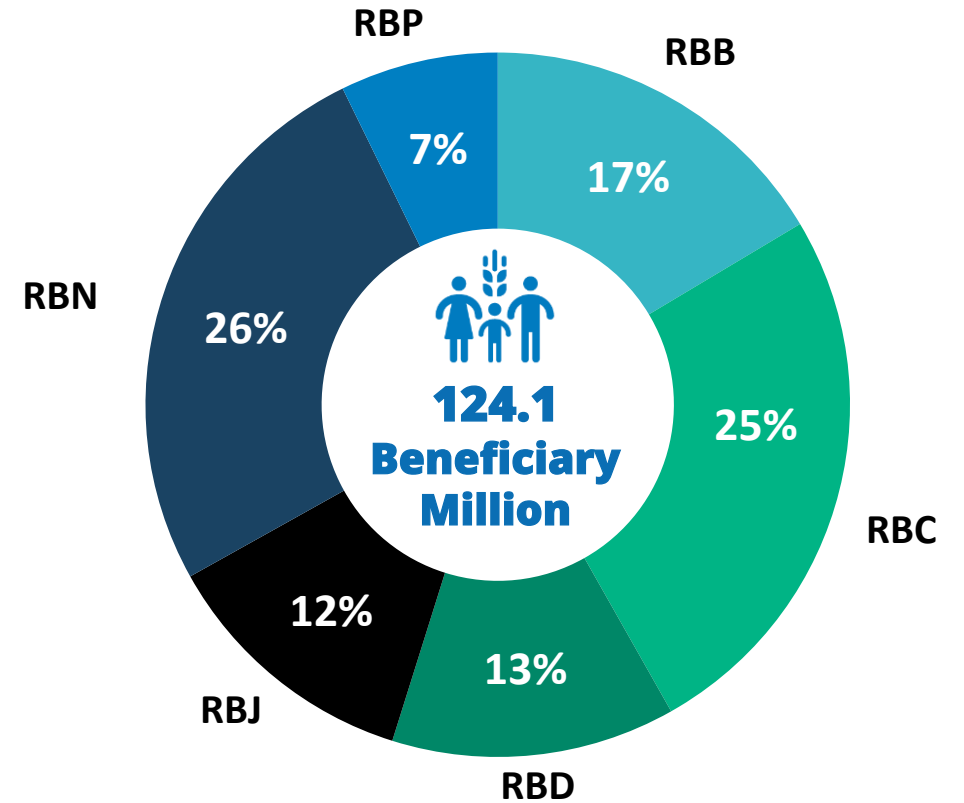
Provisional Implementation Plan Beneficiaries

93% of operational requirements beneficiaries

2022 Operational Requirements Analysis - by RB

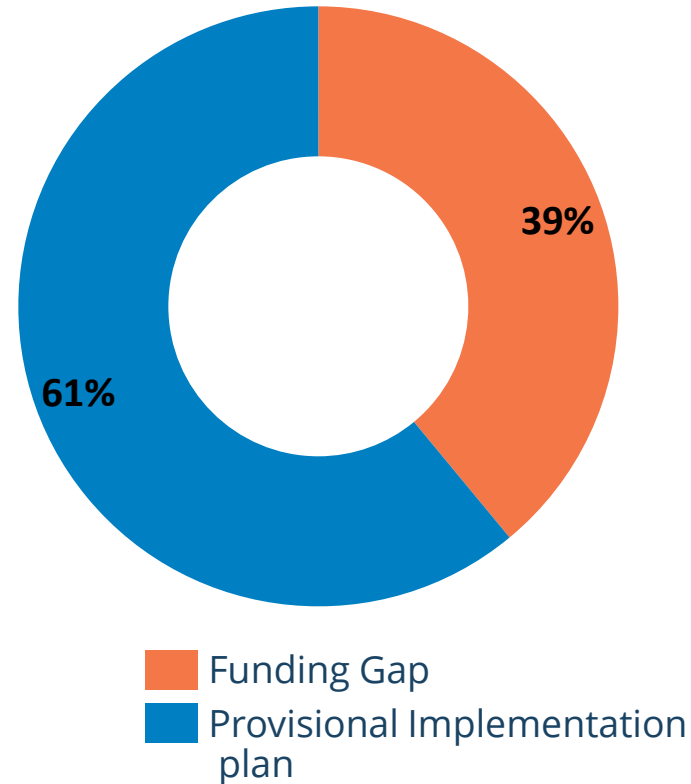


Top 3 Regional Bureaux with the largest share of operational requirements are **RBC, RBN and RBD**.



