



Briefing on the Management Plan

MP 2025-2027 update and MP 2026-2028

8 May 2025

Outline of the presentation

- 1 Update to the Management Plan 2025-2027
- Q&A
- 2 Management Plan 2026-2028
- Q&A
- 3 Purpose of the Management Plan and key concepts
(for background)



1. Update to the MP 2025



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Outline of the MP 2025 update



1. Funding context and resourcing assumptions

- From USD **8.0B** to **6.4B**

2. Programmatic context:

- Operational requirements → from USD **16.9B** to **19.1B**
- Implementation plan → from USD **8.8B** to **9.6B**

3. Programme support and business operations:

- a. Reorganization
- b. PSA cost containment
- c. Status of the PSA Equalization Account

4. Proposed uses of Unearmarked General Fund

- a. Country Office safety net
- b. Workforce Management
- c. Insurance Captive

Funding context



For noting



Revised Contribution Forecast for 2025 at **USD 6.4 billion**



- Contributions from traditional donors are projected to decline significantly.
- WFP is implementing a comprehensive resourcing approach to **strengthen and diversify** WFP's funding through a revised Resource Mobilization Strategy

Updated Programmatic Figures

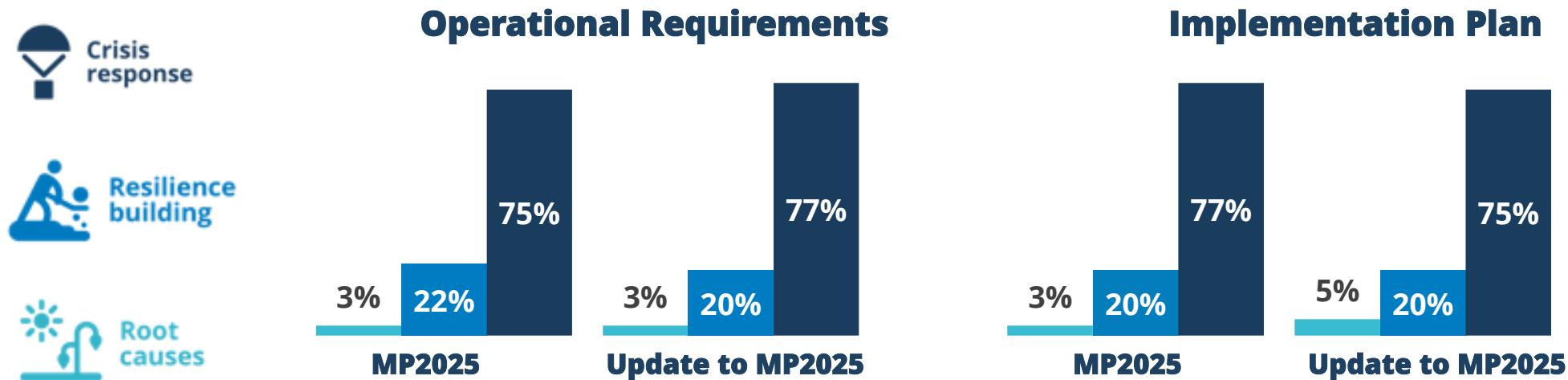


For noting

Updated vs Original Management Plan

	Operational Requirements	Implementation Plan
MP2025	16.9 B	8.8 B
Update to MP2025	19.1 B	9.6 B

