

ANNEX III

Review of the management plan (2021–2023)¹

1. This annex outlines planning variations from the 2021 operational requirements, PSA budget, trust funds and special accounts in the approved management plan (2021–2023). It is based on data available at the end of August 2021.
2. In the approved management plan (2021–2023) the 2021 operational requirements, including indirect support costs (ISC), were USD 12.3 billion and the funding forecast for the year was estimated at USD 7.4 billion.

Programme of work

3. Each year unforeseen requirements affect the original operational requirements presented in the management plan. Table A.III.1 shows the variation between the original operational requirements and the updated programme of work in the management plan for each year from 2017 to 2021.

Year	Management plan operational requirements (USD million)	Variation in requirements (USD million)	Updated programme of work (USD million)**	Variation in requirements (%)
2017	9 007	+1 100	10 107	+12
2018	9 011	+1 054	10 065	+12
2019	9 796	+2 743	12 539	+28
2020	10 566	+3 107	13 673	+29
2021	12 344	+1 930	14 274	+16
Average	10 145	+1 987	12 132	+19

* USD figures are rounded.

** Based on project budgets approved or submitted for approval by the end of August 2021.

4. At the end of August 2021, the updated 2021 programme of work amounted to USD 14.3 billion, a 16 percent increase from the projection of USD 12.3 billion in the 2021 operational requirements in the approved management plan (2021–2023).
5. Table A.III.2 shows the variation in USD requirements from the 2021 operational requirements in the approved management plan (2021–2023) by focus area.

¹ All figures include indirect support costs.

Focus area	Management plan 2021 operational requirements (USD million)	Variation in requirements (USD million)	Updated 2021 programme of work (USD million)**	Variation in requirements (%)
Crisis response	9 545	+1 691	11 236	+18
Resilience building	2 252	+251	2 503	+11
Root causes	547	-11	536	-2
Total	12 344	+1 930	14 274	+16

* USD figures are rounded.

** Based on project budgets approved or submitted for approval by the end of August 2021.

6. As in previous years, in 2021 the crisis response focus area shows the greatest increase in the programme of work (18 percent) compared with 2021 operational requirements in the approved management plan (2021–2023), at a proportion higher than the overall total increase, mainly due to additional needs in Afghanistan and Ethiopia. The resilience building focus area increases by 11 percent, resulting from large unforeseen increases in Colombia and Mali. The root causes focus area decreases by 2 percent, partly due to Lebanese currency devaluation and COVID-19-related reprioritization of response actions in Pakistan, including the reduction of rations for school feeding programmes and the cancellation of institutional capacity building activities.
7. Table A.III.3 shows the variation in USD requirements from the 2021 operational requirements in the approved management plan (2021–2023) by regional bureau.

Regional bureau	Management plan 2021 operational requirements (USD million)	Variation in requirements (USD million)	Updated 2021 programme of work** (USD million)	Variation in requirements (%)
Asia and the Pacific	881	+445	1 326	+51
Middle East and Northern Africa	5 048	-442	4 606	-9
Western Africa	1 672	+523	2 195	+31
Southern Africa	1 230	+92	1 323	+8
Eastern Africa	3 149	+967	4 116	+31
Latin America and the Caribbean	363	+345	708	+95
Total	12 344	+1 930	14 274	+16

* USD figures are rounded.

** Based on project budgets approved or submitted for approval by the end of August 2021.

8. Compared with the 2021 operational requirements in the approved management plan for 2021–2023, the Eastern Africa region shows the highest increase in absolute value (USD 967 million), owing primarily to the drastic increase in needs in Ethiopia resulting from drought and the unfolding crisis in the Tigray region. The Latin America and the Caribbean region shows the highest proportional increase (95 percent), mainly due to the protracted socioeconomic and political turmoil and successive below-average harvests in Haiti and the multidimensional crisis in Colombia resulting from the movement of Venezuelans displaced abroad. Operational requirements in the Asia and the Pacific region have increased by 51 percent, driven mainly by growing food security needs in Afghanistan and Myanmar, ongoing political crises and the socioeconomic impact of COVID-19. The 31 percent increase in operational requirements in the Western Africa region is attributable to intensified conflict in north-eastern Nigeria and the deteriorating security situation in the border between Burkina Faso, Mali and the Niger. In the Southern Africa region, operational requirements have increased by 8 percent, mostly due to deteriorating food security in Mozambique driven by armed conflict in Cabo Delgado and to drought, cyclones and COVID-19-related reductions in household income and economic access to food. While Yemen remains one of the world's worst humanitarian crises, the slight reduction in the operational requirements of the Middle East and Northern Africa region is mainly due to the Yemen country office's prioritization of assistance for beneficiaries based on vulnerability and a related reduction in the distribution of food and commodity vouchers.
9. Table A.III.4 shows the largest increases in operational requirements in 2021 by recipient country.

Recipient country	Management plan 2021 operational requirements (USD million)	Variation in requirements (USD million)	Updated 2021 programme of work** (USD million)	Variation in requirements (%)
Ethiopia	567	+632	1 199	+112
Afghanistan	198	+314	512	+159
Syrian Arab Republic	1 072	+198	1 270	+19
The Sudan	447	+186	633	+42
Nigeria	314	+157	471	+50
Others	9 747	+442	10 190	+5
Total	12 344	+1 930	14 274	+16

* USD figures are rounded.