Top 3 Regional Bureaux with the largest share of targeted beneficiaries are **RBN, RBC and RBB**.

2022 Operational Requirements vs. Provisional Implementation Plan



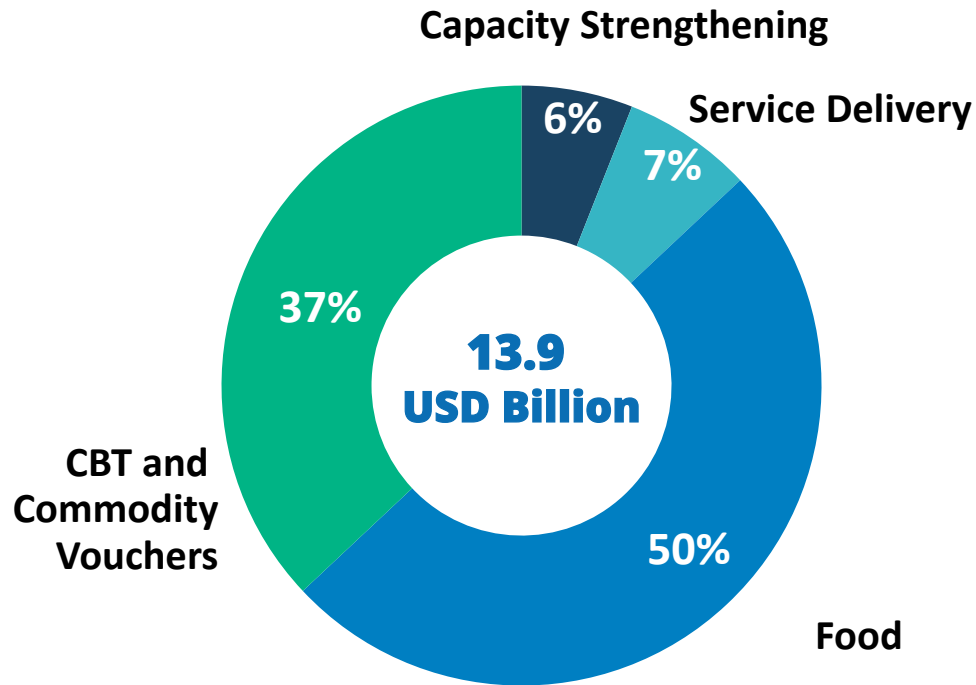
Based on **USD 8.4 billion forecast** plus carry over, the anticipated 2022 Provisional Implementation Plan totals **USD 8.5 billion**, or **61 percent** of total Operational Requirements.

2022 Operational Requirements vs. Provisional Implementation Plan – by Focus Area

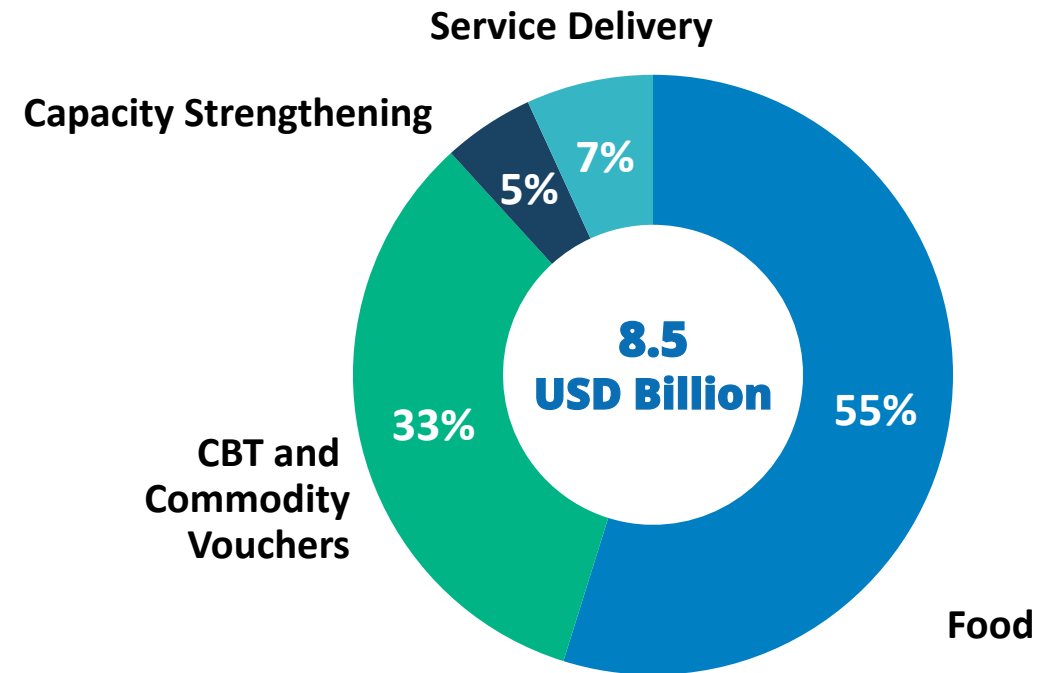
OPERATIONAL REQUIREMENTS AND PROVISIONAL IMPLEMENTATION PLAN BY FOCUS AREA				
Focus area	Operational requirements (USD million)	Operational requirements (%)	Provisional implementation plan (USD million)	Provisional implementation plan (%)
Crisis response	10 770	77	6 899	81
Resilience building	2 614	19	1 295	15
Root causes	553	4	306	4
Total	13 937	100	8 500	100