By Focus Area

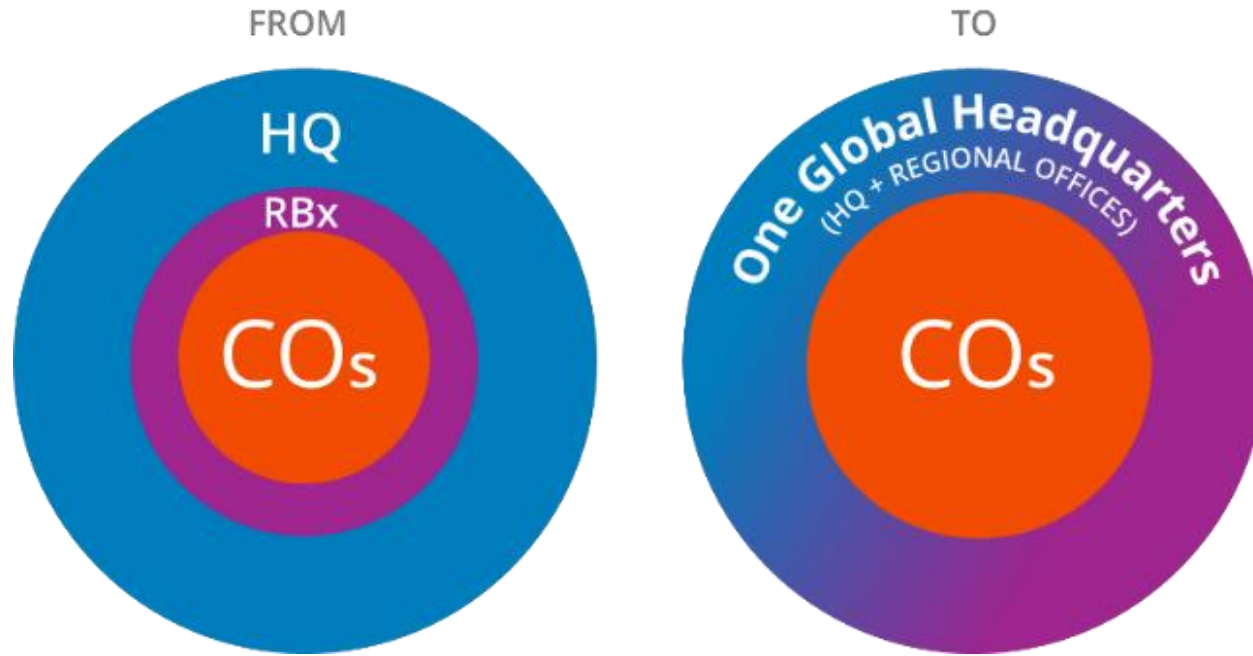


- The share of **crisis response** under Operational Requirements (77%) and the Implementation Plan (75%) remains within 2 percentage points of the provisional estimates provided in MP2025.

