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منظمة
الغذية والزراعة
للأمم المتحدة

FINANCE COMMITTEE

Hundred and Ninety-third Session

Rome, 27-28 October 2022

WFP management plan (2023-2025)

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EXECUTIVE SUMMARY

- The “WFP management plan (2023–2025)” is submitted to the Board for approval.
- The executive summary of the “WFP management plan (2023–2025)” is included within the main document presented to the Committee for its review.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to review the “WFP management plan (2023–2025)” and to endorse it for approval by the Executive Board.

Draft Advice

- **In accordance with Article XIV of the General Regulations of WFP, the FAO Finance Committee advises the WFP Executive Board to approve the draft decision as outlined in the document “WFP management plan (2023-2025)”.**



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WFP management plan (2023–2025)

Executive summary

Globally, progress towards achieving Sustainable Development Goal 2 on zero hunger has faltered. Since the outbreak of the coronavirus disease 2019 (COVID-19) pandemic in 2020, the number of people affected by chronic and acute hunger has grown substantially: in 82 countries where WFP operates, up to 345 million people are estimated to be acutely food insecure in 2022. This crisis is being exacerbated by the effects of climate change, the conflict in Ukraine, record food and fuel prices, and ongoing disruption of supply chains. Acute food insecurity has worsened in recent years. As many countries struggle with dangerous debt burdens, a significant slowdown in economic growth and the highest level of inflation in almost four decades, households are experiencing the greatest global cost of living crisis in a generation. Currently, 1.2 billion people reside in countries that are vulnerable to high food and energy prices and financial distress.

Violent conflict and insecurity remain the main drivers of food insecurity for seven out of ten acutely hungry people. The estimated number of people forced to flee their homes because of conflict, violence, fear of persecution or human rights violations reached a record 89.3 million at the end of 2021. Half of the population of Afghanistan and more than half of the population of Yemen faces acute hunger. The accelerating climate crisis has damaged the systems by which food is produced, processed, and delivered to people's tables, and in 2021 it triggered 22.3 million internal displacements. There are indications that a third consecutive La Niña event may extend to mid-2023. Catastrophic floods have affected Pakistan. Meanwhile, it is likely that Somalia, eastern Kenya and southeastern Ethiopia will endure a fifth consecutive drought season and may face severe and chronic food insecurity in late 2022 and beyond.

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The new WFP strategic plan and corporate results framework, covering 2022–2025, assign highest priority to saving lives in emergencies by strengthening WFP's efficiency and effectiveness in meeting urgent food and nutrition needs with optimal speed, assistance modalities, skills, partnerships and people. Where possible, WFP will seek to expand national and local capability to respond to crises and use crisis response as an opportunity to change lives by building the resilience of households and communities. The high-level targets for each of the strategic plan outcomes and seven management results strengthen WFP's ability to measure management performance and provide accountability for results.

WFP operational requirements and provisional implementation plan

WFP's projected operational requirements for 2023 are estimated at USD 19.7 billion, a 41 percent increase compared with the initial estimate in the management plan for 2022. This increase reflects the rising humanitarian need and WFP's capacity to respond to unprecedented growth in worldwide hunger and malnutrition caused by conflict, the climate crisis, economic shocks and the COVID-19 pandemic. WFP plans to reach 150 million people through 86 operations in 2023, 21 percent more people than under the previous management plan.

Following record contribution revenue of USD 9.6 billion in 2021, WFP expects to receive more than USD 11 billion in 2022 and the same amount in 2023. This global contribution forecast is based on extensive trend analysis, systematic engagement with and unprecedented response from government donors and recent achievements in expanding and diversifying the WFP donor base.

Nonetheless, resource requirements are expected to outpace increases in funding; WFP will therefore increase its advocacy and fundraising activities by leveraging its strong partnerships with donors, seeking more flexible funding and adapting its partnership approaches. To diversify funding, the organization will further enhance partnerships with national governments, international financial institutions, the private sector and thematic and multilateral funds. In addition, anticipatory action, including forecast-based financing, will be promoted to optimize the efficient and effective use of financial resources.

Crisis response will continue to account for the largest share of total requirements in 2023 (78 percent), reflecting the priority of saving lives in emergencies. Resilience building will account for 19 percent and root causes for 3 percent.

The projected 45 percent increase in total transfer costs in 2023 is driven more by the increase in cash-based transfers than the increase in in-kind food assistance. While smaller in terms of dollar value, the 35 percent increase in capacity strengthening transfers reflects a growing demand for WFP's capacity strengthening activities for individuals, communities and governments and its focus on contributing to sustainable solutions.

The provisional WFP implementation plan for 2023 of USD 12 billion derives from the global contribution forecast for 2023, the estimated net use of carry-over contribution balances and projected on-demand service provision revenue. This figure constitutes 61 percent of the USD 19.7 billion in operational requirements and would enable WFP to reach 140 million people, or 93 percent of the 150.5 million beneficiaries originally targeted. WFP will prioritize life-saving assistance and seek to minimize the negative effects of funding shortfalls on targeted population groups and performance targets and objectives.

WFP programme support and business operations

Building on the methodology adopted during the bottom-up strategic budgeting exercise, the annual corporate budget exercise captures all activities managed by global headquarters regardless of their funding source. For 2023, this comprehensive programme support and business operations budget is USD 935.7 million.

Baseline activities are those activities that contribute to the efficient and effective delivery of the annual implementation plan but cannot readily be traced to individual country strategic plans; they account for USD 752.6 million, or 80 percent, of the total 2023 budget, compared with USD 632.8 million in 2022. The increase is primarily due to a focus on achieving corporate priorities and growth in the size and complexity of WFP operations in response to the rise in global hunger. The increase in the baseline budget mostly reflects WFP's leading role in managing and monitoring emerging and ongoing emergencies and coordinating anticipatory action and response.

Management results and their related key performance indicators will support performance management and accountability. Four of the seven management results have been identified as corporate priority areas in 2023: effectiveness in emergencies (management result 1); people management (management result 2); evidence and learning (management result 5); and leverage technology (management result 6). Priority has also been given to addressing significant and critical risk areas not covered by the four prioritized management results. Effectiveness in emergencies accounts for 17 percent (USD 121.8 million) of the total 2023 baseline activities budget. Effective funding for zero hunger and people management represent 13 percent and 12 percent of the total 2023 baseline budget, respectively.

2023 programme support and administrative budget

The programme support and administrative (PSA) budget funds 77 percent of the baseline budget. Based on the operational needs and provisional implementation plan, management proposes a 2023 PSA budget of USD 576.3 million, an increase of USD 80.2 million over 2022. This is a rise of 16 percent, compared with the projected increase in the global contribution forecast of 31 percent (from USD 8.4 billion in 2022 to USD 11 billion in 2023) and the projected increase in the provisional implementation plan of 41 percent (from USD 8.5 billion in 2022 to USD 12 billion in 2023).

The increase in the PSA budget is described in section IV of this management plan with regard to three areas: inflation (USD 21.1 million), corporate priorities (USD 33.1 million) and the volume and complexity of WFP operations (USD 26 million). The number of posts funded by the PSA budget is expected to grow by almost 10 percent, with a continuing shift towards fixed-term positions for core functions, consistent with the objectives of the WFP people policy.

The funding for the PSA budget is derived from amounts that are recovered from contributions to cover indirect support costs. The indirect support cost rate is approved by the Board each year. The Secretariat proposes that the rate be maintained at 6.5 percent in 2023, with a lower rate of 4 percent to be applied under conditions previously approved by the Board, namely, for government contributions to programmes in their own countries; contributions made by developing countries or countries with economies in transition; and contributions from international financial institutions for country-owned programmes that are directed to WFP due to the absence of an internationally recognized or otherwise eligible government.

Proposed use of the PSA equalization account

In 2015 the Board endorsed the use of the PSA equalization account for transfers to funds or reserves and critical corporate initiatives, which are non-recurring investments intended "to strengthen WFP's programming, operational and administrative capacity".

Management proposes that the Board approve use of the PSA equalization account to replenish the Immediate Response Account in the amount of USD 50 million; to correct an indirect support cost revenue error made in 2021 in the amount of USD 6.1 million; and to invest USD 50.4 million in four critical corporate initiatives.

The second year of the critical corporate initiative on investing in WFP people (USD 27 million) aims to achieve WFP's vision of delivering excellence in people management to enable the organization to continue to save and change the lives of food-insecure people. The initiative is aligned with the 2023 budget prioritization of management result 2, people management.

The second critical corporate initiative covers the second year of the implementation of the strategic plan and corporate results framework (USD 13.6 million). The initiative supports the prioritization of management results 5 (evidence and learning) and 6 (leverage technology) and of activities aimed at strengthening field monitoring and cooperating partner management processes.

The proposed critical corporate initiative for the first year of country office support model optimization and simplification (USD 3.2 million) aims to focus country offices on operations while global headquarters reduce country office workloads by streamlining oversight and improving the effectiveness and efficiency of the support they provide. The initiative relates to management result 5 (evidence and learning) and seeks to promote efficiency.

The critical corporate initiative on the United Nations Sustainable Development Group efficiency road map (USD 6.6 million) will ensure that WFP continues to have the capacity to prepare for and respond to the requirements of United Nations development system reform and will identify cost efficiency gains within WFP and the wider United Nations system.

Strategic financing facilities

WFP's three strategic financing facilities – corporate services financing, internal project lending and the Global Commodity Management Facility – serve as internal tools for flexibly managing operations and do not require contributions from donors. WFP proposes that the ceiling for corporate services financing – which enables WFP to provide services economically and efficiently through the fleet centre, the Capital Budgeting Facility and fee-for-service activities – be increased to USD 200 million from the current ceiling of USD 147 million. The increase reflects increased demand resulting from growth in WFP operations.

Over the past two years, WFP has requested Board approval to increase the internal project lending ceiling twice and Global Commodity Management Facility ceiling three times in order to respond to rapidly escalating humanitarian needs. In this context and given strong donor support, WFP proposes to change the ceilings from a fixed United States dollar amount to a percentage of its global contribution forecast. This more dynamic approach will make management of the ceilings more efficient and increase WFP's ability to rapidly deploy strategic financing for large-scale, sudden onset emergencies. Management recommends that the ceilings of the internal project lending facility and the Global Commodity Management Facility each be set at 10 percent of the prevailing global contribution forecast, with the ceiling of the internal project lending facility not to exceed the operational reserve ratio of 10:1.

In order to support increased internal project lending, management recommends transferring USD 34.8 million from the unearmarked portion of the General Fund, thus increasing the operational reserve from USD 95.2 million to USD 130 million.

Management also recommends that the Immediate Response Account target be set at USD 400 million for 2023 to reinforce WFP's frontline role in the initial response to emergencies and to meet the likely increased demand on the account given the projected funding gap.

Draft decision*

Having considered WFP's management plan for 2023–2025 (WFP/EB.2/2022/5-A/1), the Board:

- i. notes that the 2023 programme support and administrative appropriation assumes a funding level of USD 11 billion in 2023;
- ii. takes note of the projected operational requirements of USD 19.7 billion for 2023 and the provisional implementation plan of USD 12 billion for 2023 to align the activities of WFP with anticipated funding, as outlined in section III of the management plan for 2023-2025;
- iii. approves a 2023 programme support and administrative appropriation of USD 576.3 million, to be allocated as follows:

strategy and direction	USD 113.7 million
services to operations	USD 293.3 million
governance, independent oversight and fundraising	USD 169.3 million
Total	USD 576.3 million
- iv. approves the replenishment of the Immediate Response Account in the amount of USD 50 million from the programme support and administrative equalization account to ensure sustainability and improve the availability of funds for Immediate Response Account allocations;
- v. approves a transfer in the amount of USD 6.1 million from the programme support and administrative equalization account to the Afghanistan and Yemen operations to correct an indirect support cost revenue error made in 2021;
- vi. approves an allocation of USD 27 million from the programme support and administrative equalization account for the second year of the critical corporate initiative "investing in WFP people" to support WFP's ongoing efforts to shape the workforce as required to fulfil the organization's mandate, support employee health and well-being and build improved, respectful and inclusive workplaces;
- vii. approves an allocation of USD 13.6 million from the programme support and administrative equalization account for the second year of the critical corporate initiative "strategic plan and corporate results framework implementation" to strengthen performance planning, monitoring and reporting by emphasizing activities that enhance evidence and learning and leverage technology;
- viii. approves an allocation of USD 3.2 million from the programme support and administrative equalization account for a new one-year critical corporate initiative "country office support model optimization and simplification" to enable country offices to focus their efforts on carrying out operations by improving the effectiveness and efficiency of support provided by global headquarters through more efficient organizational structures and reporting lines;
- ix. approves an allocation of USD 6.6 million from the programme support and administrative equalization account for the first year of a new critical corporate initiative "United Nations Sustainable Development Group efficiency road map" to cover activities aimed at ensuring that WFP has the capacity to prepare for, participate in, deliver and lead United Nations development system reform efforts;
- x. approves a standard indirect support cost recovery rate of 6.5 percent for 2023 for all contributions except for such contributions received pursuant to General Rule XIII.4(e), for which an indirect support cost recovery rate of 4 percent shall apply;

* This is a draft decision. For the final decision adopted by the Board, please refer to the decisions and recommendations document issued at the end of the session.

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- xi. approves the transfer of USD 34.8 million from the unearmarked portion of the General Fund to increase the operational reserve to USD 130 million to support the internal project lending facility;
 - xii. approves an increase in the ceiling for corporate services financing from USD 147 million to USD 200 million to respond to increased demand associated with growth in WFP's operations since the corporate services financing mechanisms were adopted;
 - xiii. approves a new Immediate Response Account target level of USD 400 million for 2023;
 - xiv. approves the change in ceilings of the internal project lending facility and the Global Commodity Management Facility from a fixed United States dollar amount to a level of up to 10 percent of the prevailing global contribution forecast for each facility at any given time. The ceiling of the internal project lending facility, however, shall not exceed the operational reserve ratio of 10:1; and
 - xv. authorizes the Executive Director to adjust the programme support and administrative component of the budget in accordance with a change in the level of the global contribution forecast for the year, at a rate not to exceed 2 percent of the anticipated change in income.

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[Annex I: Baseline budget by organizational level](#)

Table A.I.1: Baseline budget by organizational level

[Annex II: Programme support and administrative budget by organizational level](#)

Table A.II.1: Programme support and administrative post count* by organizational level

Table A.II.2: Programme support and administrative budget by organizational level, staff and non-staff costs (*USD thousand*)

Table A.II.3 Programme support and administrative budget by pillar and organizational level

[Annex IV: Trust funds and special accounts](#)

[Annex V: Concept notes for the proposed critical corporate initiatives](#)

[Annex VI: Corporate high-level targets, management result key performance indicators and cost per beneficiary](#)

[Annex VII: Update on the bottom up strategic budgeting exercise](#)

Section I: Introduction

Reader's guide

1. The WFP management plan for 2023–2025 presents a summary of WFP's planned programme of work for 2023–2025 and the budgetary support required to implement that programme in 2023. The figures quoted include projected operational needs and forecasts of the resources available to meet those needs. The comprehensive programme support and business operations budget includes three categories of activities (baseline activities, other services and direct activities) and outlines the funding required to support the organization's projected level of operations.
2. The programme support and administrative (PSA) budget – approved annually by the Executive Board – is a subset of the baseline budget and is funded from the indirect support costs (ISC) recovered from contributions in accordance with the full cost recovery policy.