** Based on project budgets approved or submitted for approval by the end of August 2021.

10. The total USD 1.9 billion increase from the 2021 operational requirements in the approved management plan for 2021–2023 to the updated programme of work for 2021 is primarily the result of unforeseen requirements in Ethiopia, Afghanistan, the Syrian Arab Republic, the Sudan and Nigeria. Together, these five countries account for an additional USD 1.5 billion in operational requirements, equivalent to 77 percent of the total increase.
11. During 2021 the number of people in need of food assistance in Ethiopia increased due to various factors such as drought attributable to La Niña, which led to crop failure and shortages of water and livestock, the unfolding Tigray crisis and internal displacements of people in various parts of the country. The Tigray crisis has displaced more than 1.7 million people and disrupted the livelihoods of 91 percent of the region's population of 5.7 million people. In response, since January 2021 WFP has scaled up food assistance in Tigray, increased the number of beneficiaries assisted in the Somali region and introduced service provision activities such as logistics services organized by the logistics cluster, on-demand food procurement services for government and humanitarian partners and coordination and information and communication technology services for humanitarian partners through the emergency telecommunications cluster.
12. Afghanistan faces an evolving complex crisis in 2021. The drought conditions driven by La Niña, lingering socioeconomic impacts of COVID-19 and worsening conflict could bring devastating consequences to a population already on the brink of a hunger crisis. Based on an Integrated Food Security Phase Classification (IPC) analysis of April 2021, more than 14 million people face acute food insecurity, including 4.2 million people experiencing emergency and requiring immediate assistance between March and May 2021. In this context, in July 2021 WFP scaled up early crisis response, resilience building and nutrition programming to meet Afghanistan's deepening food and nutrition needs, aligned WFP's response packages with the guidelines of the food security and agriculture clusters, and extended the duration of general food distribution to support extremely vulnerable groups.
13. In 2020, food insecurity in the Syrian Arab Republic was fuelled by prolonged conflict, mass population displacement, the impact of the financial crisis in Lebanon, the COVID-19 pandemic and continued economic deterioration. In response to the continuing deterioration of the food security and nutrition situation, the country office increased the number of targeted beneficiaries assisted through general food assistance and activities for the prevention of malnutrition and micronutrient deficiencies and introduced a new activity to accommodate increased demand from United Nations partners for the use of WFP cash-based transfer platforms to deliver complementary assistance in April 2021.
14. Given the economic challenges and shortage of key commodities experienced at the end of 2020 in the Sudan, the country's Ministry of Finance and Economic Planning has announced a near-universal cash transfer programme – the Sudan Family Support Programme. In February 2021, WFP integrated the “pass-through” cash transfer services and capacity strengthening component of this programme into its CSP for the Sudan. For the transfer pass-through component, WFP uses its own delivery system to transfer the cash to government beneficiaries using mobile money operators contracted by WFP and provides reconciliation reports on the transfers to the Government and donors. For the capacity strengthening component, WFP works with the government to build a digital delivery system for the Sudan Family Support Programme. WFP also analysed the Government's capacity and provided essential technical support in several areas, including activities to strengthen food assistance delivery platforms,

early warning and emergency preparedness systems and supply chain solutions and management.

15. The rise in food and nutrition insecurity in Nigeria is driven by the continued intensification of conflict in the country's north-east and the impact of COVID-19. In October 2020, cadre harmonisé analysis indicated that 3.4 million people in north-eastern Nigeria would be food- and nutrition-insecure during the post-harvest period of October–December 2020. WFP increased the operational requirements for 2021 to respond to the growing needs of beneficiaries, the rise in local prices due to inflation and the addition of an on-demand service provision activity that provides humanitarian organizations with contracted delivery solutions.

Projected income

PSA budget

16. The management plan for 2021–2023 was based on forecast income of USD 7.4 billion for 2021, which was expected to generate USD 445.0 million of ISC income at the ISC rate of 6.5 percent. The latest projection for contribution revenue in 2021, based on donors' commitments, is USD 8.6 billion, generating USD 511.0 million in ISC income, as shown in table VII.1 of the management plan for 2022–2024.

Trust funds and special accounts

17. Table A.III.5 compares the revised funding forecasts for the 2021 trust funds and special accounts budget with the requirements submitted in the management plan for 2021–2023.

	2021 management plan requirements (USD million)	2021 funding forecast (USD million)	Gain/(shortfall) (%)
Corporate trust funds	151.9	170.3	12
Special accounts	312.8	365.4	17
Total	464.7	535.7	15

18. The current 2021 forecast corporate trust fund requirements of USD 170.3 million represents an increase of 12 percent from the 2021 requirements in the management plan for 2021–2023. In 2021, corporate trust funds have supported enhancements to WFP's organizational capacity and effectiveness through activities in government capacity strengthening, emergency preparedness and response, nutrition, school feeding, supply chains, food security, climate change and disaster risk reduction.
19. The forecast for special accounts has increased by 17 percent in 2021. The main special accounts support the United Nations Humanitarian Response Depot network, the Field Premises Improvements Facility, information technology initiatives, the Fleet Centre and WFP's Aviation Service.