Reorganization – phase III

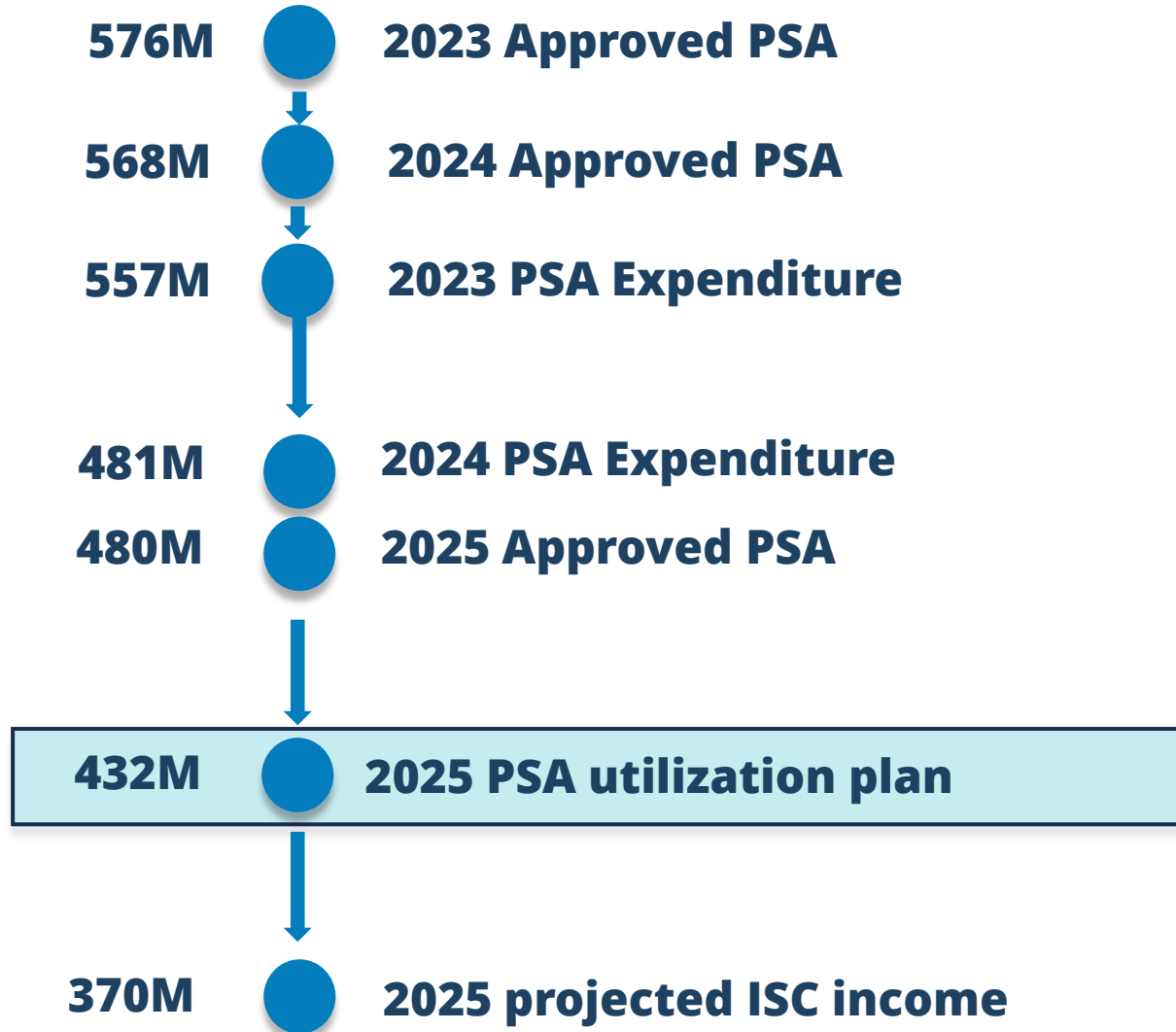


For noting



- Implementation of WFP's One Integrated Global Headquarters model to **remove duplication, fragmentation** and unnecessary **bureaucracy** and **increase collaboration, efficiency and accountability**
- The new structure will contribute to the 2025 PSA cost savings but the 2025 budget structure will not be modified. The presentation of the 2026 corporate budget will be fully aligned with the functional consolidation.

2023 – 2025 PSA Calibration – *Transitioning to a lower budget*



➤ 2025 cost containment measures included:

- ❑ Recruitment pause initiated in October 2023 for Global Headquarters extended globally.
- ❑ Only essential travel permitted, with a focus on virtual delivery of workshops, events, and training.
- ❑ International gatherings suspended, and any renovations aligned with the Duty of Care Framework.
- ❑ Procurement of non-essential, non-food items was also suspended.

➤ Standard position cost rates reviewed and reduced as part of cost-control efforts

PSA cost savings



For noting

Cost containment measures implemented across the organization

Departments	Approved PSA	Utilization Plan	% Change
Country offices	60.3	53.5	11%
Regional Bureaux	95.2	86.6	9%
Headquarters	287.4	256.3	11%
Offices of the Executive Director and Chief of Staff	86.0	76.8	11%
Deputy Executive Director and Chief Operating Officer	20.1	18.2	9%
Partnerships and Innovation Department	40.6	36.3	11%
Programme Operations Department	63.8	57.1	10%
Workplace and Management Department	77.0	67.9	12%
Central Appropriations	37.0	35.6	4%
Total	480.0	432.0	10%

Proposed use of unearmarked General Fund

(USD million)



	Original MP 2025	Updated MP 2025
Balance at 1 January 2025	414.0	480.8
Projected 2025 earnings	155.0	121.1
Previously approved 2025 uses*	154.8	154.8
Proposed new uses for approval		150.0
<i>Country Office safety net</i>		40.0
<i>Workforce management</i>		40.0
<i>Captive insurance replenishment</i>		70.0
Projected balance at 31 December 2025	414.2	297.1
Prudent balance	150.0	150.0

*Replenishment of the Immediate Response Account (USD 75 m), critical corporate initiatives (USD 30.4 million), individual fundraising model (USD 20 m), workforce management (USD 20 m), health insurance fund (USD 7 m), and treasury management (USD 2.4 m)

Country Office safety net



For EB's approval

Allocation of **USD 40 million** from the UGF, to support Country Offices in adapting to reduced funding levels

- ✓ Maintain similar level of support provided in 2024 for country offices to adapt to lower resourcing level.
- ✓ Allocations will be based on a prioritization criteria detailed in the MP 2024-2026 with priority for activities that manage workforce reductions, uphold assistance standards, follow assurance norms and target beneficiaries effectively.
- ✓ A main funding source for termination indemnities of country office national employees.