Structure of the document

3. The management plan for 2023–2025 comprises an executive summary, a draft decision, five sections and six annexes.
4. The five sections are as follows:
 - *Section I: Introduction.* This section outlines WFP's planning given the commitments outlined in the new strategic plan and corporate results framework (CRF) for 2022–2025 and the global food security, economic and political situation.
 - *Section II: Funding context and resourcing assumptions.* This section sets out the current funding situation and provides details on the projected contributions for 2023 and an overview of resourcing trends. It also outlines WFP's plans for diversifying its funding base and pursuing innovative funding modalities with the aim of achieving greater efficiency and effectiveness.
 - *Section III: Operational requirements and provisional implementation plan for 2023.* This section provides an overview and analysis of the operational requirements for 2023 and presents a provisional implementation plan based on projected available resources. It also highlights services provided by WFP to the humanitarian community in accordance with its mandate, policies, activities and comparative advantages.
 - *Section IV: Programme support and business operations.* This section presents the programme support and business operations budget, including analysis of the baseline and proposed PSA budgets; the proposed ISC rates; the status of the PSA equalization account (PSAEA) and its potential use; and the status of the unearmarked portion of the General Fund and its potential use.
 - *Section V: Strategic financing facilities.* This section describes the three strategic financing facilities that enable WFP to provide internal services to headquarters divisions and country offices economically and efficiently. A proposed increase to the strategic financing facilities and in the IRA target are presented for the Board's approval.
5. The annexes include details of the amounts in the baseline and PSA budgets, an overview of the evaluation workplan for 2023–2025, information on relevant trust funds and special accounts, concept notes for the four CCIs that are proposed in 2023 and details on the management key performance indicators (KPIs) and WFP's corporate high-level targets and an update on the bottom up strategic budgeting exercise (BUSBE).

Organizational context

6. WFP's strategic plan for 2022–2025 frames the organizational context for this management plan, which covers the period 2023–2025. In particular, the strategic plan fully commits WFP to supporting countries in their efforts to achieve the Sustainable Development Goals (SDGs), focusing the organization's vision on eradicating hunger and malnutrition (SDG 2) and strengthening and revitalizing partnerships (SDG 17). Those goals will be achieved by ensuring that people are better able to meet their urgent food and nutrition needs, improve their nutrition, health and education outcomes and achieve improved and sustainable livelihoods. WFP will strengthen national programmes and systems and support humanitarian and development actors in becoming more efficient and effective.
7. WFP's operating landscape will also be shaped by renewed commitments to the 2030 Agenda for Sustainable Development, United Nations development system reform, [United Nations Security Council resolution 2417](#) and the [Agenda for Humanity](#). In addition, improvements resulting from WFP's support for the [Secretary-General's 2018 strategy on new technologies](#), 2020 [roadmap for digital cooperation](#) and [data strategy](#) for 2020–2022 will enhance digital cooperation among United Nations country teams.
8. The strategic plan outlines seven principles that will guide WFP's action: putting people at the centre of its work; promoting humanitarian principles; fostering country ownership by working through and strengthening national programmes and systems; adapting to country contexts and needs; applying integrated programming to break the "silos" between saving lives and changing lives and to work across the humanitarian–development–peace nexus; adopting a risk-informed approach to decision making and programming; and using evidence to inform decisions and generate impact.
9. The new CRF, approved by the Executive Board at its 2022 first regular session and covering the period 2022–2025, will become effective on 1 January 2023. The new CRF sets out the expected results and targets to be achieved and the indicators that WFP will use to monitor and report on its programmes; links WFP's activities to the SDGs and aligns WFP more closely with other United Nations organizations; and strengthens accountability. For the first time, high-level targets and related indicators for each of the strategic plan outcomes have been identified and included in the CRF, as described in annex VI.
10. Seven management results are also included in the new CRF to capture WFP's performance at all stages of managing its operations, from planning to reporting. Following consultation with corporate stakeholders, four of the seven management results were prioritized for attention in 2023 in order to support WFP's response strategy more effectively as it scales up and optimizes its programmes in an increasingly challenging operating environment. The four priority management results are "effectiveness in emergencies"; "people management"; "evidence and learning"; and "leverage technology".
11. As highlighted in the strategic plan, WFP will assign the highest priority to saving lives in emergencies. This will entail strengthening its efficiency and effectiveness so that it can meet urgent food and nutrition needs with optimal speed, assistance modalities, skills, partnerships and staff. Where possible, WFP will seek to build national and local capability to respond to crises.
12. WFP will use its crisis response as an opportunity to change lives by building the resilience of households and communities so that they can withstand and rapidly recover from recurring shocks and stressors. With the aim of "leaving no one behind", WFP will exploit its global field presence, extensive partnerships and strong track record of addressing chronic hunger to build human capital and address structural vulnerabilities.

13. The new strategic plan and CRF commit WFP to four cross-cutting priorities that will maximize programme effectiveness. First, WFP's emphasis on *protection and accountability to affected populations* will empower people to express their views and preferences and support their safe and dignified access to food, nutrition and other essential needs. By continuing its investment in and progress towards *gender equality and women's empowerment*, WFP will seek to ensure that all people have equal opportunity, equal access to resources and an equal voice in decision making. To implement *nutrition integration* at scale, WFP will expand access to nutrition services and invest in programmes, operations and platforms that tackle the underlying and immediate drivers of poor diets and malnutrition. Finally, WFP will pursue *environmental sustainability*, seeking to reduce any negative environmental impacts of its activities by implementing best practices and maintaining appropriate safeguards.
14. WFP will continue to prioritize the actions it is taking in response to the 2021 management review, which found that WFP faced significant risk and control issues in workplace culture and conduct; talent management and workforce planning; the management and mentoring of nongovernmental organizations (NGOs); and beneficiary management and information technology solutions. Those actions will be supported by enhanced use of WFP's PSA budget to achieve management results and through new and continued investment in critical corporate initiatives.

Global context

Food security situation

15. With less than a decade remaining to achieve the SDGs, the world is not on track in its efforts to reach zero hunger. Progress towards SDG 2 was being reversed even before the economic turmoil caused by the coronavirus disease 2019 (COVID-19) pandemic, and in 2022 the ripple effects of the conflict in Ukraine further eroded food security by pushing food and energy prices to record high levels.
16. The number of people affected by chronic hunger has grown substantially since the outbreak of the pandemic, rising by about 150 million people between 2019 and 2021 to reach a total of between 702 and 828 million.¹ Nearly 670 million people are projected to still be facing chronic hunger in 2030 – nearly 8 percent of the world's population, the same percentage as in 2015 when the 2030 Agenda was launched.²
17. The global burden of malnutrition is enormous, with 149 million children under 5 suffering from stunting and 45 million from wasting in 2020.³ Despite progress in some regions, malnutrition persists in many forms in all parts of the world; the situation may be worse than the statistics suggest because the impact of the COVID-19 pandemic on nutrition outcomes persists. Reaching the 2030 global nutrition targets will require immense effort to counteract these severe setbacks.
18. Acute food insecurity has worsened dramatically in recent years. In the 82 countries where WFP has an operational presence and where data are available, up to 345 million people are estimated to be acutely food insecure or at high risk of food insecurity in 2022. That figure represents an increase of almost 200 million people compared with pre-pandemic levels.⁴ The estimate for 2022 includes up to 47 million people expected to experience acute hunger

¹ Food and Agriculture Organization of the United Nations and others. 2022. *The State of Food Security and Nutrition in the World 2022. Repurposing food and agricultural policies to make healthy diets more affordable*.

² *Ibid.*

³ *Ibid.*

⁴ WFP. 2022. *WFP Global Operational Response Plan 2022 – Update #5*.

because of the crisis in Ukraine.⁵ More than half of the population in Yemen and half of the population in Afghanistan face acute hunger.⁶

19. Acute hunger has also become more deeply entrenched, with up to 50 million people facing emergency or worse levels of acute food insecurity in 45 countries; that figure includes 882,000 people in catastrophic food insecurity.⁷ Together, these alarming figures indicate that the world is facing the largest global food crisis in recent history.

Economic outlook

20. As the effects of the pandemic, including new variants of COVID-19 and ongoing supply chain disruption, continue to hamper economic recovery, full labour market recovery will remain elusive until at least 2023.⁸ Many countries struggle with a dangerous debt burden and face a significant slowdown in economic growth. The International Monetary Fund projects that global growth will slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, before declining further to about 3.3 percent over the medium term.⁹
21. Meanwhile, fuel and food prices are at very high levels. The Food Price Index of the Food and Agriculture Organization of the United Nations (FAO) reached a record high in March 2022 and had decreased by August, remaining 8 percent higher than at the same time in 2021.¹⁰ Such increases, along with broadening price pressures, have pushed expected inflation for 2022 to 5.7 percent in advanced economies – the highest level in almost four decades – and 8.7 percent in emerging markets and developing economies. While global inflation is forecast to decrease in 2023, inflation in emerging markets and developing economies is expected to remain at 6.5 percent.¹¹ High prices for agricultural inputs, in particular fertilizer and energy, will probably keep prices elevated and threaten to exacerbate the current crisis by causing food shortages in 2023.
22. Rising energy and food prices combined with slowing economic growth increase the risk of stagflation – the combination of high inflation, tepid growth and high unemployment – and of sharply tightening financial conditions. Such a situation could lead to a vicious cycle of economic deterioration. To contain inflation, central banks are already raising interest rates.¹² More stringent monetary policies in advanced economies will make refinancing the immense debt loads more expensive at a time when 60 percent of the poorest countries are already experiencing, or at high risk of, debt distress.¹³
23. Such adverse economic developments have devastating effects on people's lives. Households are currently experiencing the greatest global cost of living crisis in a generation. Compared with pre-pandemic projections, up to 95 million more people are expected to live in extreme poverty in 2022.¹⁴ Meanwhile, 1.2 billion people reside in countries that are highly exposed and

⁵ WFP. 2022. *Projected increase in acute food insecurity due to war in Ukraine*.

⁶ Integrated Food Security Phase Classification (IPC) Global Platform. 2022. *Yemen: Acute Food Insecurity Situation January-May 2022 and Projection for June–December 2022*; and *Afghanistan: Acute Food Insecurity Situation for March-May 2022 and Projection for June–November 2022*.

⁷ Emergency food insecurity is phase 4 in the IPC/cadre harmonisé analysis or equivalent sources. Catastrophic food insecurity is phase 5 of the IPC/cadre harmonisé scale. Based on the most recent IPC estimates, the number of people in IPC 5/Catastrophic food insecurity conditions comprises 20,000 in Afghanistan, 401,000 in Ethiopia (as of September 2021; no more recent IPC data are available), 213,000 in Somalia, 87,000 in South Sudan and 161,000 in Yemen.

⁸ International Labour Organization. 2022. *World Employment and Social Outlook: Trends 2022*.

⁹ International Monetary Fund (IMF). 2022. *World Economic Outlook: War Sets Back the Global Recovery*.

¹⁰ FAO. *World Food Situation*.

¹¹ IMF. 2022. *World Economic Outlook: War Sets Back the Global Recovery*.

¹² World Bank. 2022. *Global Economic Prospects, June 2022*.

¹³ Chabert, G., Cerisola, M. and Hakura, D. 2022. *Restructuring Debt of Poorer Nations Requires More Efficient Coordination*.

¹⁴ Mahler, D.G. and others. 2022. *Pandemic, prices, and poverty*.

vulnerable to all three dimensions of the crisis: high food and energy prices and financial distress.¹⁵

Insecurity, conflict and displacement

24. While food crises arise from multiple and often concurrent causes, armed conflict is the single greatest driver of global food insecurity. The number and severity of conflicts have risen markedly in the last decade: state-based armed conflicts roughly doubled between 2010 and 2020,¹⁶ and in 2022 the Global Peace Index deteriorated for the eleventh year since its inception 14 years ago.¹⁷ Violent conflict and insecurity disrupt all aspects of food systems, from production to consumption, and were the main drivers of food insecurity for 7 out of 10 acutely hungry people in 2021.¹⁸ At the same time, the vast majority of chronically food-insecure and malnourished people live in countries affected by conflict.¹⁹
25. The estimated number of people who were forced to flee their homes owing to conflict, violence, fear of persecution and human rights violations has risen every year in the last decade, reaching 89.3 million at the end of 2021.²⁰ That number is more than double the 42.7 million forcibly displaced people reported in 2012 and the highest since the Second World War.²¹ By June 2022, emergencies around the world had pushed the number of forcibly displaced people worldwide beyond 100 million.²² In 2021, low- and middle-income countries hosted 83 percent of the world's refugees and Venezuelans displaced abroad; least developed countries hosted 27 percent.²³ Forcibly displaced people are among the most vulnerable to food insecurity: refugees and internally displaced persons accounted for 22 percent of WFP's beneficiaries in 2021.²⁴

Climate crisis

26. The accelerating climate crisis is a key driver of hunger. In developing countries the number of weather-related disasters – droughts, floods and storms – has more than doubled since the early 1990s.²⁵ Climate change is contributing to humanitarian crises in which climate hazards interact with high vulnerability. Vulnerability is higher in locations with poverty, governance challenges and limited access to basic services and resources, violent conflict and high levels of climate-sensitive livelihoods (e.g., smallholder farmers, pastoralists, fishing communities).²⁶ Poor people more often live in exposed areas and lose more of their total wealth to climatic hazards, receive less post-shock support from their often equally poor social networks and are often not covered by social protection schemes. Farmers with small plots of land have limited economic profitability, making it difficult for them to invest in drought or flood management measures. Poorer households have limited access to financial institutions and credit that they

¹⁵ United Nations Global Crisis Response Group on Food, Energy and Finance. 2022. *Global impact of the war in Ukraine: Billions of people face the greatest cost-of-living crisis in a generation.*

¹⁶ Black, R. and others. 2022. *Environment of Peace: Security in a New Era of Risk.*

¹⁷ Institute for Economics and Peace. 2022. *Global Peace Index 2022: Measuring Peace in a Complex World.*

¹⁸ Food Security Information Network and Global Network Against Food Crises. 2022. *Global Report on Food Crises 2022.*

¹⁹ FAO and others. 2017. *The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security.*

²⁰ Office of the United Nations High Commissioner for Refugees (UNHCR). 2022. *Global Trends. Forced Displacement in 2021.*

²¹ *Ibid.*

²² UNHCR. 2022. *UNHCR: Global displacement hits another record, capping decade-long rising trend.*

²³ UNHCR. 2022. *Global Trends. Forced Displacement in 2021.*

²⁴ "Annual performance report for 2021" (WFP/EB.A/2022/4-A/Rev.1).