2022 Operational Requirements vs. Provisional Implementation Plan – by Transfer Modality

Operational requirements

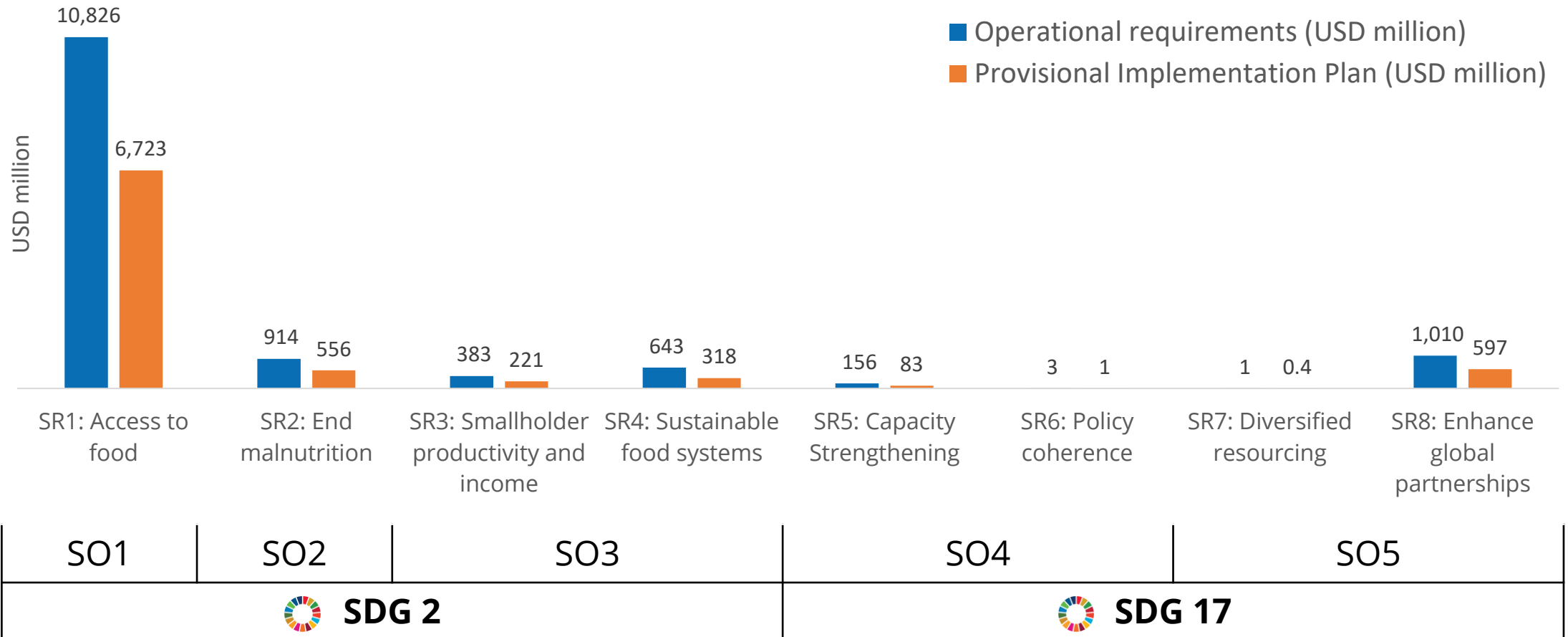


Provisional Implementation Plan



Figures based on USD requirements (full cost recovery)