Workforce management



For EB's approval



Allocation of **USD 40 million** from the UGF, to for costs related to aligning and stabilizing the international professional and global headquarters general service workforce

- ✓ Aligning staffing plans to resource availability, while ensuring continued capacity and support for critical activities and operations
- ✓ Funding a combination of unassigned staff and termination indemnities (325-400 staff)
- ✓ Any amount not fully utilized in 2025 would carry-forward to 2026

Captive insurance replenishment



For EB's approval

Allocation of **USD 70 million** from the UGF, to replenish WFP's self-insurance retention scheme (the Captive)

- ✓ Losses over the past three years are primarily due to conflict events in Sudan, Gaza, Myanmar, Sudan, and Syria.
- ✓ The allocation is needed to ensure the Captive's continued solvency and its ability to support WFP's critical operations in volatile environments.
- ✓ WFP is exploring additional measures such as securing alternative reinsurance arrangements, and reviewing the adequacy of the premium rates

Draft decisions



For EB's approval



- ✓ **Takes note** of the updated contribution forecast at **6.4B**
- ✓ **Takes note** of revised operational requirements at **19.1B** and implementation plan at **9.6B**
- ✓ **Takes note** of PSA cost containment measures by up to **10%** of the PSA appropriation
- ✓ **Approves** the use of the UGF as follows:
 - Country office safety net: **USD 40** million allocation
 - Workforce management costs: **USD 40** million allocation
 - Insurance Captive replenishment: **USD 70** million allocation
- ✓ **Takes note** of the progress of WFP's internal reorganization

Q&A



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2. MP 2026-2028



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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

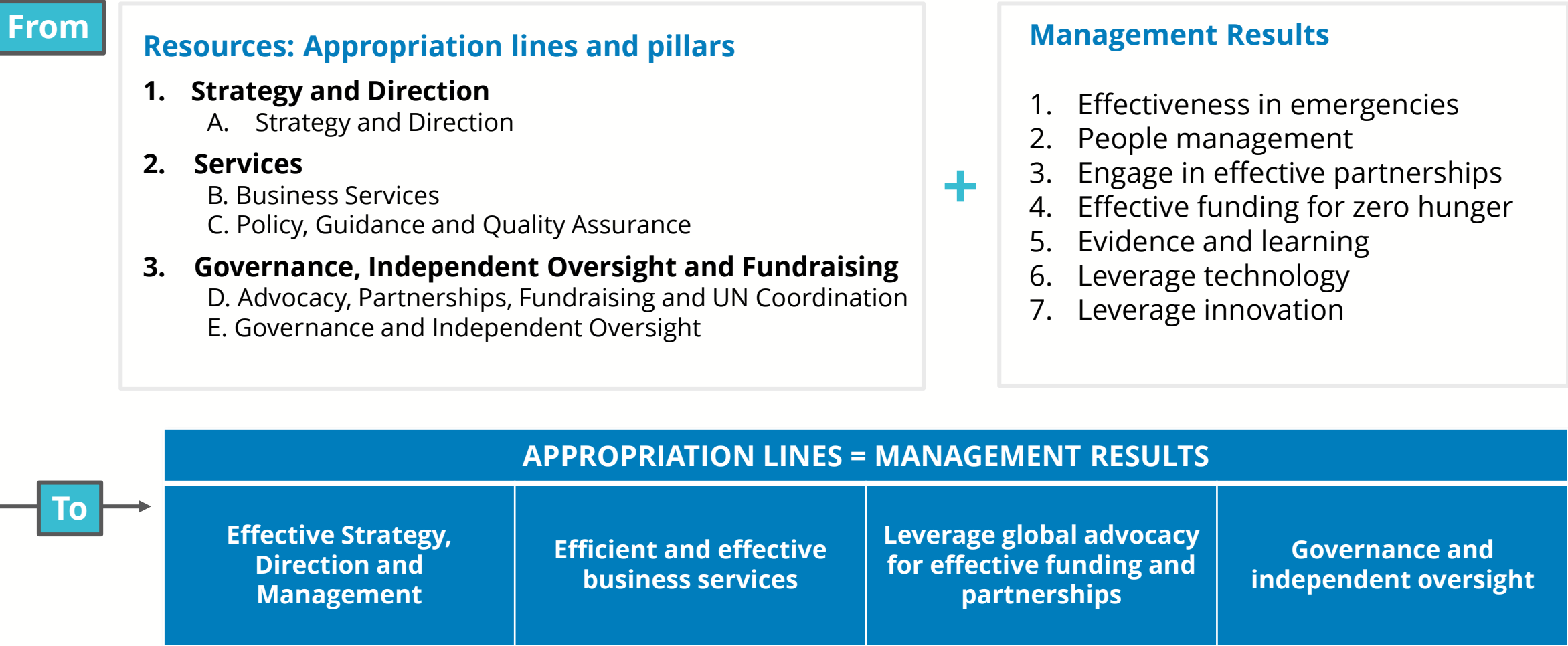
PSA 2026 presentation (with reorganization)