²⁵ United Nations Office for Disaster Risk Reduction. 2020. *Human Cost of Disasters – An overview of the last 20 years, 2000–2019.*

²⁶ Intergovernmental Panel on Climate Change. 2022. *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Summary for Policymakers.*

can use to implement adaptation measures.²⁷ By damaging the systems by which food is produced, processed and brought to people's tables, weather extremes were the main drivers of acute food insecurity in eight African countries in 2021²⁸ and triggered 22.3 million internal displacements,²⁹ a number that is projected to reach 216 million by 2050.³⁰ The effect of weather fluctuations and extremes on income from agriculture has been identified as one of the main channels through which climate or weather influence migration.³¹ In addition, climate variability and climate-related stressors increase the vulnerability of people living in climate hotspots and play an increasing role in driving chronic hunger. The climate crisis also acts as a risk multiplier for development by amplifying existing inequality in access to natural resources and intensifying conflict in situations that are already prone to social tension. Displacement and changes in pastoral movement patterns, combined with the reduced availability of livelihood resources such as land, grazing areas and water, increase the risk of conflict.³² Twelve of the 20 countries that are most vulnerable to the effects of climate change and least able to adapt are currently experiencing conflict.³³

27. Recent extreme global climate conditions have been driven by two consecutive La Niña events that began in late 2020 and are now extending into a third consecutive La Niña event lasting until early to mid-2023, a situation that has only occurred twice since 1950. The effects of this exceptional event will probably extend beyond 2023 in some of the most vulnerable regions of the world. The climate crisis has been linked to the deadliest monsoon rains and flooding in over a decade in Pakistan, where rainfall reached nearly three times the national 30-year average since the monsoon began in mid-June 2022. In late 2022, Somalia, eastern Kenya and southeast Ethiopia are now almost certain to endure a fifth consecutive drought season and to face severe and long-term food insecurity. The resulting devastation of pastoralist livelihoods will last for several years until livestock herds can be rebuilt. In addition, poor rainfall is forecast for the 2022/2023 agricultural season in Afghanistan and several countries in the Middle East, including Iraq and the Syrian Arab Republic. Seasonal and interannual climate variability overlap and periodically worsen the general climate change trend picture. Recent findings are also showing that it is very likely that climate change will lead to an increase in rainfall patterns associated with the El Niño Southern Oscillation (ENSO).³⁴
28. Other modes of climate variability (not related to ENSO) have major and long-lasting humanitarian implications. Two examples of long-lasting hazard events that continue to have devastating impacts are the severe multi-year drought in southern and western Madagascar, which has been ongoing for seven years in some areas, and a protracted, landscape transforming flood event in South Sudan that began in late 2019.

²⁷ Intergovernmental Panel on Climate Change. 2022. *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Chapter 16: Key Risks across Sectors and Regions.*

²⁸ Food Security Information Network and Global Network Against Food Crises. 2022. *Global Report on Food Crises 2022.*

²⁹ Internal Displacement Monitoring Centre. 2022. *Global Report on Internal Displacement 2022. Children and youth in internal displacement.*

³⁰ Clement, V. and others. 2021. *Groundswell Part 2: Acting on Internal Climate Migration.*

³¹ Intergovernmental Panel on Climate Change. 2022. *Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Chapter 16: Key Risks across Sectors and Regions.*

³² *Ibid.*

³³ International Committee of the Red Cross. 2020. *When Rain Turns to Dust. Understanding and Responding to the Combined Impact of Armed Conflicts and the Climate and Environment Crisis on People's Lives.*

³⁴ Ying, J. and others. 2022 *Emergence of climate change in the tropical Pacific.* Nature Climate Change.

International humanitarian assistance

29. In the current global context, international humanitarian assistance faces a triple threat. The growing cost of food and fuel not only exacerbates food insecurity but also drives up the cost of delivering humanitarian assistance. For example, by the beginning of 2022 the rise in food prices had increased WFP's operational costs by USD 42 million per month compared with the 2019 average. By June 2022, the rise in global food and fuel prices had increased WFP's monthly costs to USD 73.6 million above the 2019 average.³⁵
30. Meanwhile, governments have spent extraordinary amounts to safeguard lives and livelihoods during the COVID-19 pandemic. As global financial conditions continue to tighten, that expenditure poses the risk of WFP's resource gap widening at a time when the need for food assistance is at a record level and the key drivers of hunger persist. Such factors suggest that humanitarian assistance faces a sobering outlook in 2023.

³⁵ WFP. 2022. *WFP Global Operational Response Plan 2022 – Update #5*.

Section II: Funding context and resourcing assumptions

Overview

31. After reaching a record level of USD 9.6 billion in contributions in 2021, WFP forecasts that global contributions will reach more than USD 11 billion in 2022 and a similar amount in 2023.
32. By 7 August 2022, WFP had received USD 8.2 billion in confirmed contributions for 2022 from 80 donors, including governments, private sector entities, United Nations entities, international financial institutions (IFIs) and others. The high level of contributions received reflects a strong donor response to the concurrent global economic effects of the ongoing COVID-19 pandemic and escalating operational requirements including for the global food crisis and the crisis in Ukraine, where WFP launched a new operation in early 2022.
33. In 2023 government donors are expected to account for 82 percent of contributions, IFIs for 11 percent (including allocations from national governments from IFI sources, and agreements directly between WFP and IFIs), other United Nations entities for 4 percent and private sector donors for 3 percent. WFP expects contributions from its top four donors to grow more moderately than those from its other donors, resulting in a decrease in the proportion of WFP's total revenue attributable to those four donors. The trend in contributions from 2018 to 2021 shows an average increase of 10.7 percent per year.
34. WFP's contribution income is expressed in United States dollars. The currencies in which several major donors pay their contributions to WFP continue to depreciate against the United States dollar. The overall effect is to amplify donor funding cuts and to reduce the expected increase in contributions for 2022 and, potentially, 2023. The full extent to which currency fluctuations will affect WFP's funding forecasts is uncertain. However, for 2022 the negative impact of exchange rate fluctuations on WFP's overall contribution income is projected to amount to 4 percent.
35. WFP's resource requirements are expected to outpace the increase in funding. To attain the increased funding required to support implementation of the new strategic plan, WFP will increase its advocacy and fundraising activities by leveraging its strong partnerships with donors, seeking more flexible funding, and adapting its partnership approaches in response to change. Further efforts will be made to diversify funding through partnerships with national governments, IFIs, thematic funds, the private sector and multilateral funds. Recognizing the decentralized nature of fundraising, headquarters will use structured and consistent dialogue and tailored tools to provide regional bureaux and country offices with strategic guidance and support on approaches to resource mobilization.

Figure II.1: Evolution of donor contributions to WFP, 2018–2023 (confirmed and projected)

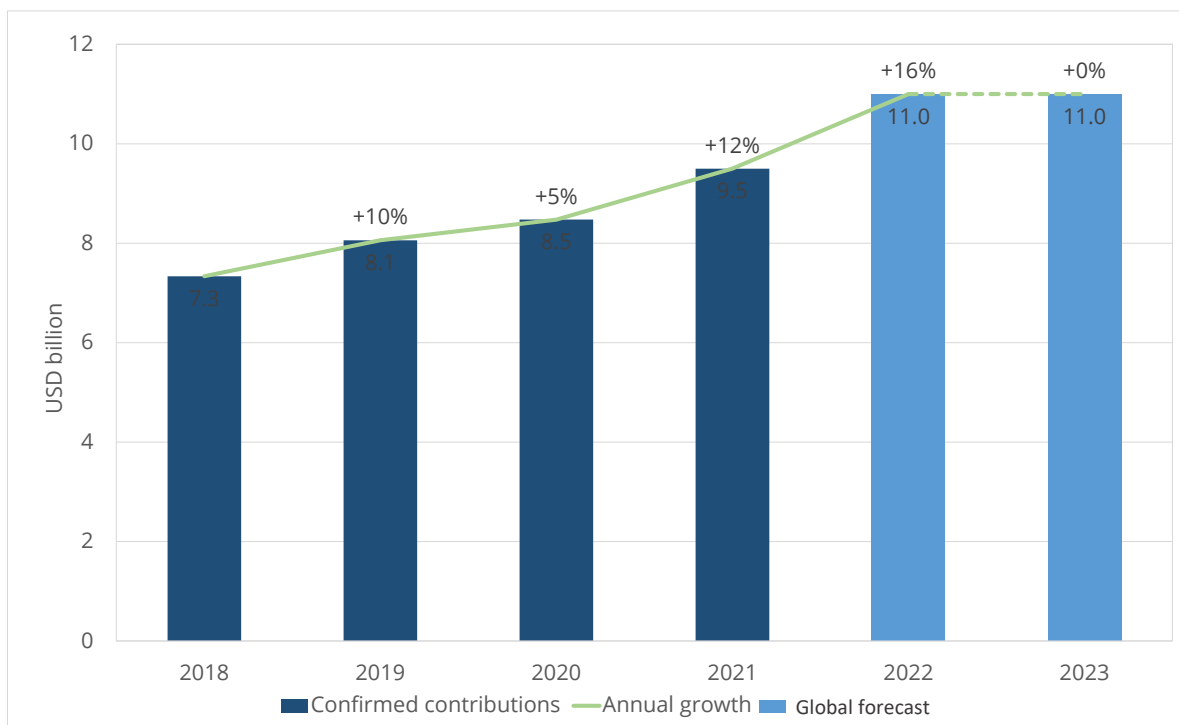
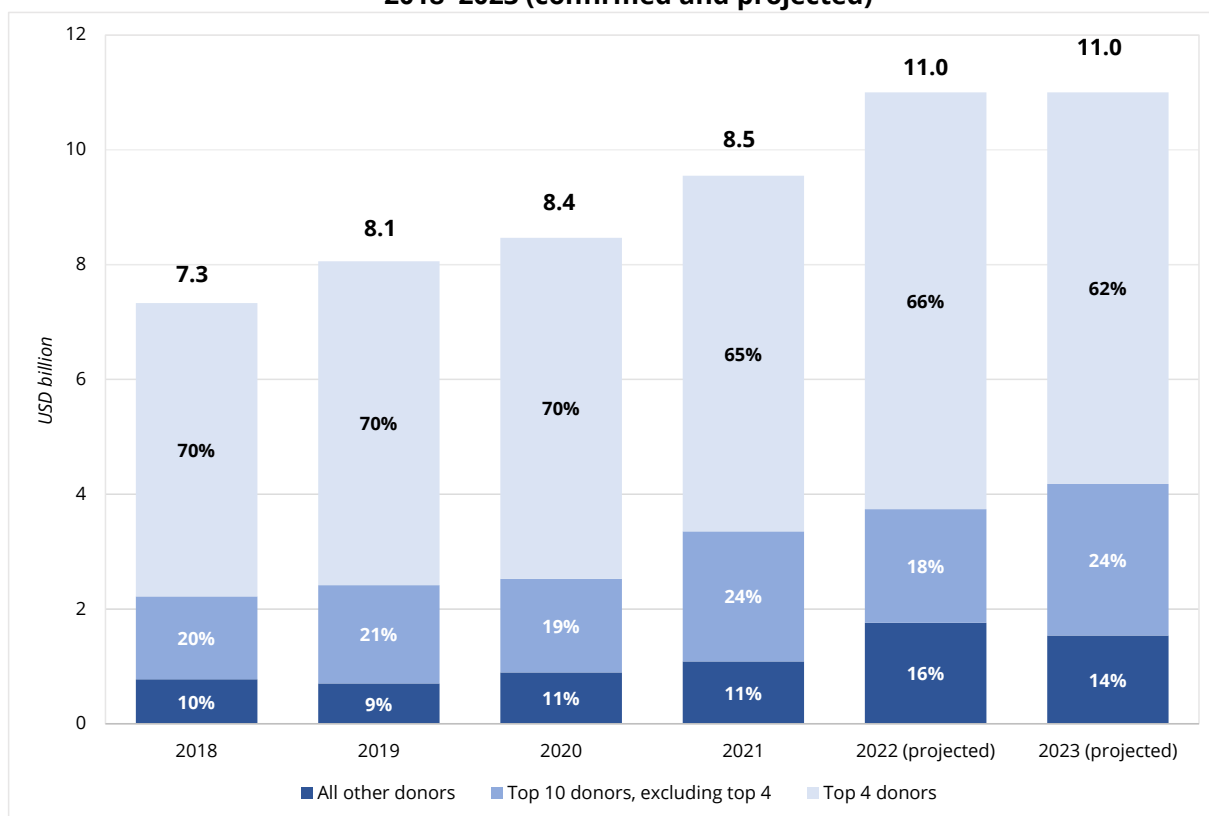


Figure II.2: Donors to WFP by value of contributions and percentage of total contributions, 2018–2023 (confirmed and projected)



Diversifying the funding base

36. To enable implementation of the strategic plan, WFP will increase its efforts to diversify its funding base by strengthening engagement with emerging donors that are not members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development. Examples of those efforts include facilitating South–South and triangular cooperation, increasing fundraising from private sector businesses, foundations and individuals, thematic funds and United Nations funding instruments and fostering joint approaches with IFIs.
37. *International financial institutions:* In particular, WFP will reinforce its provision of analysis and technical support to enable country offices to better leverage national funding. This will entail drawing on resources from, and strengthening partnerships with, IFIs and strengthening collaboration with host governments and alignment with their priorities and capabilities in the implementation of WFP’s second-generation country strategic plans (CSPs). Through this approach, WFP aims to secure USD 1 billion from countries in which it operates for the implementation of activities in support of national government zero hunger objectives, building on its context-specific comparative advantages.
38. The newly approved *Changing Lives Transformation Fund* will allow country offices to invest in areas of comparative advantage and complementarity that position WFP to support national development priorities and gain access to new streams of financing, including for implementing government-led approaches that contribute to SDG 2, thereby also contributing to efforts to diversify resource partnerships.
39. *Thematic approaches:* WFP will further explore thematic opportunities, including in social protection, climate financing and school feeding. This will involve active engagement in key international events such as the first global ministerial-level meeting of the School Meals Coalition in Helsinki, in October 2022, the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Egypt in November 2022 and subsequent events in 2023.
40. WFP aims to integrate its work on saving lives with a sustained focus on changing lives by promoting resilience so that people and communities on the brink of hunger can reduce their reliance on humanitarian support. WFP will make evidence-driven proposals to longstanding and new donors with a view to diversifying its funding streams beyond traditional sources of humanitarian funding. Resilience building is a pathway to self-subsistence, with a high return on investment. It requires WFP to attract additional, multiyear contributions from new development and thematic funding streams. CSPs will be designed so that WFP can attract contributions from humanitarian, development and thematic sources and thereby operationalize the humanitarian–development–peace nexus effectively.
41. To optimize the efficient and effective use of financial resources WFP will continue to promote anticipatory action, including through the use of forecast-based financing. Such an approach enables WFP to support government and community-level disaster mitigation by linking the allocation of resources to seasonal and weather forecasts, which allows needs to be met during the critical window between the forecast of an extreme weather event and its occurrence, and reduces the costs of humanitarian assistance. WFP will also continue to enable governments to scale up and strengthen their national early warning systems and will mobilize predictable and pre-arranged financing to implement anticipatory action in Africa, Asia and Latin America.
42. *Private sector:* Income from the private sector (corporations, foundations and individuals) is projected to continue to grow rapidly, reaching USD 300 million in 2023. Of that amount, USD 135 million is expected to be generated by the individual fundraising programme, which comprises the headquarters-based individual giving team, the ShareTheMeal platform and WFP friends’ organizations, predominantly those based in the United States of America and Japan.