2022 Operational Requirements vs. Provisional Implementation Plan – by SR, SO and SDG



Strategic Results 1, 2 and 8 account for **91 percent** of total 2022 Operational requirements, or **93 percent** of 2022 Provisional Implementation Plan

Services supporting SDG 17

Context

- WFP provides common services, mobilizes and shares knowledge, expertise, technology and financial resources in humanitarian and other situations, and when called on by partners
- WFP's service provision capacity, mandated and on-demand services, is key in enabling humanitarian response on the ground
- Increasing relevance in formulation of new Strategic Plan and CRF

Principles

- Managed on a cost recovery basis and fee per WFP rules and regulations
- Services may not directly relate to zero hunger but support Agenda 2030 and match core strengths
- Do not implement services in contexts where viable, inclusive, safe and reliable alternatives are available or where other actors are better placed

Examples

- United Nations Humanitarian Response Depot
- Aviation Services
- Logistic humanitarian services
- Fast Information Technology and Telecommunications Emergency Support Team (FITTEST)
- Other on-demand services

OPERATIONAL REQUIREMENTS and PROVISIONAL IMPLEMENTATION PLAN FOR 2022

Q&As

Section-by section review of the MP document

4.

BUSBE process and baseline prioritization



World Food Programme

Bottom-up strategic budgeting exercise – Baseline allocation by funding source (in million USD)

	PSA	PSA equalization account*	Existing trust funds and special accounts	New trust funds and SA	Total 2022
Country offices	43.0	0.0	0.0	0.0	43.0
Regional bureaux	105.3	13.3	4.2	0.0	122.8
Headquarters	319.1	27.3	91.2	16.2	453.8
Chief of Staff	9.1	0.0	0.0	0.0	9.1
Divisions reporting to the Executive Director	45.0	0.0	1.3	0.0	46.3
Deputy Executive Director Department	54.6	1.1	53.1	2.2	111.1
Partnerships and Advocacy Department	58.7	17.8	5.0	0.0	81.4
Programme and Policy Development Department	44.9	2.2	9.9	13.1	70.1
Resource Management Department	76.9	0.4	21.7	0.5	99.5
Workplace Culture Department	29.9	5.8	0.2	0.3	36.2
Central appropriations	28.7	0.0	0.0	0.0	28.7
Total	496.1	40.6	95.4	16.2	648.3

Section-by section review of the MP document

5.

PROGRAMME SUPPORT & ADMINISTRATIVE BUDGET



Guiding principles for 2022 PSA planning



Budget Envelope

Ensure PSA budget remains **within forecast** of ISC income

Headline **ISC rate** to be maintained at 6.5 percent

Maintain **PSAEA** above the target level of five months of PSA expenditures and the “floor” equivalent to two months PSA spending level



PSA as a subset of “baseline”



Baseline prioritization

- Baseline activities are **funded** by indirect support cost (ISC), management cost recovery fees, and directed donor contributions.
- **All baseline activities** planned by Global HQ are aligned with baseline definition: essential activities and not directly linked to CSPs
- Unfunded baseline activities went through an **extensive review process** based on activity scale, efficiency gains and absorption capacity
- **Baseline budget adjusted** leading to the use of optimum funding sources for activities including the PSA

PSA optimization

- PSA activities **entirely funded** by the ISC
- **Country Office PSA adjusted** to support core functions not directly attributable to operations



Why 2022 PSA is different



The PSA Budget Prior to MP 2022:

- **Coverage** – Previous PSA budgets did not represent total programme support and business operations requirement of the Organization
- **PSA funding gap** - resources were augmented by funding additional investment cases from other sources of funds e.g. unearmarked multilateral resources
- **Inapplicable funding sources** – WFP’s support cost structure was not always funded from the right funding source e.g. PSA coverage of country offices costs related to CSPs

2022 PSA versus 2021 PSA:

- 2022 budget collection process **designed differently** covering full baseline activities with PSA identified as a sub-component
- PSA is **one of several funding sources** for baseline activities in 2022
- PSA 2022 **composition of activities not fully comparable** with PSA 2021



ISC income vs. PSA budget, 2022

Item	USD million
Estimated ISC income (<i>based on overall USD 8.4 B funding forecast</i>)	501.0
Proposed 2022 PSA budget	496.1*
Estimated ISC income <i>minus</i> Proposed PSA budget	4.9

* Includes USD 1.1 million projected increase on the 2022 standard position costs.



