



CORPORATE PLANNING AND PERFORMANCE (CPP)

WFP Management Plan

Executive Board

November 2021



WFP
World Food Programme

SAVING LIVES
CHANGING LIVES



KEY CHANGES

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 (2022-2025) will guide WFP’s prioritization framework for budgeting over the next four years

DRAFT DECISIONS



World Food Programme

Draft decisions



The EB 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



Draft decisions



The EB to **take note:**

Of the **bottom-up strategic budgeting exercise** and encourages WFP to continue to strengthen WFP's budgeting capabilities and increase the transparency of the budgets presented to the Executive Board while identifying opportunities to achieve further efficiency gains. The Board requests to be informed prior to and during the consultations in 2022 on the Management Plan (2023-2025) of all outcomes of further efforts to enhance strategic budgeting at WFP.



Draft decisions



The EB 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



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

PSA optimization

- **Coverage** – Previous PSA budgets did not represent total programme support and business operations requirements of the Organization
- **Inapplicable funding sources** – WFP’s support cost structure was not always funded from the right funding source, e.g. PSA coverage of country office costs related to CSPs
- PSA is a **subset of baseline activities**; they are **recurring in nature**



Draft decisions



The EB 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”
- 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



Draft decisions



The EB to **approve**:

- The use of **General Fund from interest income up to USD 2.35** million per annum for treasury management costs to ensure optimal management of WFP's financial resources and enhance monitoring of risks
- An increase in the ceiling for corporate services from **USD 82 M** to **USD 147 M ceiling** for 2022

The EB 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



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



WFP

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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