43. As projected in the private sector partnerships and fundraising strategy, partnerships with foundations continue to grow. As of mid-year 2022, WFP had secured USD 167 million from foundations, predominantly in support of the changing lives agenda. This positive growth trend is expected to continue into 2023 and beyond.³⁶
44. WFP expects to see continued sustainable and significant growth in flexible income through its digital-based individual fundraising programme. As the programme has achieved maturity and reached a growing global audience by issuing online content in multiple languages, WFP will focus on reaching and retaining regular supporters in order to generate a sustainable income stream from them, with more than USD 50 million in flexible funding from individuals expected in 2023.
45. WFP aims to cultivate in 2023 long-term relationships with new corporate partners that have made contributions in response to major emergencies, in particular the crisis in Ukraine and neighbouring countries. Those efforts are expected to generate strong new partnerships in 2023 and 2024, given the 18–24-month lead time that partnerships often take to develop.
46. WFP continues to explore innovative private sector fundraising modalities, ranging from public-private partnerships to zakat fundraising from individuals. As part of the new global philanthropy function, WFP has developed an engagement strategy for generating income and promoting innovative solutions based on the exploration of new areas and technologies in 2023.
47. Adequate human resources, in terms of the number of staff and their skills, are key to the achievement of private sector income results in 2023 and beyond. Staffing changes in 2022, including the establishment of a new business intelligence hub, will also drive results in 2023. The newly created dedicated global philanthropy team will develop relationships with, and raise funding from, ultra-high-net-worth individuals.
48. *United Nations partnerships:* Funding from United Nations entities is an important strategic pathway for WFP's engagement on the achievement of national and global priorities with the wider United Nations system. Pooled financing can also be used to promote coherence and improved collaboration within, the United Nations system. Tailored guidance and support will continue to be provided to country offices and regional bureaux to inform them of potential partnerships, funding opportunities and entry points in their local settings.
49. From 2019 to 2021, the average annual contribution to WFP from the United Nations Central Emergency Response Fund was USD 169 million. That level is expected to be maintained in 2023, driven by the unprecedented rise in hunger and famine and the overall increase in global humanitarian needs.
50. WFP will also continue to strengthen its engagement in key pooled funds, such as the joint SDG fund and the United Nations Peacebuilding Fund, and to engage in financing for development work in line with the Funding Compact. From 2019 to 2021, the average annual contribution to WFP from United Nations funds other than the United Nations Central Emergency Response Fund was USD 170 million, although 2020 was an exceptional year, with USD 201 million received because of the response to the COVID-19 pandemic. WFP expects to receive a similar amount of funding (USD 180 million) from pooled funds in 2022.
51. *Leveraging domestic resources:* From the revitalization of the Emerging Donor Matching Fund (EDMF) in 2019 to June 2022, more than USD 22 million was allocated to some 25 countries to cover the associated costs of national government contributions valued at approximately USD 35 million. The EDMF supports national crisis response plans, safety nets and social

³⁶ Timelines of foundation grants are aligned with often multi-year project cycles, as opposed to financial years, which can result in lower income secured in subsequent years after agreement signature, significantly affecting forecasts.

- protection programmes, livelihoods activities, institutional capacity strengthening and technical assistance relating to food security data and evidence-driven policy development.
52. WFP will continue to use the EDMF to secure new and additional resources from eligible national governments for its crisis response, resilience building and root cause activities in support of national priorities. WFP will align the EDMF framework with the priorities outlined in the strategic plan for 2022–2025, which include the expansion of the funding base through the addition of non-traditional donor governments. At its 2022 annual session the Board approved a USD 30 million recapitalization of the EDMF to advance priorities in line with the evolution of WFP's partnerships with national governments.
 53. *Innovative funding modalities:* In 2023, WFP will focus on exploring additional opportunities and building capacity to mobilize resources beyond traditional financing mechanisms, including those associated with co-financing, capacity strengthening services such as South–South and triangular cooperation and debt relief arrangements. As noted in paragraph 41, WFP will also focus on the financing of anticipatory action.
 54. Co-financing initiatives can give national, provincial and municipal governments and the private sector strong incentives to provide more resources for work on SDG 2 and supporting WFP's mandate. WFP will continue to promote twinning arrangements, mobilizing its own resources and those from other donors to meet the costs associated with contributions from eligible countries.
 55. WFP's work on twinning will include efforts to expand it in line with a recent change in WFP's General Rules to classify private sector donors as non-traditional donors.³⁷ As a result of that change, management can now twin contributions from the private sector with those from other private sector donors to cover the full operational and support costs of the contributions. The rule change does not, however, permit twinning through use of the WFP Fund or the monetization of in-kind contributions.
 56. Enhancing WFP's role as a broker for South–South and triangular cooperation in pursuit of SDG 2, as well as national governments' support for capacity strengthening initiatives with WFP, will help to unlock new opportunities by mobilizing funds and technical cooperation for countries in need.
 57. Debt relief efforts, in particular debt-for-development swaps that redirect resources towards national development goals, also help to mobilize valuable resources for WFP. WFP has been successful in funding operations through debt swaps in such countries as Egypt, Guinea-Bissau, Mauritania and Mozambique. It will apply that experience and advocate more debt swap arrangements for the achievement of SDG 2 results in other countries.

Funding flexibility and predictability

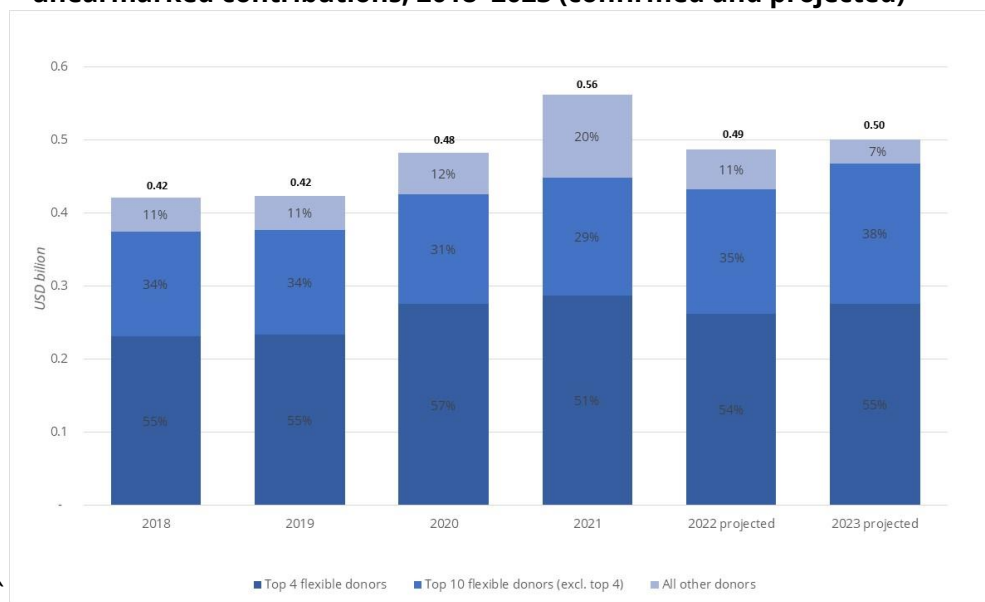
58. As a voluntarily funded organization, WFP relies on the full range of support provided by its partners. To address the growing gap between needs and available resources, WFP and its partners must maximize the effectiveness of every dollar and explore opportunities for greater complementarity. WFP will continue to engage with partners to identify opportunities to reduce earmarking and other donor conditions and to increase flexible and multi-year contributions.
59. Flexible contributions are one of WFP's core funding modalities and are instrumental to its ability to deliver on its mandate, bridge immediate and long-term activities and reduce needs over time. Flexible resources optimize WFP's response by strengthening its capacity to prioritize funding strategically, respond more quickly and proactively and guarantee operational continuity in forgotten crises. Multi-year agreements and flexibility improve programme and

³⁷ "Classification of private sector donors as non-traditional donors under General Rule XIII.4 (c)" (WFP/EB.A/2022/6-C/1/Rev.1).

cost-efficiency and lessen the administrative burden on WFP, partners and donors. Ultimately, flexible contributions ensure that more resources can be used to reach people in need.

60. Unearmarked contributions have increased in recent years in terms of absolute value; however, as a proportion of funding, these have remained stable, at 5–6 percent of total funding. Maintaining the growth in unearmarked contributions will require intensified efforts by WFP and its partners to strengthen advocacy at all levels.
61. The total value of contributions earmarked for the IRA is expected to increase by 19.1 percent in 2022 – from USD 67.1 million in 2021 to USD 79.9 million in 2022 – and to continue increasing in 2023. The IRA will continue to serve as a major flexible funding mechanism that enables WFP to cover pipeline breaks in the delivery of life-saving assistance. Contributions, directly confirmed to the IRA or used for revolvment, are the primary means of replenishing the IRA.
62. To create an enabling environment for increased flexible and multi-year funding, WFP will continue to enhance the visibility, transparency and reporting related to such funding, at both the global and country levels. In 2023, WFP will also start to report on “softly earmarked” funding, which will provide due recognition of contributions that are earmarked at the regional or thematic level.
63. Most confirmed contributions to WFP are tightly earmarked at the activity level. However, the proportion of contributions earmarked at the country level increased from 6 percent in 2020 to 11 percent in 2021. WFP aims to maintain this positive trend in 2023 and beyond. The new CSP line of sight, underpinned by the new CRF results chain, is designed to support the shift to reduced earmarking or to earmarking at higher levels of the results chain. When the Grand Bargain 2.0 ends as scheduled in mid2023, WFP will advocate renewed commitments to high-quality funding.
64. Steady growth in WFP’s income from the private sector, particularly unrestricted income from individual fundraising, is expected to also contribute to a higher level of unearmarked resources over time. By 2025, WFP expects to have doubled the unrestricted income raised from individuals, to reach USD 70–90 million annually.
65. WFP has continued to expand and invest in its corporate forecasting and partner relationship management tool, Salesforce. In 2023 WFP will continue these efforts and will use Salesforce to improve impact measurement and evidence generation. In addition, close monitoring of donor contributions has been automated through real-time reporting tools such as FACTory and Grants 360, which enable more efficient management of contributions and help WFP consolidate analysis and trends to support decision making and forecasting.

Figure II.3: Flexible donors to WFP by value of contributions and percentage of total unearmarked contributions, 2018–2023 (confirmed and projected)



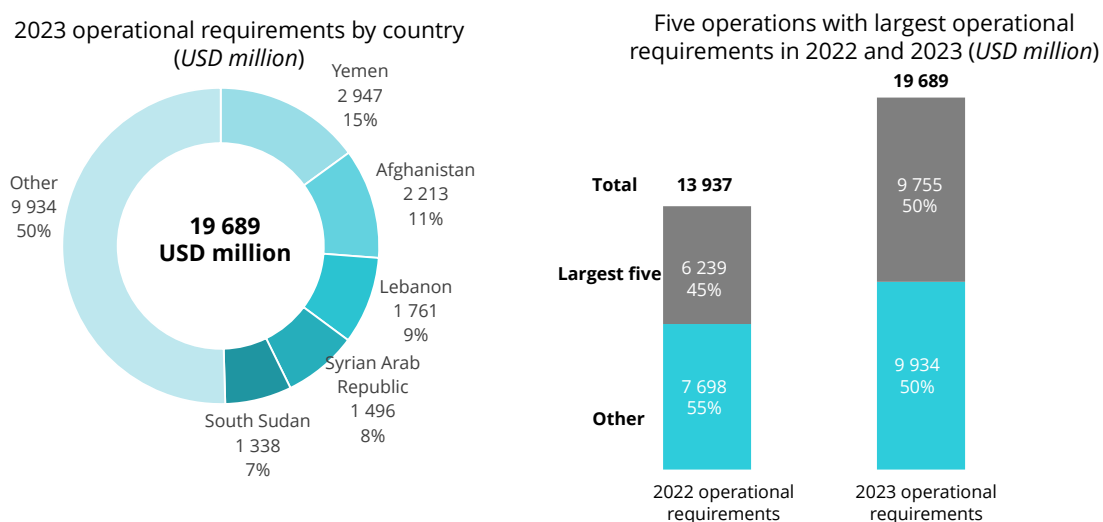
Section III: Operational requirements and provisional implementation plan

Overview

66. In response to the unprecedented growth in worldwide hunger and malnutrition fuelled by ongoing conflict, the climate crisis, economic shocks and the COVID-19 pandemic, as of June 2022 WFP's operational requirements for 2023 were estimated at USD 19.7 billion, a 41 percent increase over the previous management plan. As in previous years the bulk of the needs relate to crisis response activities. Overall, through 86 operations WFP plans to reach 150 million people in need, a 21 percent increase over the previous management plan; this will require more funding than any previous management plan.
67. WFP will leverage its ability to work with partners to assist people in meeting their food needs and to help reduce humanitarian need, improve food security and support countries in their efforts to achieve the SDGs.
68. The challenging global context and operating environment may be aggravated by major increases in fertilizer prices that may affect food production this year and the next. Continued disruption of supply chains, export restrictions and the high costs of procuring and shipping commodities will also affect WFP's projected operational costs for 2023. Meanwhile, the crisis response capacity of many governments is constrained by the macroeconomic impacts of the pandemic. Such conditions will increase the demand for WFP's services while posing major challenges to its ability to deliver assistance as planned.

Response to the global food crisis

69. WFP is scaling up its life-saving food and nutrition assistance in order to meet the essential needs of the most vulnerable people during crises, overcoming access challenges, expanding its use of cash-based transfers (CBTs) and treating acute malnutrition. WFP is complementing its emergency response with efforts to build resilience at the individual, household and system levels with the aim of reducing and preventing the need for humanitarian response in the future. This includes working with partners to invest in disaster risk management and preparedness, food systems and social protection.
70. In June 2022, WFP activated a corporate scale-up response to address the immediate impacts of the global crisis in food and nutrition security while strengthening the foundations, analysis and partnerships needed to mitigate the medium-term impacts. WFP's response strategy prioritizes emergency response in coordination with partners and proposes complementary humanitarian and development investments aimed at supporting countries' progress towards zero hunger. WFP's response planning for the global crisis covers an 18-month period, to the end of 2023.
71. WFP has seen a surge in 2022 in the number of CSPs being revised; this reflects the increased need in many countries and the resulting changes in the operational requirements for 2023.