Proposed **2022 PSA budget** level of **USD 496.1 M** is fully covered by the projected ISC income of **USD 501.0 M**

2022 PSA Budget by Appropriation Line and Pillar

Item	USD million
Strategy and direction	111.3
A. Strategy and direction	111.3
Services	241.1
B. Business services	164.1
C. Policy, guidance and quality assurance	77.1
Governance, independent oversight and fundraising	143.7
D. Advocacy, partnerships, fundraising and United Nations coordination	102.1
E. Governance and independent oversight	41.5
Grand Total	496.1



PSA Budget Trend 2021 vs 2022

Department/Division (USD Million)	2021	2022
Country offices	103.4	43.0
Regional bureaux	81.8	105.3
Headquarters	241.7	319.1
Chief of Staff	7.7	9.1
Divisions reporting to the Executive Director	37.5	45.0
Deputy Executive Director Department	44.5	54.6
Partnerships and Advocacy Department	44.0	58.7
Programme and Policy Development Department	30.6	44.9
Resource Management Department	57.2	76.9
Workplace Culture Department	20.2	29.9
Central appropriations	16.5	28.7
Grand Total	443.5	496.1

Summary of Key Changes in 2022

Employee Costs

- Standard position costs increase of USD 1.1 million
- Improve alignment of contract type to duration of work



Increase capacity for regional bureau

- 35 outposted positions now budgeted in the bureaux
- Improve capacities to better serve country offices
- Upgrade skills and enhance capacities for emergency and social protection activities

Chief of Staff

- Global privacy office now fully operational



Redefining the country office budget

- Identified USD 43 million to be PSA funded
- Redirected 2021 centralized services of USD 45.3 million to other funding source



Divisions reporting to the Executive Director

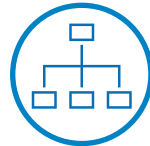
- Increased coverage and response time to complaints, allegations and high-risk areas
- Growth in centralized, decentralized and impact evaluations
- Increased demands to address more diverse and complex contractual agreements



Summary of Key Changes in 2022

Deputy Executive Director Department

- Modernization of security and enhance country offices security deployment
- Strengthen supply chain capacity
- Increased workload in the Executive Board Secretariat due to 2nd generation CSP processes
- Establishment of a business continuity management function to ensure continuity of critical process during a disruption



Partnerships and Advocacy Department

- Recognizing strategic partnerships as a core function
- Investing in global offices to increase capacities consistent with donor contributions
- Increased capacity for public partnership and resourcing to diversify donor funding streams and increase thematic funding

Programme and Policy Development Department

- Mainstreaming programme and policy development activities
- Reinforcing research, assessment and monitoring activities providing credible, relevant and timely evidence to inform WFP's operations
- Establishment of a beneficiary information management function



Summary of Key Changes in 2022

Resource Management Department

- Expand foundational services and support to 20,000 IT users supporting and transforming WFP in the digital era
 - Expand capacity to provide occupational health and safety, environmental protection and asset management services
- Further implement strategic improvement initiatives on key business financial processes
- Strengthening the link between resources and results including the creation of performance analysis cell
- Reinforcing anti-fraud and anti-corruption policy



Workplace Culture Department

Implementation of the WFP People Policy and coordination of initiatives identified by the Comprehensive Action Plan, Wellness Strategy, Human Resources Strategy and related enablers



Central Appropriations

Increase due to shift of UNDSS WFP co-share costs from country office centralized services



BUSBE/ PROGRAMME SUPPORT & ADMINISTRATIVE BUDGET Q&As



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Section-by section review of the MP document

6.

CORPORATE SERVICE FINANCE MECHANISM

Proposed Increase in Corporate Services Ceiling

Description	Current ceiling (USD millions)	Proposed New Ceiling (USD millions)
Fleet centre Advances for fleet services for all WFP offices and operations	15	15
Capital budgeting facility Advances for multi-year projects that can demonstrate quantifiable benefits	47	82
Fee-for-service activities Advances for corporate services or activities, which are recovered within one year.	20	50
Total	82	147

Reasons for increase

Advances for multi-year projects:

- Implementation of private sector partnerships and fundraising strategy
- Human capital management platform
- Construction and improvement of premises

Advances for *new* corporate services/activities brought about by BUSBE model:

- Shipping services
- Procurement services
- Beneficiary management

Financing mechanisms serve as internal tool to flexibly manage operations and do not require contributions from donors.

Section-by section review of the MP document

7.