Departments	PSA 2025 (% of total)	PSA 2026 (% of total)
Country offices	13%	15%
Regional bureaux	20%	-
Global Headquarters	60%	75%
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%	%
Central Appropriations	8%	10%
Total	100%	100%

- 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 Integrated Framework

Management Results and Resources Framework 2026-29

Management Result and Appropriation Line 1: Effective Strategy, Direction and Management	Management Result and Appropriation Line 2: Efficient and effective business services	Management Result and Appropriation Line 3: Leverage advocacy for effective funding and partnerships	Management Result and Appropriation Line 4: Governance and Independent oversight
1.1. Strategic direction and change management	2.1. Effectiveness in 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 Effective <u>people</u> management	3.2. Accelerated, diversified, flexible, multi-year <u>funding</u>	4.2. Audit and Evaluation
1.3. Policy development	2.3. Leveraging technology and <u>innovation</u>	3.3. Engage in effective <u>partnerships</u>	
1.4. Effective risk management	2.4. Program operations support guided by <u>evidence</u> and learning		
	2.5. Administrative and financial 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:

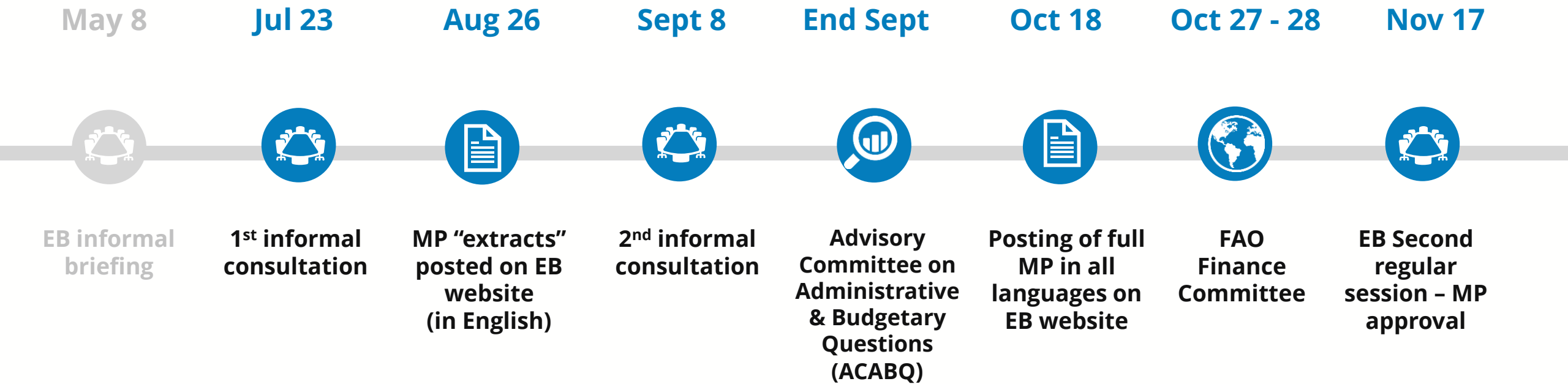
- Proposed addition – ***ED authority to transfer across appropriation lines up to 5% of the approved appropriation line, unless otherwise agreed by the Board***