Figure III.1: Requirements for WFP's five largest operations, 2022 and 2023

72. WFP's five largest country operations collectively account for half of total operational requirements, up from 45 percent in 2022. All other country operations account for the other half, which suggests that need is rising more in the worst existing crises than in the others (see figure III.1).
73. Compared to management plan for 2022–2024, the largest increases in country-level operational requirements in absolute terms have occurred in Afghanistan, the Democratic Republic of the Congo, Lebanon, Somalia, South Sudan, Ukraine and Yemen.

Analysis of 2023 operational requirements

Analysis by focus area

Focus area	2022 operational requirements		2023 operational requirements	
	(USD million)	(%)	(USD million)	(%)
Crisis response	10 770	77	15 347	78
Resilience building	2 614	19	3 768	19
Root causes	553	4	574	3
Total	13 937	100	19 689	100

74. In 2023, crisis response will continue to account for the largest share of requirements, 78 percent of the total. That figure reflects unprecedented growth in humanitarian needs globally and WFP's priority of saving lives in emergencies. In accordance with the new strategic plan, WFP will continue to address both life-saving and life-changing objectives, the budgets for which are growing in equal proportion.
75. The overall operational requirements for resilience building in 2023 represent a 44 percent increase over 2022, with the largest increases occurring in countries facing protracted crises such as South Sudan, Lebanon, Yemen, the Niger and the Syrian Arab Republic.

Analysis of beneficiary numbers

TABLE III.2: BENEFICIARIES BY REGIONAL BUREAU, 2022 and 2023			
Regional bureau	2022 (million beneficiaries)	2023 (million beneficiaries)	Variation (%)
Asia and the Pacific	20.4	30.0	47
Middle East, Northern Africa and Eastern Europe	31.5	39.6	26
Western Africa	16.2	20.2	25
Southern Africa	15.0	17.5	17
Eastern Africa	32.1	35.0	9
Latin America and the Caribbean	9.0	8.2	(9)
Total	124.1	150.5	21

76. The operations in three regional bureaux – those for Asia and the Pacific, the Middle East, Northern Africa and Eastern Europe, and Eastern Africa – account for almost 70 percent of total beneficiaries; that proportion has not changed since 2022. The humanitarian crises in Afghanistan, Somalia, Ukraine and Yemen will require large operational responses and account for the largest increases in beneficiaries at the country level.
77. Operations in the Asia and the Pacific region account for the largest percentage increase in the number of beneficiaries of any region, mainly owing to the unprecedented need in Afghanistan, which has led to the addition of 8 million beneficiaries; the majority of direct beneficiaries in Afghanistan are assisted through crisis response activities. In 2023, WFP plans to assist 21.3 million beneficiaries in Afghanistan, the highest number of its operations.
78. Meeting emergency needs and improving food security are WFP's core responsibilities. The management plan for 2023–2025 reflects WFP's continued commitment to assisting governments in achieving SDG 2 and SDG 17 through strengthened partnerships that leverage the contribution of food security and nutrition to the attainment of other SDGs. Activities that support the achievement of SDG 2 will account for 93 percent of total operational requirements in 2023, and those contributing to SDG 17 will account for 7 percent.

Delivering results towards the achievement of the SDGs

TABLE III.3: OPERATIONAL REQUIREMENTS BY STRATEGIC OUTCOME AND ACTIVITY CATEGORY, 2023 (USD million)						
	SDG 2			SDG 17		
Activity category	Strategic outcome 1	Strategic outcome 2	Strategic outcome 3	Strategic outcome 4	Strategic outcome 5	Total
WFP programmes						18 483
Unconditional resource transfers	12 162	394	42			12 598
Nutrition activities	979	1 056	15	1		2 051
Community and household asset creation	334	34	1 119			1 487
School-based programmes	332	819	77	31		1 259
Household and individual skill and livelihood creation	140	9	168	1		318
Actions to protect against climate shocks	8		302	4		314
Social protection sector support programmes		62	18	162		242
Smallholder agricultural market support		4	176	1		181
Emergency preparedness and early action	16		0	17	0	33
WFP advisory solutions and service delivery						1 206
On-demand services	0	0			690	690
United Nations Humanitarian Air Service					428	428
Logistics cluster					72	72
Emergency telecommunications cluster					16	16
Total	13 971	2 378	1 917	217	1 206	19 689

79. Table III.3 shows operational requirements by activity category and strategic outcome in line with the framework presented in the strategic plan and the CRF for 2022–2025. In 2023, activity categories classified as “WFP programmes” will account for the majority of projected operational requirements, at USD 18.5 billion, and those classified as “WFP advisory solutions and service delivery” will account for USD 1.2 billion. Activities under strategic outcome 1 (people are better able to meet their urgent food and nutrition needs) account for almost USD 14 billion, or 76 percent of operational requirements related to SDG 2. Activities aimed at achieving strategic outcome 5 (humanitarian and development actors are more efficient and effective) account for USD 1.2 billion, or 85 percent of SDG 17 operational requirements.
80. Unconditional resource transfers are expected to reach USD 12.6 billion in 2023 and continue to constitute the largest proportion of operational requirements.

Cross-cutting priorities

Gender equality and women's empowerment

81. The rising cost of living is deepening gender inequality and leading to increased violence against women and girls and exposing women and girls to high levels of food insecurity and poverty. To meet the essential needs of the most affected groups, WFP supports human capital investment to reduce structural vulnerabilities and create favourable conditions for improving livelihoods and building resilience to current and future shocks and stressors. WFP will continue to consult all affected people, particularly women and girls, in its efforts to ensure effective gender mainstreaming and gender-targeted actions. To ensure inclusive and sustainable outcomes in its responses to protracted crises, WFP will address the social norms and structural barriers that prevent equitable access to and control over the means of achieving food security and nutrition. This work includes creating the conditions for women and girls to compete for livelihood opportunities as equals with men and boys, thereby strengthening their economic prospects and resilience and improving their individual and household food security and nutrition outcomes.

Protection and accountability to affected populations

82. As outlined in the strategic plan for 2022–2025, WFP will ensure that it fulfils its commitments regarding protection and accountability to affected populations and will use conflict-sensitive approaches in its programme design and implementation. This will foster more effective and efficient programmes by ensuring that WFP's response provides a protective environment for beneficiaries while addressing their individual risks and requirements.
83. WFP will focus on analysing and addressing risks to affected populations and integrating related activities into CSPs and programmes. The targeting and prioritization of beneficiaries, the implementation of community engagement and feedback systems and the monitoring of WFP action to reduce risks to populations and increase access to food will be prioritized. In addition to partnerships with local organizations and institutions, WFP will seek to form alliances with organizations that have specialized expertise in protection monitoring, conflict analysis, conflict-sensitive programming and access negotiation that country offices can draw on to make informed choices on the design and implementation of food assistance programmes.

Environmental sustainability

84. In 2023, WFP will continue to identify and manage any potential harm that its operations might cause to the environment, people and communities, as outlined in the section of the strategic plan that describes environmental sustainability as a cross-cutting priority. The aim is to maximize the effectiveness of all CSP activities. WFP will further mainstream the sustainability framework into all of its processes, collaborate with donors and governments on the harmonization of frameworks and tools for the assessment of environmental and social risks at the strategic level and implement and monitor risk management measures and community feedback mechanisms.
85. WFP will extend its training initiatives on environmental and social safeguards to regional bureaux, country offices and cooperating partners. It will also increase organization-wide capacity to comply with the eight environmental and social standards set out in WFP's environmental and social sustainability framework, track information on risk and mitigation measures and measure and report on established targets and core corporate indicators.

Nutrition integration

86. WFP will deliver life-saving nutrition support to help prevent and treat malnutrition and will scale up its programmes in the countries that are most affected by the unfolding global food crisis. Second-generation CSPs will be designed with explicit nutrition and healthy diet objectives such as programmes aimed at achieving the nutritional adequacy of emergency support, preventing and treating malnutrition and facilitating access to healthy diets.
87. Nutrition integration harnesses WFP's efforts to improve nutrition in ways that maximize nutrient adequacy and reach the most vulnerable people. In 2023, WFP will strengthen the consistency and accountability of its nutrition systems by advocating procurement approaches and supply chains that provide specialized nutrition products and fortified staple foods to people in need and maximize local value chains for nutritious foods. WFP will also invest in and support early warning systems that can highlight the areas where malnutrition risks are of particular concern, help country offices to prepare for and manage shocks and link WFP's vulnerability and food security analysis to nutrition programme options to achieve multiple results in addressing food insecurity and malnutrition. The systematic integration of nutrition will be supported by reporting systems that can track whether WFP is reaching its targets in addressing malnutrition and improving diets.
88. Such efforts will require an engaged, competent and equipped workforce and adequate financial resources. WFP will develop and deploy nutrition capability and support the implementation of strategic workforce planning for nutrition, mobilizing its resources accordingly. A proposed increase to the Global Commodity Management Facility will contribute to addressing challenges related to sourcing specialized nutritious food.

Analysis by transfer modality and cost category

89. Table III.4 compares the transfer values and associated costs that make up WFP's operational requirements in 2022 and 2023. The overall 45 percent increase in total transfer costs is driven more by the 50 percent increase in CBTs than the 41 percent increase in in-kind food. Although small in terms of dollar value, the increases of 127 percent in commodity vouchers and 35 percent in capacity strengthening transfers reflect WFP's ability to leverage various modalities in challenging settings and the growing demand for WFP capacity strengthening activities for individuals, communities and governments.

Transfer and associated costs	2022 operational requirements (USD million)	% of total transfer costs (%)	2023 operational requirements (USD million)	% of total transfer costs (%)	Increase (decrease) (%)
Food	5 770	50	8 114	48	41
CBTs	4 141	35	6 219	37	50
<i>Cash</i>	2 820	24	4 613	27	64
<i>Value vouchers</i>	1 321	11	1 606	10	22
Commodity vouchers	252	2	571	3	127
Capacity strengthening	664	6	894	5	35
Service delivery	859	7	1 107	7	29
Total transfer costs	11 686	100	16 905	100	45

TABLE III.4: TRANSFER VALUES AND ASSOCIATED COSTS, 2022 AND 2023					
Transfer and associated costs	2022 operational requirements (USD million)	% of total transfer costs (%)	2023 operational requirements (USD million)	% of total transfer costs (%)	Increase (decrease) (%)
Implementation costs	908		1 024		13
Direct support costs	525		601		15
Total direct costs	13 119		18 530		41
Indirect support costs	818		1 159		41
Total	13 937		19 689		41

Food transfers

90. WFP's needs-based plan for 2023 calls for 7.5 million mt of in-kind food valued at USD 8.1 billion.³⁸ This represents an increase of more than 40 percent compared with 2022 (USD 5.8 billion). The top five operations in terms of United States dollar requirements for food transfers are Yemen, Afghanistan, South Sudan, the Syrian Arab Republic and Ukraine, which together account for 62 percent of the total requirements.
91. Cereals account for the majority of planned food needs, at 4.9 million mt, or 66 percent of the total in tonnage terms, and 51 percent of the plan's requirements in United States dollars. By contrast, mixed and blended foods and vegetable oil are planned at lower tonnages but account for significant shares of the overall value, at 19 percent for mixed and blended foods and 11 percent for vegetable oil.
92. In 2023 almost 50 percent of the planned tonnage is to be procured on local and regional markets, including more than 50 percent of sorghum maize and maize meal and nearly 70 percent of beans. WFP is making efforts to diversify its sourcing options for specialized nutritious foods by buying such commodities closer to distribution areas where possible, which could reduce delivery lead times and allow a better match with the food preferences of beneficiaries. The increasing trend in local and regional procurement of fortified blended foods and lipid-based nutrient supplements will therefore continue.

Cash-based transfers

93. Leveraging its cash footprint, WFP is proving that sending money to the most vulnerable is an effective and cost-efficient way to restore purchasing power and contribute to the economic resilience of local communities.
94. WFP's use of CBTs continues to grow. In 2023 WFP's estimated operational requirements for CBTs will amount to USD 6.2 billion in 73 countries, representing an increase of USD 2.1 billion or 50 percent over 2022. Cash transfers account for 86 percent of the increase, and value vouchers for the remaining 14 percent. Operations in Lebanon, Ukraine and Yemen account for almost 40 percent of total CBT requirements for 2023.
95. During the COVID-19 pandemic, governments across the world relied on WFP support to transfer money to their people efficiently and accountably. To date, WFP has provided more than 50 governments with expertise and services for government-to-person payments, primarily through technical assistance but also by making such payments on behalf of governments or in the absence of an internationally recognized government. CBTs and

³⁸ The value of in-kind food assistance includes the value of the food transferred and the costs of transferring it.

government-to-person payments are WFP's fastest growing area of work and have the potential to assist many more people than direct in-kind food assistance alone.

96. Lebanon accounts for one of the largest increases in the use of cash-based modalities, as reflected in its forthcoming CSP. WFP's CBT interventions in Lebanon have improved food consumption and dietary diversity, reduced the use of negative coping strategies, had a stabilizing effect and acted as a lifeline for the most vulnerable people.³⁹

Commodity vouchers

97. WFP chooses from among its wide variety of transfer modalities to suit the settings in which it operates. Commodity vouchers have proved particularly useful in unstable environments and where collaboration with market operators provides WFP with the best option for assisting beneficiaries.
98. In 2023 the operational requirements for commodity vouchers will be USD 571 million, or 3 percent of total transfer costs. That figure represents an upward trend, in contrast to the downward trend observed in previous years. The significant increase is attributed largely to operations in Afghanistan and Yemen.
99. In Afghanistan, in response to rising inflation and liquidity constraints, WFP is scaling up a new commodity voucher programme in partnership with the private sector to increase the coverage of the programme as circumstances permit. In Yemen, the projected operational requirements for commodity vouchers will increase by 26 percent over 2022; the programme will use established traders' networks and be implemented in areas with retail infrastructure where it can support local markets. This approach demonstrates WFP's ability to implement lifesaving activities while utilizing local infrastructure.

Capacity strengthening

100. Capacity strengthening transfers include the provision of materials and equipment, knowledge and skills and other resources that are directly transferred to individual beneficiaries, communities, partners or government counterparts to complement the objectives of food and cash-based transfers. In 2023, operational requirements totalling USD 894 million are planned for capacity strengthening transfers in 86 operations. Compared with 2022, capacity strengthening transfers are expected to increase by 35 percent, marking an upward trend in the use of the modality. In 2023 operations in South Sudan, the Syrian Arab Republic and Yemen will account for the largest increases in capacity strengthening transfers, which together represent 24 percent of the total increase.

Service delivery

101. Service delivery transfers in 2023 are estimated at USD 1.1 billion, an increase of almost USD 250 million compared with 2022. WFP contributes to United Nations development system reform and the overall cohesion of the United Nations system through the provision of mandated services – those provided through the United Nations Humanitarian Air Service (UNHAS), the United Nations Humanitarian Response Depot (UNHRD) and the logistics and emergency telecommunications clusters – and on-demand services such as the procurement and transport of food. Through its service provision, WFP makes its expertise available to the wider humanitarian community, governments, regional institutions, the private sector and IFIs. Approximately 60 percent of the increase in service provision is for on-demand service activities. The largest service delivery activities in 2023 are planned in Lebanon, Afghanistan, South Sudan, Yemen and Burkina Faso and together account for 64 percent of the total.