Status of Reserves

PSAEA projections for 2022

Item	USD M
Projected account balance at 31 December 2021	266.9
2022 ISC projected revenue <i>(based on USD 8.4 B forecasted income)</i>	501.0
2022 proposed PSA budget	(496.1)
PSAEA drawdowns to be pursued in 2022	(42.4)
PPF Private Sector Strategy	(17.1)
Investing in WFP People	(25.3)
Projected closing balance at 31 December 2022	229.4
<i>Equivalent number of months of PSA expenditures</i>	5.6

The projected closing balance is **above the 5-month PSA target** (USD 206.7 million) and **above the 2-month floor** (USD 82.7 million)

Proposed drawdown on the PSAEA

Subject to EB approval, the PSAEA is proposed to be used to **support two areas** in 2022:

- 1. Continue multi-year initiative on Private Sector Strategy**, which includes resource mobilization activities that will enhance WFP's visibility
- 2. First year of multi-year initiative on Investing in WFP People**, which aims to achieve WFP's vision of delivering excellence in people management

Item	USD million
PPF Private Sector Strategy	17.1
Investing in WFP People	25.3
TOTAL	42.4



1. Private Sector Strategy (USD 17.1M)

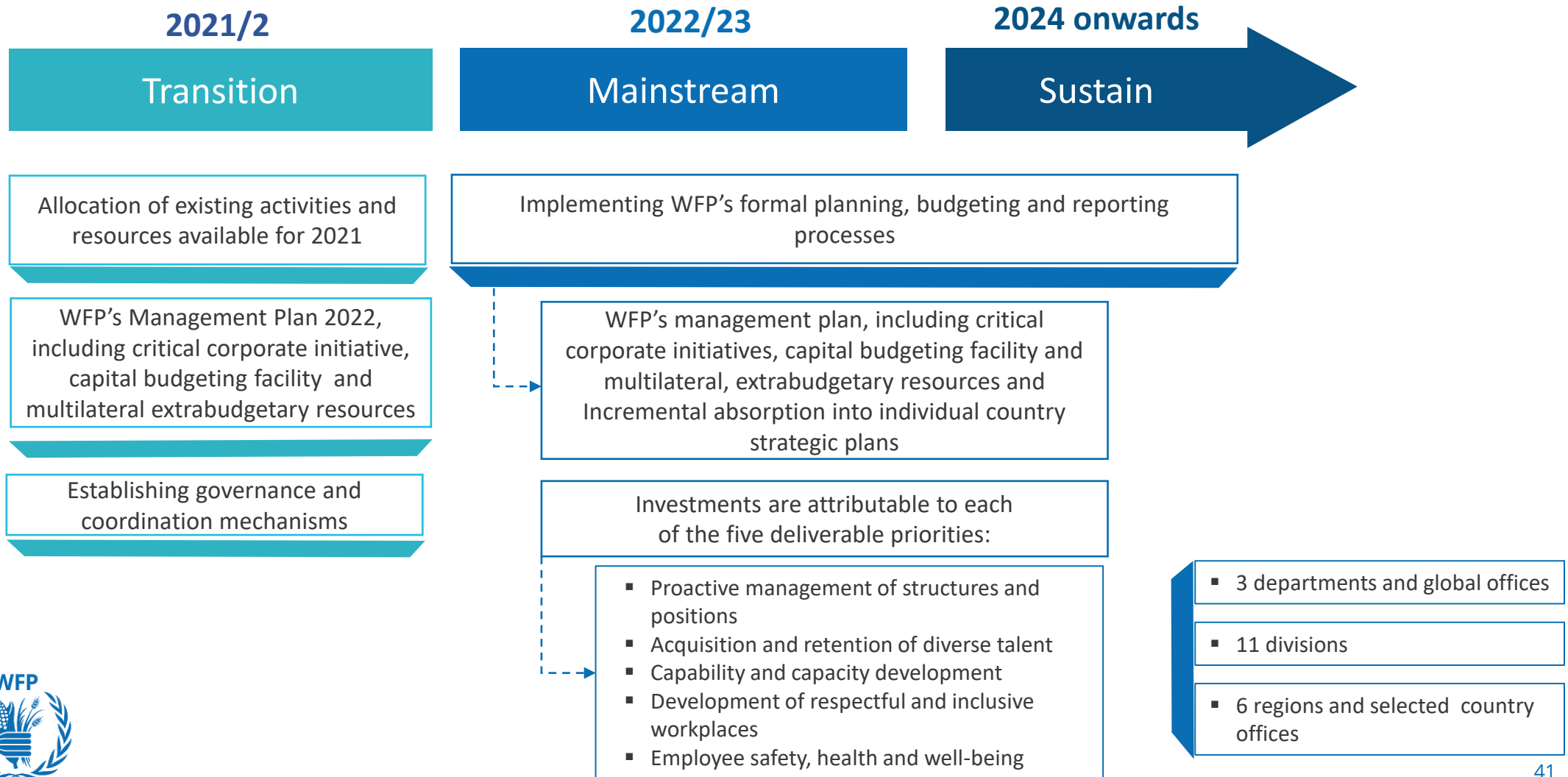
KEY PERFORMANCE INDICATORS, TARGETS AND 2020 RESULTS				
Key performance indicator	2020 achieved	2020 target	2021 target	2022 target
Deliverable 1: Increase total individual giving income for the organization				
Total funding from individuals (USD million)	50.2	40.0	77.5	112.0
Paid acquisition income (USD million)	17.8	16.5	46.0	82.0
Deliverable 2: Ensure high return on investment				
Average 12-month return on advertising spend	2.0:1		1.7:1	
Deliverable 3: Recruit high value supporters, including regular supporters				
Average donation, regular and single gift (USD)	S: 21.3 R: 21.3		S: 50.0 R: 16.0	