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



A photograph of a woman and three children sitting outdoors, eating together. The woman, on the left, is wearing a white t-shirt and a colorful beaded necklace, and is smiling while eating. The children, two boys and one girl, are also smiling and eating. They are sitting on the ground in front of a wooden structure. A blue text box in the top right corner contains the text "Q&A Thank you".

Q&A
Thank you

Additional slides for background

3. MP purpose, key concepts and financial framework



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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)

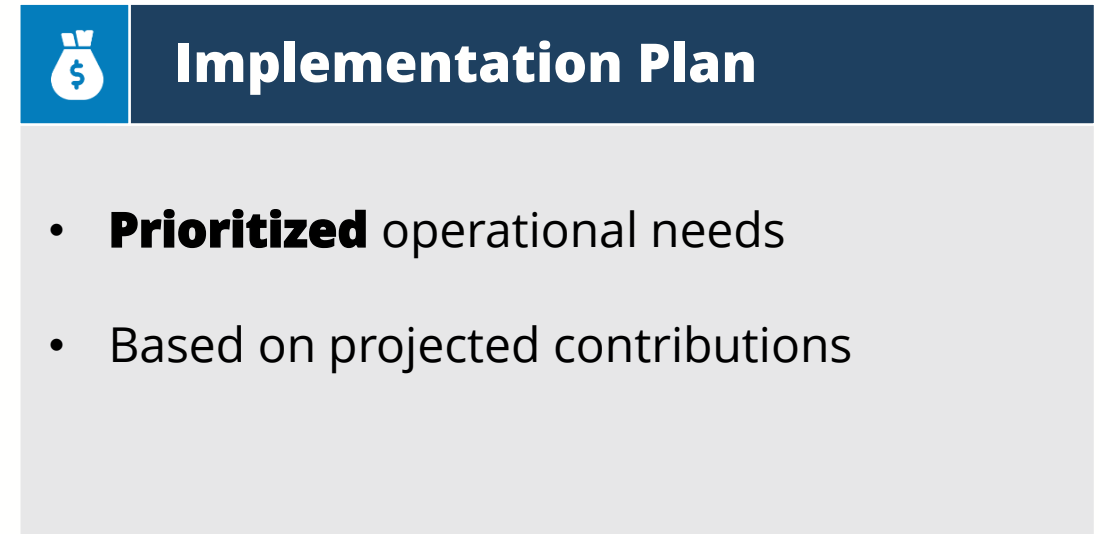
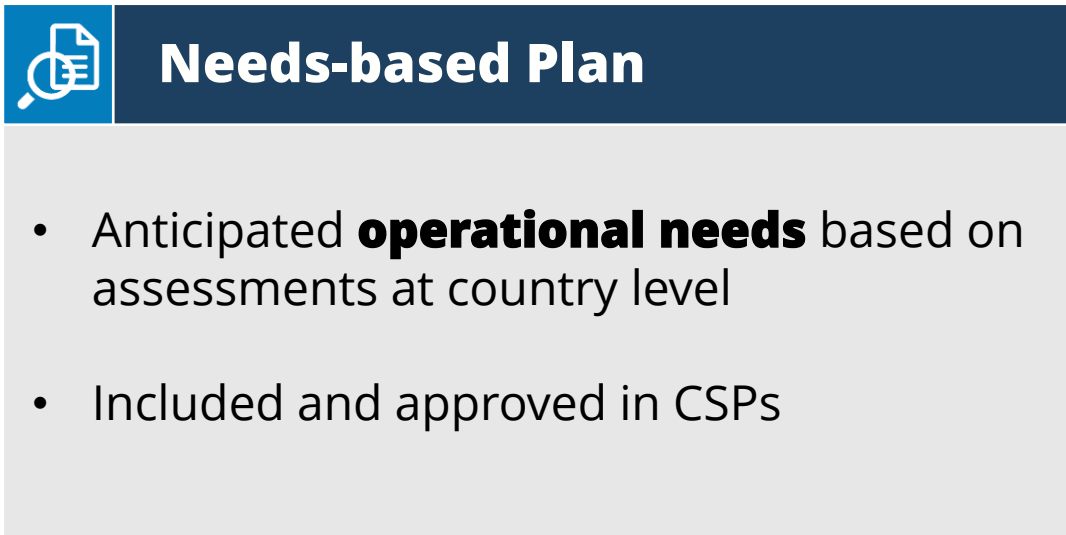