³⁹ Tschunkert, K. 2021. *The World Food Programme's Contribution to Improving the Prospects for Peace in Lebanon*. Stockholm International Peace Research Institute.

102. The increasing trend in on-demand service provision activities is expected to continue in 2023, as governments request WFP to procure and transport food, and possibly fertilizer (in coordination with FAO), on their behalf. Concurrently, WFP is establishing a capacity strengthening element of its service provision, which focuses on the transfer of skills and resources to empower governments over the medium and long term to develop their own capacity to procure goods and services and build resilience to shocks.

Implementation costs

103. Based on country office projections for 2023, implementation costs⁴⁰ will amount to USD 1.0 billion. Despite the increase of USD 116 million compared with 2022, implementation costs will account for a smaller share of total direct costs in 2023, at 5.5 percent compared with 6.9 percent in 2022. The decrease is mainly a result of the economies of scale that can be achieved with regard to facilities, infrastructure and core staff at the sub-office level for WFP and its cooperating partners.

Direct support costs

TABLE III.5: DIRECT SUPPORT COSTS AS A PERCENTAGE OF TOTAL DIRECT COSTS, 2021–2023				
	2021 planned*	2021 actual**	2022 planned*	2023 planned*
Total direct costs (USD billion)	11.6	8.8	13.1	18.5
Direct support cost rate (%)	4.2	4.3	4.0	3.2

* Planned data for 2021, 2022 and 2023 are based on the management plans for 2021–2023, 2022–2024 and 2023–2025, respectively.

** Actual data for 2021 are based on statement V of WFP's [2021 audited annual accounts](#).

104. Direct support costs⁴¹ (DSC) will increase by USD 76 million in 2023, a 15 percent increase compared with 2022. Owing to the high proportion of fixed costs within DSC, DSC as a percentage of total costs decrease as transfer values increase. Globally, DSC will be 3.2 percent of total costs in 2023. Because the rate is driven by the size of an operation, the modality used, the operational setting and the local economic environment, the DSC rate ranges from 1 percent (Lebanon and the Syrian Arab Republic) to 25 percent (Indonesia and the Philippines).

Cost per beneficiary and cost per ration

105. The average daily cost per beneficiary reflects the estimated budgeted amount that can be attributed to the daily food ration or CBT provided to each beneficiary in order to achieve programme objectives. The main component of the daily cost per beneficiary is the cost of providing the transfer (the sum of the transfer value and the costs of transferring it), which in 2023 is expected to constitute an average of 86 percent of the total cost per beneficiary. The ration size and type of commodities used in food transfers, and the value of CBTs, are the main factors driving the daily cost per beneficiary. Those costs are influenced mainly by the type of assistance provided, followed by the economic environment and the operational setting.

106. WFP expects that the global surge in food prices caused by the global economic crisis will cause the cost per beneficiary to increase under all transfer modalities in 2023. The cost per metric ton of key commodities, including wheat flour, is expected to rise significantly in 2023 compared

⁴⁰ Implementation costs are the in-country costs that can be associated with specific strategic outcomes and activities under a CSP. They include the costs of activity management, relations with beneficiaries, assessments and monitoring.

⁴¹ DSC are the costs that WFP incurs to support an entire CSP. They are managed and determined at the country level and support multiple activities.

with 2022. Retail market prices are also expected to increase and will require WFP to increase the daily value of its CBTs to support a nutritious diet. Because WFP focuses on the most vulnerable population groups, its crisis response activities are implemented primarily in areas affected by conflict, failed harvests and other shocks. Such shocks drive up the cost of providing assistance, for example as a result of challenges with access to distribution sites during rainy seasons or periods of insecurity. For 2023, the overall daily cost per beneficiary is estimated at USD 0.45, an 18 percent increase over the USD 0.38 reported in the 2021 annual performance report and the management plan for 2022–2024.

Modality	Number of rations (million)	Average daily cost per beneficiary, including indirect support costs (USD)
Food	25 014	0.38
CBTs	11 317	0.64
Commodity vouchers	1 924	0.34
Total	38 255	0.45

107. WFP's operational requirements for 2023 are equivalent to 25 billion in-kind food rations, 11.3 billion food ration equivalents in the form of CBTs and 1.9 billion ration equivalents provided as commodity vouchers. As shown in table III.6, the budgeted daily average cost per beneficiary is USD 0.38 for in-kind food, USD 0.64 for CBTs and USD 0.34 for commodity vouchers. The daily cost per beneficiary tends to be higher for CBTs because they often provide higher transfer values to beneficiaries than in-kind food owing to prevailing market conditions and the opportunity to incorporate more nutritious food options. Multipurpose cash transfers and related standardized rates asked at the inter-agency level may cover more than food needs alone. However, efficiency gains can be made in implementation and other costs for both modalities, depending on the situation and the nature of the operation, because WFP's systems and operations are designed to benefit as much as possible from economies of scale and the use of supply chain best practices.
108. The daily cost per beneficiary is calculated for food rations, CBTs and commodity vouchers. No daily cost is provided for institutional capacity strengthening or service delivery because they do not provide direct transfers to beneficiaries. The detailed calculation of the projected daily cost per beneficiary for the 2023 operational requirements can be found in annex VI.

Corporate high-level targets⁴²

109. In defining WFP's ambition towards achieving the five strategic outcomes in the strategic plan, the CRF identifies 25 high-level targets, to be reached by the end of 2025. Annex VI of this management plan defines the high-level targets for 2023, through an analysis of needs and WFP's operational response. In most cases, the 2023 targets reflect continuous progress from the baseline to the end 2025 targets. Beginning in 2023, WFP's annual performance report will analyse progress towards the 2023 outcome- or output-level targets established in this management plan.

⁴² For more details on the high-level targets, refer to the "[WFP corporate results framework \(2022-2025\)](#)" (WFP/EB.1/2022/4-A/Rev.1).

Provisional implementation plan for 2023

110. The operational requirements for a given year are calculated from evidence-based assessments and projections. When the resources received are less than the requirements, prioritization becomes necessary. To manage resource shortfalls, country offices make difficult choices to align their plans with the projected funding availability. These may include prioritizing beneficiaries by vulnerability or geographic area, reducing the size of rations or limiting the duration of assistance.
111. Table III.7 shows that the global provisional implementation plan for 2023 is estimated at USD 12 billion to assist 140 million beneficiaries. The provisional implementation plan constitutes 61 percent of the USD 19.7 billion in operational requirements and would enable WFP to provide assistance to 93 percent of the 150.5 million beneficiaries originally targeted.
112. In many cases beneficiaries will receive smaller rations or assistance for a shorter duration than originally planned as a result of funding shortfalls. This allows WFP to serve the greatest possible number of targeted beneficiaries. In Yemen, for example, WFP has implemented prioritization measures since December 2021, reducing rations to ensure that the most food-insecure people continue to receive assistance. That has enabled 5 million people in IPC phases 4 and 5 to receive slightly reduced rations while 8 million people in IPC phase 3 have received 55 percent of WFP's standard minimum food basket.⁴³ With this approach the country office plans to reach up to 93 percent of planned beneficiaries in 2022.

	Operational requirements	Provisional implementation plan	Provisional implementation plan versus operational requirements (%)
Requirements (<i>USD billion</i>)	19.7	12.0	61
Beneficiaries (<i>million</i>)	150.5	140	93

Methodology used to develop the 2023 provisional implementation plan

113. The provisional implementation plan takes into account the severity of global needs, the expected availability of funding, the expected earmarking of contributions and the historical relationship between the implementation plan, operational requirements and expenditures. The provisional implementation plan for 2023 has been formulated at the global level, and its total value is limited by three factors: the updated global contribution forecast for 2022 of USD 11 billion, the estimated net use of carry-over contribution balances of USD 500 million⁴⁴ and projected on-demand service provision revenue of USD 500 million.

⁴³ WFP. 2022. *WFP Global Operational Response Plan – Update # 5*.

⁴⁴ The carry-over is the difference between the resources available and the expenditures made in previous financial periods.

114. The resulting provisional implementation plan of USD 12 billion for 2023 aims to minimize the negative effects of funding shortfalls on targeted population groups and on performance targets and objectives. It shows prioritization by focus area, strategic outcome and output, activity category and transfer modality and outlines how WFP intends to make the most efficient use of its forecast resources and available funds to assist beneficiaries.
115. Each country office team will create a 2023 implementation plan in the fourth quarter of 2022. The country-specific implementation plans will be made available on the CSP portal and will form the basis for reporting in financial statement V (statement of comparison of budget and actual amount for the year) and annual country reports.

Analysis by focus area

116. The global prioritization process results in a slightly greater emphasis on crisis response and life-saving interventions, which at USD 9.5 billion account for 79 percent of the 2023 provisional implementation plan, compared with 78 percent of projected operational requirements. Accordingly, resilience building activities are proportionally reduced from 19 percent of operational requirements to 18 percent of the 2023 provisional implementation plan. Responses to root causes account for 3 percent of both the provisional implementation plan and the operational requirements.
117. Table III.8 compares the provisional implementation plan with the operational requirements, by focus area.

Focus area	Operational requirements		Provisional implementation plan	
	(USD million)	(%)	(USD million)	(%)
Crisis response	15 347	78	9 485	79
Resilience building	3 768	19	2 174	18
Root causes	574	3	341	3
Total	19 689	100	12 000	100

Analysis by strategic outcome and output

118. The CRF for 2022–2025 introduces 12 outputs under five strategic outcomes. The outputs represent the products and services that WFP commits to delivering during the implementation of its programmes and reflect the direct outputs of WFP's global operations.
119. As part of its commitment to assisting governments in the achievement of SDG 2, WFP will aim to ensure that acute hunger does not reach catastrophic levels by undertaking all preventive and response measures within its capabilities and influence. That aim is reflected in WFP's prioritization of activities under strategic outcome 1 (people are better able to meet their urgent food and nutrition needs), and strategic outcome 2 (people have better nutrition, health and education outcomes), which account for 72 percent and 12 percent of the provisional plan, respectively.
120. To facilitate the achievement of SDG 17, WFP uses its expertise to support humanitarian and development actors through the provision of high-quality mandated and on-demand services. WFP's efforts under strategic outcome 5 (humanitarian and development actors are more efficient and effective) are part of that strategy and account for 7 percent of the provisional implementation plan.

TABLE III.9: PROVISIONAL IMPLEMENTATION PLAN BY SUSTAINABLE DEVELOPMENT GOAL, STRATEGIC OUTCOME AND OUTPUT						
SDG	Strategic outcome		Output		2023 provisional implementation plan	
					(USD million)	(%)
2	1	People are better able to meet their urgent food and nutrition needs	1.1	Food-insecure and crisis-affected populations have access to nutritious food and cash-based assistance, restored assets and services to meet their urgent needs	8 008	67
			1.2	Crisis-affected children, pregnant women and girls and new mothers, and other nutritionally vulnerable populations benefit from programmes to prevent and treat malnutrition and improve diets	569	5
	2	People have better nutrition, health and education outcomes	2.1	Food-insecure populations have increased and sustained access to nutritious food, cash-based assistance, new or improved skills and services to meet their food and nutrition needs	377	3
			2.2	Children, pregnant women and girls and new mothers, and other nutritionally vulnerable populations benefit from programmes to prevent and treat malnutrition and improve diets	521	4
			2.3	School-aged children and adolescents access school-based health and nutrition packages	496	4
	3	People have improved and sustainable livelihoods	3.1	People and communities have access to productive assets to better cope with shocks and stressors	445	4
			3.2	People and communities have increased skills, capacities and access to financial, energy and climate services for climate-adapted and sustainable livelihoods	116	1
			3.3	Smallholder farmers and value chain actors have increased capacity to produce and aggregate marketable surplus, reduce post-harvest losses, access markets and leverage linkages to schools	7	0
			Budgets that cannot be mapped to outputs*		433	4

**TABLE III.9: PROVISIONAL IMPLEMENTATION PLAN BY SUSTAINABLE DEVELOPMENT GOAL,
STRATEGIC OUTCOME AND OUTPUT**

TABLE III.10: PROVISIONAL IMPLEMENTATION PLAN BY ACTIVITY CATEGORY, 2023		
Activity category	Provisional implementation plan	
	(USD million)	(%)
WFP programmes		
Unconditional resource transfers	7 812	65
Nutrition activities	1 128	9
Community and household asset creation	856	7
School-based programmes	750	6
Social protection sector support	164	1
Action to protect against climate shocks	156	1
Household and individual skill and livelihood creation	149	1
Smallholder agricultural market support programmes	92	1
Emergency preparedness and early action	21	0
WFP advisory solutions and service delivery		
On-demand services	495	4
United Nations Humanitarian Air Service	329	3
Logistics cluster	40	0
Emergency telecommunications cluster	8	0
Total	12 000	100

Analysis by transfer modality

123. Table III.11 shows the breakdown of the provisional implementation plan by transfer modality. WFP will continue to use the most effective transfer modality to achieve the best outcomes. In-kind food assistance continues to account for the largest share, at 49 percent of the total prioritized transfer costs for 2023. This highlights the food shortfalls that exist in many places where WFP works.
124. CBTs account for USD 3.4 billion, or 34 percent of the total transfer costs for the provisional implementation plan, a slightly higher proportion than in the 2022 prioritized plan. WFP's CBT programmes have a positive impact on local markets, nutrition and beneficiary choice by promoting the provision of fresh and diverse food.
125. Compared with the 2022 provisional implementation plan, a large increase in commodity vouchers is projected in 2023. The increase is mainly attributable to operations in Afghanistan and Yemen, where significant scale-ups of commodity voucher programmes are planned, if circumstances permit.

TABLE III.11: PROVISIONAL IMPLEMENTATION PLAN BY TRANSFER MODALITY, 2022 and 2023					
Transfer and associated cost	2022 provisional implementation plan (USD million)	% of total transfer cost (%)	2023 provisional implementation plan (USD million)	% of total transfer cost (%)	Increase (decrease) (%)
Food	3 920	55	5 046	49	29
CBTs	2 208	31	3 444	34	56
<i>Cash</i>	1 606	23	2 564	25	60
<i>Value vouchers</i>	603	8	880	9	46
Commodity vouchers	158	2	371	4	135
Capacity strengthening	322	5	552	5	71
Service delivery	510	7	797	8	56
Total transfer costs	7 118	100	10 210	100	44
Implementation costs	555		634		14
Direct support costs	320		440		38
Total direct costs	7 993		11 284		41
Indirect support costs	507		716		41
Total	8 500		12 000		41

Special accounts and trust funds supporting Sustainable Development Goal 17 and country strategic plan activities

126. In 2023 trust funds and special account activities will continue to strengthen WFP's efforts by focusing on specific programme areas that contribute to the achievement of SDG 17. A comprehensive list of trust funds and special accounts and their projected 2023 expenditures can be found in annex IV.