- Continued growth of WFP's fundraising programme from individuals
- The income from individuals increased to USD 50 million in 2020. **In 2021, raised 61 percent of target at the mid-year point.**
- Performance for **return on advertising spend** is ahead of target both for digital and the average of all channels
- The new supporters recruited in 2020 continue to donate generously in 2021
- **In 2022, the CCI will be used for media expenses** linked to external consultancies to support WFP fundraising teams.



2. Investing in WFP People (USD 25.3M)

Planning and reporting framework for CCI resourcing and implementation



2. Investing in WFP People

CCI aims to transform the workforce to fulfil WFP's mandate, build improved, respectful, and inclusive workplaces, and support employee health and well-being.

CCI BUDGET IN 2022 (USD MILLION) AND FTE BY DELIVERABLE		
Deliverable	TOTAL	
	Budget	Full Time Equivalent
1: Proactive management of structures and positions	7.1	54
2: Acquiring and retaining diverse talent	4.0	29
3: Capability and capacity development	8.7	49
4: Developing respectful and inclusive workplaces	1.0	9
5: Employee safety, health, and well-being	4.4	23
Total budget	25.3	164

Criteria

- One-time, multi-year
- Cross functional
- Organizational capacity strengthening
- Supporting change process, going further faster

Governance and management

- Each head of department owns a group of activities
- WP oversees, coordinates, monitors and reports through its coordination unit
- MP 2023 to reflect half year performance and proposals for further mainstreaming of activities

Absorption capacity

- Activities feature in 2022 work plans for 6 regions and 14 HQ units
- Report monthly on activities and budget utilization

2. Investing in WFP People

Budget covers one-time activities in 2022 with future funding in 2023 and 2024 subject to Board approval based on the achievement of KPIs

Deliverable	Key Performance Indicators
1. Proactive management of structures and positions	1.1 Number of country offices completing the workforce planning exercise
	1.2 Percentage of positions filled
	1.3 Percentage of workforce employed on short-term contract
2. Acquisition and retention of diverse talent	2.1 Number of applications received from people with a disability
	2.2 Number of appointments of people with disability
	2.3 Average number of days to issue offer
3.. Capability and capacity development	3.1 Number of country offices reporting an improved match between the skills required and those available.
4. Development of respectful and inclusive workplaces	4.1 Number of planned activities completed
	4.2 Number of global staff survey action plans in operation
5. Employee safety, health, and wellbeing	5.1 Percentage and number of units complying with WFP security management policy and framework of accountability
	5.2 Number of new cases of service-incurred injury or illness

COMMENTARY

- KPIs will reflect the planned initiatives supporting the achievement of corporate priority focused on people in 2022
- KPI definitions, baselines and targets for 2022 are being developed and tested
- KPIs will complement those being developed as part of the management results framework

Unearmarked portion of the General Fund and Other Reserves



For Executive Board Approval:

Propose to increase resources allocated to the Treasury Branch from **USD 1.55M to USD 2.35M** to ensure optimal management of WFP's financial resources and enhance monitoring of risks



Potential future use of available reserve balances:

- Enhancement of the WFP Information Network and Global System (WINGS)
- Support for the transformation and adaptation of WFP systems and CSPs to implement the new Strategic Plan and Corporate Results Framework 2022-2026
- Emerging Donor Matching Fund (EDMF) - a funding facility to support national governments in **covering the associated costs** of their contributions to WFP
- Immediate Response Account - increased funding required as the **demand for IRA allocations** is increasing in the current environment



Section-by section review of the MP document

8.