For context



For EB approval

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



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.

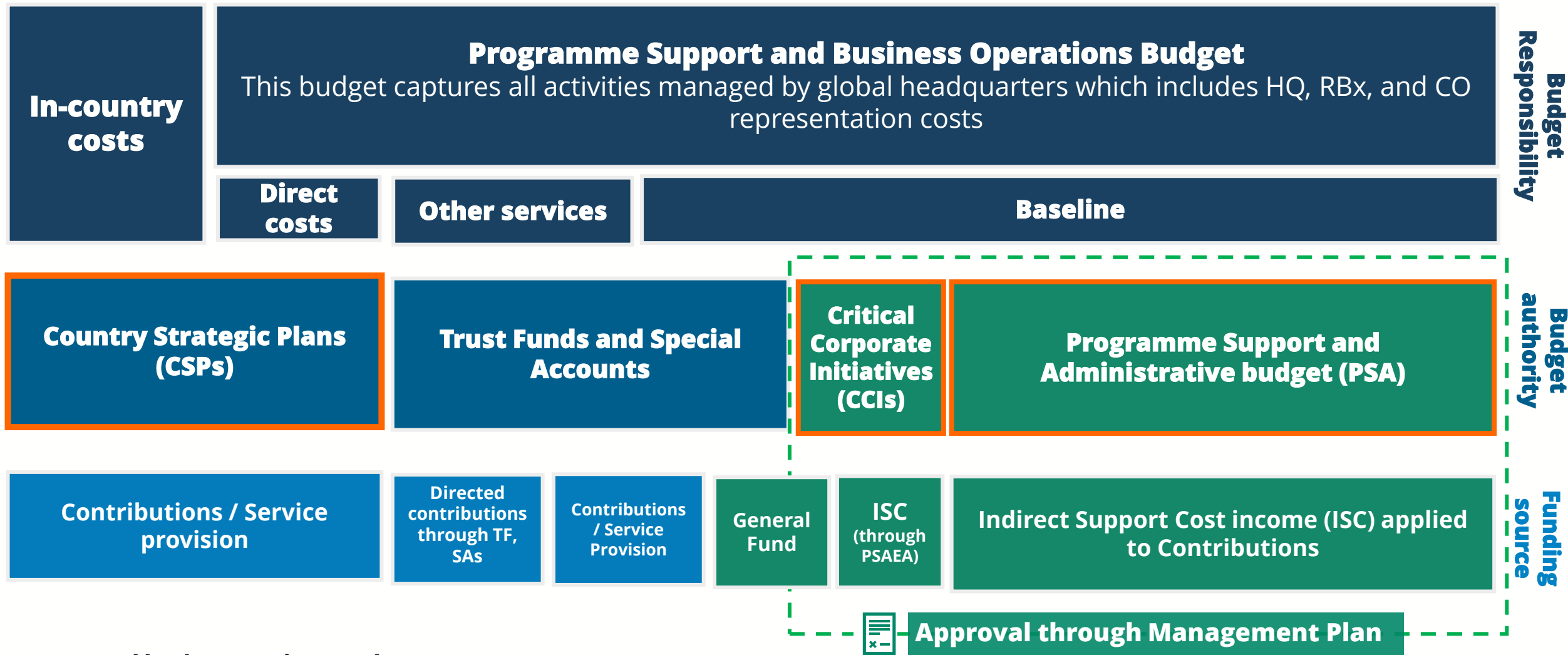


Sources of revenue

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