127. Trust funds for headquarters and regional activities will be used to support the enhancement of WFP's organizational capacity and effectiveness in the following areas:⁴⁵

- The *African Risk Capacity facility*, with an estimated expenditure of USD 17.9 million in 2023, is a pan-African risk pool⁴⁶ designed to help member states of the African Union to improve their capacity to plan and prepare for, and respond to, extreme weather events and natural disasters such as droughts, floods and cyclones. In 2023 the facility will develop more effective products and strategies for responding to outbreaks and epidemics of pests and diseases and will establish an extreme climate facility that will help member states of the African Union adapt to possible future climate shifts.

⁴⁵ Information on notable trust funds and special accounts and their associated 2023 expenditure estimates is provided in annex IV.

⁴⁶ A risk pool is a group of insurance companies that come together to provide mutual protection against risks such as floods and earthquakes.

- A *School Feeding trust fund* was established at headquarters in 2010 to support strategic global school feeding efforts through contributions from public and private sector donors. In 2023 it will continue to help WFP address several of the recommendations of a corporate strategic evaluation on school feeding.⁴⁷ For example, the trust fund will enable WFP to implement regional school feeding implementation plans, establish a new international research consortium for school feeding, conduct evaluations of WFP's work, provide country offices and governments with technical support and roll out digital school feeding solutions. The estimated expenditure for such activities in 2023 is USD 6.8 million.
 - In 2021, a corporate trust fund was established between WFP headquarters and Africa Centres for Disease Control and Prevention (CDC). Through this trust funding, WFP and Africa CDC work on two initiatives: 1) "Saving lives and livelihood" initiative (financed by MasterCard Foundation): WFP supports Africa CDC in implementing critical supply chain services and activities for the delivery of COVID-2019 vaccines across the African continent; 2) capacity strengthening activities (financed by the European Civil Protection and Humanitarian Aid Operations): WFP strengthens Africa CDC's capacity in the field of supply chain and logistics operations to enable more risk-informed decision-making on vaccine planning and prioritization, and to enable Africa CDC to efficiently manage public health emergency operations. The estimated expenditure for 2023 is USD 36.4 million.
 - Other examples, accounting for a total of USD 10.5 million in estimated expenditures in 2023 include the Joint United Nations Programme on HIV/AIDS (UNAIDS) trust fund established in 2003 to support WFP's efforts as a United Nations co-sponsor of UNAIDS and other WFP organizational capacity endeavours such as capacity building to enhance humanitarian protection in the context of food assistance.
128. The following are examples of the main services managed at WFP headquarters and accounted for through special accounts:
- The *United Nations Humanitarian Response Depot* is a critical emergency preparedness and response service provided by WFP to the entire humanitarian community, including United Nations, international, government and non-governmental organizations. It consists of strategically positioned hubs that hold stocks of supplies and emergency relief to facilitate the response of humanitarian organizations. An expected outcome in 2023 is the development of partnerships that support the achievement of the corporate goals of WFP and its partners. Projected expenditures related to UNHRD in 2023 are USD 61.3 million.
 - The *aviation special account* is a mechanism for funding the administrative and management structure of the WFP Aviation Service, which provides services to internal and external customers. The account facilitates the management of the income that is generated to enable the Aviation Service to respond promptly in emergencies. In 2023 WFP will strive to expand its current aviation services donor base by advocating sustainable funding streams that enable UNHAS to achieve its mandate and continue to provide air transport services for the humanitarian community. Expenditures from the aviation special account are estimated to be USD 30.4 million in 2023.

⁴⁷ WFP. 2020. *Strategic Evaluation of the Contribution of School Feeding Activities to the Achievement of the Sustainable Development Goals*.

- The *humanitarian logistics special account* is aimed at ensuring the cost-effective provision of logistics services to the humanitarian community. In 2023, WFP intends to focus the activities funded through the account on the themes of shared value, strategic partnerships, in-kind support and financial resources. Projected 2023 expenditures from the account amount to USD 40.4 million.
- The special account for the *emergency telecommunications cluster* facilitates the provision of shared communication services in humanitarian emergencies and supports WFP's emergency response capacity. When the humanitarian community is called upon to respond to an emergency, life-saving information technology connections and solutions are deployed for specific operations. Transactions funded from the emergency telecommunications cluster special account are expected to cost USD 11.7 million in 2023.

Section IV: Programme support and business operations

Overview

129. The 2023 corporate budgeting framework builds on the methodology adopted during the BUSBE launched by the Executive Director in 2020. The BUSBE objectives were to determine the optimal programme support and business operations requirements for headquarters divisions and regional bureaux; ensure that WFP's internal resource allocation processes result in allocations that are in line with its priorities and are sufficient to support programme needs using the most appropriate funding sources; ensure transparency in the funding for headquarters divisions and regional bureaux; and examine the PSA budgets of country offices.
130. To facilitate the achievement of those objectives, the annual corporate budget exercise was expanded to capture all activities managed by global headquarters (i.e., headquarters divisions in Rome, regional bureaux and WFP liaison offices), regardless of their funding source. This new approach enables WFP to provide a comprehensive overview of the global headquarters and core country office budget, as shown in table IV.1

WFP's 2023 comprehensive programme support and business operations budget

TABLE IV.1: PROGRAMME SUPPORT AND BUSINESS OPERATIONS (USD million)							
	Baseline				Other services	Direct activities	Total
	PSA	CCIs	Trust funds, special accounts and other funding sources	Total			
2023	576.3	58.2	118.1	752.6	55.7	127.4	935.7
2022	496.1	40.6	96.1	632.8	67.8	112.4	813.0
Increase (decrease)	16%	43%	23%	19%	(18%)	13%	15%

131. WFP's comprehensive programme support and business operations budget for 2023 is USD 935.7 million, which reflects the planned programme support and business operations budget required to support the organization's projected level of operations efficiently and effectively. The budget covers the activities managed by headquarters divisions, regional bureaux and country offices described in this section. The operational costs of country offices are presented and analysed in section III.
132. The 2023 comprehensive programme support and business operations budget increased by USD 122.7 million (15 percent) over the 2022 budget. Among the primary drivers of the increase are the growth in size and complexity of WFP's operational activities in response to the rise in global hunger, as reflected by the 41 percent increase in the 2023 provisional implementation plan; inflation is another major driver of the cost increase.
133. All activities included in the 2023 comprehensive programme support and business operations budget have identified funding sources and are classified according to whether they are "baseline activities", "other services" or "direct activities". Baseline activities, which account for USD 752.6 million or 80 percent of the total 2023 comprehensive budget, are essential activities that contribute to the efficient and effective delivery of WFP's annual implementation plan but

cannot be readily traced to individual CSPs. Such activities include the fulfilment of WFP's institutional obligations through corporate management, representation and administrative functions, operational services, policy and advisory functions and oversight functions. Essential activities enable WFP to achieve its goals, strategic direction and priorities, ensure value for money in its operations and position itself to contribute to the mitigation of emerging risks. They may be recurring or one-time activities, the latter of which may span more than one year. Baseline activities are funded primarily through indirect support cost revenue and may also be funded through directed contributions and other sources, but not through CSP budgets.

134. Increases in the baseline budget emphasize WFP's commitment to improving the culture of its workplaces and the contractual conditions of employees; ensuring that it has the capacity to act effectively in emergencies; generating and using evidence in informed decision making; adopting digital technologies that transform WFP's ways of working; and delivering efficient and high-quality services for the benefit of its own operations, other United Nations entities and the wider humanitarian and development community.
135. Activities in the "other services" category complement baseline activities by including surge or scale-up activities, activities that bridge resource shortfalls and initiatives that are timebound or new. They are incidental, supplementary or discretionary activities that relate to the maintenance of operations and the achievement of priorities but do not directly support WFP operations. Examples include:
 - the scale-up of the operations of the African Risk Capacity Group, including increased coverage of the African Risk Capacity insurance scheme, strengthened disaster risk management in Africa and research and development on related tools and insurance products;
 - the design and delivery of innovation and accelerator programmes focused on WFP's work to achieve SDG 2 and the launch of start-ups through WFP's Innovation Accelerator; and
 - the provision of secretariat services for the School Meals Coalition launched at the 2021 United Nations food systems summit.
136. Activities classified as "direct", accounting for 14 percent of the total budget, are those that can be traced to country operations or other activities. Expenditures for and cost recovery from such activities are managed through special accounts. Most of the cost recovery comes from CSP budgets because the cost drivers, such as the number of staff required or the tonnage of commodities purchased, are concentrated in country operations. Some activities have been subject to cost recovery for many years while others were added under the BUSBE cost recovery workstream. There were no additions to the direct activities in 2023. Examples of direct activities include the provision of information technology (IT) services, the sourcing of food, goods and services, beneficiary data management services and the processing of UNHAS transactions.
137. During the development of the 2023 budget the classification of activities was reviewed, resulting in the reclassification of a number of activities between the baseline, other services and direct activity categories. For an accurate comparison of baseline activities between 2022 and 2023, the new classification introduced in 2023 has been applied to the activities carried out in 2022, resulting in a net decrease of USD 15.5 million in the 2022 budget for baseline activities. The adjusted figures are reflected in all the tables showing baseline activities in this section.
 - Activities that were moved from the baseline to the other services category include those related to support for health systems supply chains, accounting for USD 2.9 million, and scale-up in response to the COVID-19 pandemic, accounting for USD 16.3 million.

- A few activities categorized as baseline in 2022 (passenger and light cargo transport and provision of heavy vehicle fleet and related services), accounting for a total of USD 9.1 million, have been reclassified as direct.
- Two activities classified as direct in 2022 – one related to data foundation, digitization and governance, accounting for USD 11.5 million, and one activity overseeing investment management, accounting for USD 2.3 million – have been reclassified as baseline.

Overview of baseline funding sources

138. Baseline funding comprises resources from three main sources: the PSA budget, the PSAEA for funding CCIs, and directed contributions and management cost recovery fees within trust funds and special accounts.

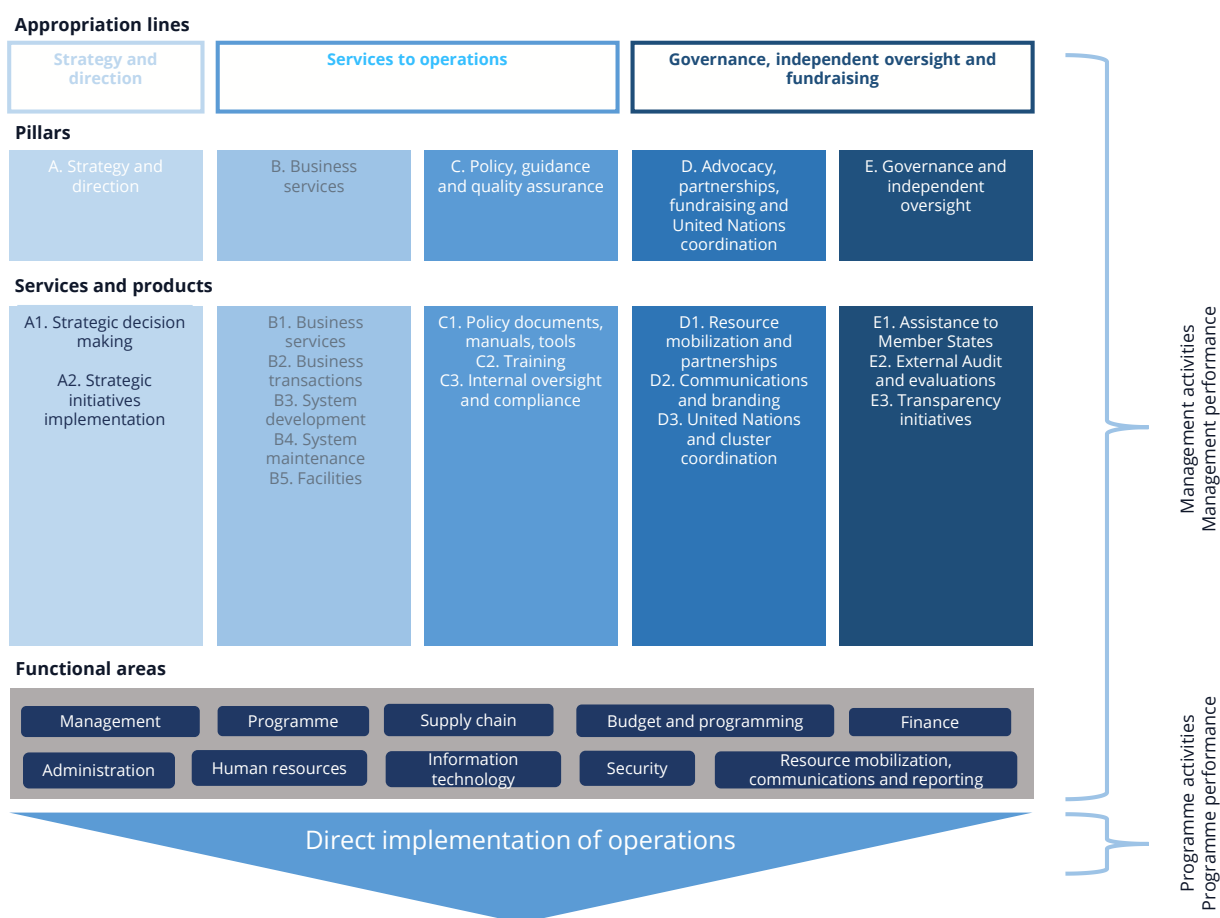
TABLE IV.2: BASELINE FUNDING SOURCES FOR RECURRING AND NON-RECURRING COSTS (USD million)				
	PSA	CCIs	Trust funds, special accounts and other funding sources	Total baseline
Recurring	571.8	0.0	113.9	685.7
Non-recurring	4.5	58.2	4.2	66.9
Total	576.3	58.2	118.1	752.6

139. The PSA budget provides essential programme and administrative support for WFP's operations and is funded from the ISC recovered from contributions, in accordance with WFP's full cost recovery policy. The PSA budget covers mainly the recurring costs of global headquarters and the basic costs of country offices. It is the primary funding source of the baseline budget.
140. The Board endorsed the use of the PSAEA to fund CCIs in 2015; CCIs are focused on organizational change or transformative initiatives, are aligned with the priorities established by the leadership group and are typically one-off in nature. In 2023 four CCIs with estimated expenditure of USD 58.2 million are proposed, as shown in table IV.1 and described in detail below. Because two CCIs will have carry-over balances from funding approved in 2022, only USD 50.4 is requested as new funding for 2023.
141. Trust funds are established by the Executive Director under Financial Regulation 5.1 and account for special contributions of which the purpose, scope and reporting procedures have been agreed with the donor. Such funds are outside WFP's regular operational programmes but are consistent with the organization's policies, aims and activities. In 2023, trust funds account for USD 24.1 million as described in annex IV.
142. Special accounts, accounting for USD 75.6 million in 2023, are established by the Executive Director to manage special contributions, business services and support activities on a no-profit basis. They also include the user fees paid and charges levied for the services provided by WFP to external parties or WFP operations. A comprehensive presentation and analysis of special accounts can be found in annex IV.
143. The category "other funding sources", which is included in the "trust funds, special accounts and other" category in table IV.2 above, includes the general fund and in-kind contributions earmarked for specific corporate purposes such as the in-kind contribution of the rent-free use of WFP's headquarters premises.