MANAGEMENT PERFORMANCE MEASUREMENT

Key performance indicators: category I and II

Category I	UoM	2020 value	2021 target	2022 target
<u>Programme</u> : Implemented evaluation recommendations	%	56	100	100
<u>Supply chain</u> : Post-delivery losses	%	0.33	<2	<2
<u>Budget & programming</u> : CSP expenditures against original implementation plan	%	80	90	90
<u>Finance</u> : Enhanced risk items in the financial dashboard	%	6	<7	<7
<u>Security</u> : Compliance with the WFP security management policy and framework of accountability	%	94	90	95
Category II				
Employees completing mandatory trainings on SHAP and PSEA	%	82	100	100
UN SWAP 2.0 indicators met or exceeded	%	81	88	88
WFP cash transfers supported digitally	%	71	80	80



**CORPORATE SERVICE FINANCE
MECHANISM/
STATUS OF RESERVES /
MANAGEMENT PERFORMANCE
MEASUREMENT**

Q&As



World Food Programme

B.

DRAFT DECISIONS



World Food Programme

Draft decisions



At the 2021 Second Regular Session, the EB will be asked to **take note**:

- That the **Programme Support and Administrative** appropriation assumes a funding level of USD 8.4 billion in 2022
- Of **projected operational requirements** of USD 13.9 billion for 2022 and the global provisional implementation plan of USD 8.5 billion outlined in section III *new update*
- Of the **bottom-up strategic budgeting exercise** that will increase the transparency of the implementation of the approved 2022 budget and allow WFP to continue strengthening its budgeting capabilities *new*



Draft decisions



At the 2021 Second Regular Session, the EB will be asked to **approve**:

A 2022 PSA appropriation of **USD 496.1 million**, to be allocated as follows:

- **USD 111.3 M** for Strategy & Direction
- **USD 241.1 M** for Services to operations
- **USD 143.7 M** to governance, independent oversight and Fundraising



Draft decisions



At the 2021 Second Regular Session, the EB will be asked to **approve**:

An allocation of USD 42.4 million from the PSA equalization account for two critical corporate initiatives composed of:

- **USD 17.1 M** for the third and final year of the private sector strategy
- **USD 25.3 M** for the first year of a three-year initiative, “investing in WFP people”



Draft decisions



At the 2021 Second Regular Session, the EB will be asked to approve:

- A corporate ISC recovery rate of **6.5 percent** for 2022
- An ISC recovery rate of **4 percent** for:
 - Host government contributions to programmes in their own countries
 - Contributions from developing countries or countries with economies in transition
- The use of **General Fund from interest income up to USD 2.35 million per annum** for treasury management costs *new update*
- A **USD 147 M ceiling for corporate services** from 2022 *new update*



Draft decisions



At the 2021 Second Regular Session, the EB will be asked to **authorize**:

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

NO CHANGE FROM 2021



A group of approximately 12 children of various ages are gathered outdoors in a rural, arid environment. They are all smiling and making heart shapes with their hands, some holding them up to their faces. The background shows sparse trees and a clear sky. The entire image has a blue color cast.

THANK YOU



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Terminology & Acronyms

Baseline - activities identified that must be funded, regardless of funding source, required to support operations and other services of the programme

BUSBE - the **Bottom-Up Strategic Budgeting Exercise** aims to revisit WFP funding source management and determine how best to align them to activities in RB/CO/HQ divisions

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

CBT – Cash-based Transfers - set of transfer modalities through which beneficiaries are provided with purchasing power in the form of cash and/or value vouchers

CCI - Critical Corporate Initiatives - non-recurring investments funded by allocations from the PSA equalization account aimed at strengthening WFP's programming, operational and administrative capacity

CSPs - Country Strategic Plans

EB - Executive Board

General Fund (GF) - 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

IFI - International Financial Institution

ISC - Indirect Support Costs - costs which support the execution of activities which cannot be directly linked with their implementation

KPI - Key Performance Indicators

MP - Management Plan

Multilateral contributions – cash contributions provided by donors, which, at the time of confirmation, have not been designated to a specific programme category or bilateral project

PPR - Public Partnerships and Resourcing Division

PSA - Programme Support and Administrative (Budget) is the portion of the WFP budget that pertains to providing indirect support to WFP's activities

PSAEA - Programme Support and Administrative Equalization Account

Reserves - established by the Executive Board as facilities for operational support and for other specific funding purposes

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

UN - United Nations

WEB - World Wide Web

WINGS - WFP Information Network and Global System