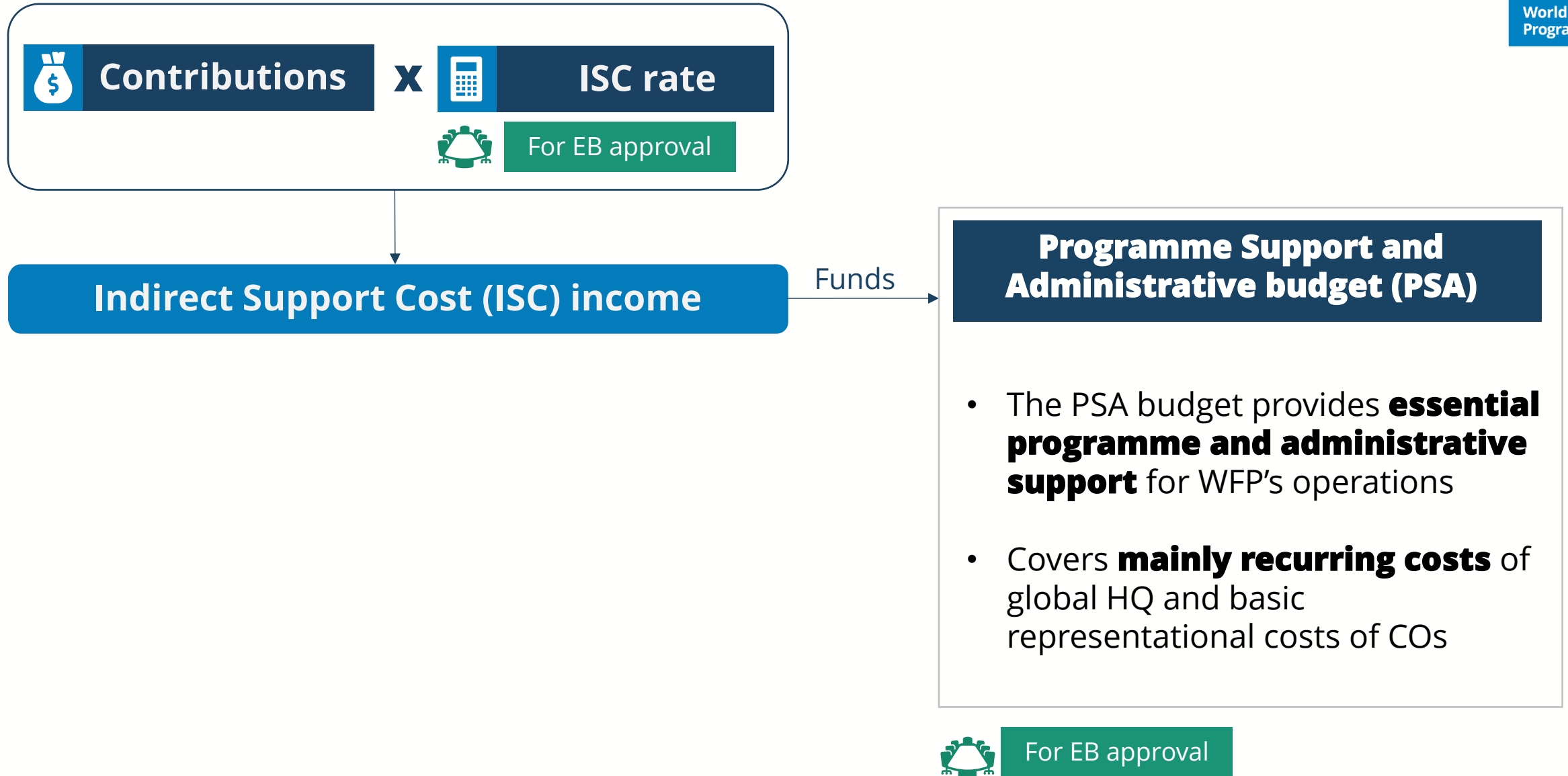
**Limited exceptions, approved by the Board.*

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)



Funding sources: PSAEA and UGF



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).