The 2023 baseline budget structure

144. When analysing how the baseline budget is used to achieve organizational objectives, WFP uses a structure comprising three high-level appropriation lines,⁴⁸ five pillars and the services and products related to each of the pillars. The five pillars define the nature of the support provided to country offices for the successful implementation of their CSPs and the achievement of results. Figure IV.1 shows the relationship between appropriation lines, pillars and services and products. Each budgeted activity can be assigned to only one service or product, allowing WFP to accurately account for the amount of the baseline budget assigned to each specific area of work.

Figure IV.1: Management plan appropriation lines, pillars and outputs



⁴⁸ Appropriation lines are the largest subdivision of the comprehensive budget and of the PSA from which the Executive Director is authorized to make transfers without the prior approval of the Board. See Financial Regulation 1.1 (defining “appropriation line”).

TABLE IV.3: BASELINE BUDGET BY PILLAR (USD million)				
Pillar	2023	2022	USD value difference	% change
A – Strategy and direction	136.6	133.0	3.6	3
B – Business services	265.5	217.3	48.2	22
C – Policy, guidance and quality assurance	128.5	99.7	28.8	29
D – Advocacy, partnerships, fundraising and United Nations coordination	173.3	139.5	33.8	24
E – Governance and independent oversight	48.7	43.3	5.4	12
Total	752.6	632.8	119.8	19

Baseline prioritization and management results

145. WFP's leadership group played a critical role in defining the 2023 budget priorities by identifying four of the seven management results established in the CRF for 2022–2025 as key priority areas for 2023. Based on the assumption that the response to the global food crisis would continue into 2023, the leadership group continued to emphasize the importance of efforts to reduce mortality. In addition, activities were prioritized according to their contributions to effectiveness in emergencies (management result 1), people management (management result 2), evidence and learning (management result 5), and leverage technology (management result 6) with a view to ensuring that WFP is well positioned to respond effectively in 2023.

Management results: Tracing resources to results through key performance indicators

Management results support effective implementation of the strategic plan at the global level. They are measured through management KPIs that contain a strategic mix of WFP's corporate metrics and United Nations common and complementary indicators, including those established through the United Nations quadrennial comprehensive policy review. The management KPIs reflect WFP's overarching priority to support the achievement of collective results in accordance with the new CRF.

The measurement of KPIs related to our management results serves three purposes. First, they define the standards to which WFP holds itself accountable in implementing the strategic plan and programming. Second, doing so actively reflects the *management* of this support. The measurement and reporting of management KPIs allows for the identification of areas that require additional support, providing management with more information for decision making and budgeting. Finally, management results assigned to activities during the budgeting process allow WFP to assess the impact of resources on results by tracking the performance of management results alongside the allocated budget.

Each management result is broken down into a small number of outputs to which KPIs have been assigned. Annex VI lists selected outputs, KPIs and their targets as defined in the new CRF for each management result. Performance will be assessed against the targets at the end of the year and reported on in the annual performance report along with performance under the remaining KPIs listed in the CRF for 2022–2025.

146. During the budgeting exercise, activities are assigned to a single management result whenever they relate to the defined outputs of that management result. Activities that do not contribute directly to any management result, which include transactional activities and the majority of central appropriations, are marked as “not directly tied to a management result”. Table IV.4 shows the distribution of the 2023 baseline budget by each of the seven management results and by pillar.
147. A comparison of the 2023 baseline budget to the 2022 baseline budget by management result is not possible because the 2023 management results did not exist when the 2022 budget was developed.

Management result	2023 baseline (USD million)	% of total 2023 baseline	% of 2023 baseline by pillar				
			A Strategy and direction	B Business services	C Policy guidance and quality assurance	D Advocacy, partnerships, fundraising and United Nations coordination	E Governance and independent oversight
1 – Effectiveness in emergencies*	121.8	16	26%	45%	18%	11%	
2 – People management*	92.5	12	24%	49%	23%	4%	
3 – Engage in effective partnerships	136.7	18	23%	7%	10%	58%	2%
4 – Effective funding for zero hunger	99.7	13	3%	14%	13%	70%	
5 – Evidence and learning*	103.3	14	10%	23%	35%	3%	29%
6 – Leverage technology*	66.0	9	10%	78%	11%	1%	
7 – Leverage innovation	18.7	3	30%	25%	41%	3%	
Not directly tied to a management result	113.9	15	22%	54%	8%	3%	13%
Total	752.6	100	18%	35%	17%	23%	7%

* Prioritized management result for 2023.

148. The baseline budget is distributed fairly evenly among the first five management results, with each accounting for between 12 and 18 percent of the baseline budget. Management results 6 and 7, which account for 9 and 3 percent of the total budget, are understandably lower because only a small number of activities involve exclusively technology and innovation, as many activities aligned with other management results use technology and have innovative characteristics.

Management result 1: effectiveness in emergencies

149. The purpose of management result 1 is to ensure that WFP has adequate resources, capacities and enabling systems and processes in place to deliver on its highest priority: saving lives in emergencies. Guided by the core commitments to achieving zero hunger, leaving no one behind and responding at speed, WFP will seek to strengthen its ability to efficiently and effectively prepare for and respond to emergencies worldwide. In 2023, the effectiveness in emergencies management result will have the second highest baseline budget, accounting for 16 percent (USD 121.8 million) of the total baseline budget; 76 percent of the activities under management result 1 are funded through the PSA budget. Nearly three fourths of the planned budget for the management result is for pillar B (business services) and pillar A (strategy and direction) activities; the Supply Chain Operations Division accounts for the largest share of the budget.
150. Prominent activities under management result 1 include:
- building a skilled surge and emergency workforce that is qualified for immediate deployment and long-term employment in crisis response settings;
 - supporting supply chain field operations and emergencies through coordination, operational support and deployment capacity, including by revising logistics guidance and providing training; and
 - providing mandated UNHRD services to enable WFP and humanitarian partners to procure, pre-position and dispatch emergency relief items and support equipment.
151. Management result 1 includes the corporate alert system – WFP’s principal early warning and early action mechanism – that facilitates the classification of operations according to the new emergency activation protocol and the prioritization of corporate support and resource mobilization efforts. WFP will seek to improve the actions triggered by the corporate alert system and to strengthen their implementation.
152. Effectiveness in emergencies also captures WFP’s coordination with partners to activate internal, national and system-wide preparedness and early action systems for the purpose of anticipating and mitigating impacts while enabling timely and effective humanitarian response. In 2023 such work will include building new partnerships, strengthening the clusters, intensifying work with the Inter-Agency Standing Committee and collaborating with FAO on early warning and the Integrated Food Security Phase Classification system.

Management result 2: People management

153. WFP’s ability to save and change lives depends on its commitment to the people who work for it, on the value attributed to their contributions, and on their commitment to WFP’s mission.⁴⁹ Management result 2 prioritizes all of WFP’s people, regardless of their contract status, race, ethnicity, gender, sexual orientation, beliefs, disability, age or any other aspect of their identities. Twelve percent of the baseline budget, or USD 92.5 million, is assigned to management result 2. Funding for the result is concentrated in pillars A and B, although 23 percent is for pillar C (policy, guidance and quality assurance), reflecting the implementation of the WFP people policy.
154. People management includes the following prominent activities:
- managing staff security, ensuring compliance with United Nations Security Management System policies at headquarters, at UNHRD in Brindisi and in WFP premises in countries;

⁴⁹ “WFP people policy” (WFP/EB.A/2021/5-A).

- supporting, through the “invest in WFP people” CCI, implementation of the vision, established in the WFP people policy, for the current and future WFP workforce and achievement in four related priority work areas: “nimble and flexible”; “performing and improving”; “diverse and inclusive”; and “caring and supportive”;
- promoting strategic workforce planning at the global, functional and country levels in order to identify the skills required to deliver the people strategy and to implement action plans aimed at bridging any skill gaps; and
- supporting implementation of WFP’s new corporate staffing framework for guiding managers on which contract modalities to use in various circumstances, including modalities that help the organization to meet its short-to-medium-term needs while providing competitive and fair employment conditions for employees currently on short-term contracts.

Management result 3: Engage in effective partnerships

155. Management result 3 refers to the ongoing efforts to engage in effective partnerships at all levels – global, regional, national and local – for the design and implementation of WFP policies, programmes and projects and to support partners in their efforts to achieve their objectives.
156. WFP systematically seeks to strengthen collaboration and achieve coherence and greater synergies with all partners on the humanitarian–development–peace nexus and to promote the interests of the crisis-affected communities it serves. During 2023 WFP will continue to engage early and regularly with partners including governments, other United Nations entities, IFIs, NGOs, private sector entities and community-based and civil society organizations. WFP’s engagement, including its support for United Nations development system reform, will support governments’ efforts to achieve the SDGs. Management result 3 accounts for 18 percent of the baseline budget, or USD 136.7 million; more than half of that funding is assigned to activities under pillar D (advocacy, partnerships, fundraising and United Nations coordination), primarily to support core functions at the country office level not directly attributable to operations. These activities are funded through the PSA budget and reflect the importance of partnerships as a basic representational function.

Management result 4: Effective funding for zero hunger

157. Management result 4, on ensuring effective funding for the achievement of zero hunger, focuses on maintaining a strong funding base for WFP, ensuring the effective and efficient planning and allocation of resources for the organizational priorities of strategic importance and the successful leveraging of programmatic support for development-related activities.
158. WFP will build on the results achieved under the previous strategic plan and CRF, which covered the period 2017–2021, and on its ongoing dialogue on sustained financing by advocating multiyear and flexible financing but will continue to recognize the value of all contributions. Over the past five years WFP has boosted the transparency of and accountability for its expenditures and expanded its work with a range of actors. Looking ahead, WFP will improve mechanisms for making its operations more efficient, for example by exploring innovative financing mechanisms. To finance multisectoral, integrated programmes, WFP will seek to diversify its funding sources by increasing fundraising from private sector businesses, foundations and individuals, thematic funds and United Nations funding instruments and fostering joint approaches with IFIs (see section II for more detail). Thirteen percent of the baseline budget, or USD 99.7 million, is allocated to management result 4, with more than half of that amount assigned to activities under pillar D (advocacy, partnerships, fundraising and United Nations coordination).

Management result 5: Evidence and learning

159. The strategic plan firmly commits WFP to the collection and use of robust, timely and relevant evidence throughout its programme cycle. The evaluation, innovation and knowledge management and audit functions play important roles in the timely generation and dissemination of evidence to inform organizational learning. Overall, USD 103.3 million is allocated to activities under management result 5 in 2023, representing 14 percent of the baseline budget. Significant amounts of that funding are assigned to pillar B (business services), pillar C (policy, guidance and quality assurance) and pillar E (governance and independent oversight).
160. The most prominent activities under the evidence and learning management result will be intended to:
- implement the 2022 evaluation policy and the evaluation function workplan for 2023–2025 detailed in annex III;
 - enable effective knowledge management to ensure that knowledge, good practices and crucial learning regarding WFP interventions and new solutions are effectively identified, stored, shared and scaled up;
 - strengthen disaster risk management and improve access to insurance products in Africa by enhancing the ability of African Union member states to anticipate, plan for and respond to natural disasters in an efficient and effective manner; and
 - strengthen capacity and systems needed to ensure high quality field monitoring to enhance implementation, including for country office efforts to track progress and inform decision making.

Management result 6: Leverage technology

161. Activities under management result 6 ensure that digital transformation remains a priority in supporting the vision underlying WFP's new strategic plan, which stresses the importance of implementing accessible digital solutions to improve decision making and safeguarding beneficiary data collection and information management activities. Building on its tradition of embracing technology in support of operations, WFP has committed to becoming a digitally enabled and data-driven organization by investing in new technology and data. In addition, WFP will obtain more and better data for decision making and develop improved technology support for beneficiary management. Nine percent of the baseline budget, or USD 66.0 million, is allocated to management result 6, with nearly 80 percent of that amount assigned to pillar B (business services).
162. The main activities under management result 6 are intended to:
- ensure that WFP personnel around the globe have uninterrupted, secure and reliable access to WFP's networking resources and corporate platforms, including through the extension of connectivity services to beneficiaries and third parties where possible;
 - operationalize and enable a full data value chain by collecting and integrating data sources, visualizing data and drawing insights for decision making, promote data literacy and community building and assess obstacles to effective data access and use;
 - deliver fit-for-purpose technological solutions that strengthen WFP's capacity to meet increasing demand and improve collaboration, agility and value to the organization; and
 - create, develop and implement WFP's digital transformation, including the scale-up of DOTS pilots, to address and deliver business-critical needs.

Management result 7: Leverage innovation

163. The leveraging of innovation encompasses activities that explore and implement cutting-edge innovations in WFP's business models and processes. Three percent of the baseline budget, or USD 18.7 million, is assigned to management result 7. More than 70 percent of that amount is dedicated to activities under pillar A (strategy and direction) and pillar C (policy, guidance and quality assurance).
164. As stated in the strategic plan, "WFP has a longstanding culture of innovation and the conditions are in place to scale the innovations that will help those furthest behind. Piloting, implementing and scaling new ideas lie at the heart of WFP's innovation work, which spans its entire footprint and operations ranging from predictive analytics, supply chain, food systems, support to smallholders and cash-based transfers to innovative financing to change lives".⁵⁰ Technology and innovation are central to WFP's operations in emergency and non-emergency settings because they enable the organization to respond to new challenges and problems while maximizing limited resources. WFP will continue to explore and implement pioneering innovations and new technologies such as artificial intelligence, blockchain, biotechnology, cutting-edge computing and robotics to enable humanitarians to deliver on their mandates more effectively while ensuring equitable benefits and results.

Efficiency gains

165. Efficiency is a core value for WFP and has become increasingly critical as WFP's funding is insufficient to assist the increasing number of people facing hunger. Every dollar saved allows WFP to reach more hungry people with food assistance. Over time, WFP has modified and refined its business practices and policies in the pursuit of greater efficiency.
166. Currently WFP is promoting efficiency through two main workstreams:
- *Internal WFP initiatives* aim to pursue efficiency within WFP's own operations and in the enabling services that support those operations.
 - *Inter-agency initiatives* contribute to the United Nations development system reform objectives of establishing unified business operation strategies, common back offices and shared services among United Nations entities.
167. In line with the United Nations Development Coordination Office's definitions, efficiency gains relate to the reduction of costs associated with a given task and are quantifiable in monetary terms. They consist of cost efficiencies and time efficiencies.
168. All efficiency gains are generated by, and linked to, local-level entities, programmes and projects that are related to WFP activities. The end result is that more resources are made available for programme and project implementation at the local level. For example, use of the Global Commodity Management Facility (GCMF) results in shorter procurement lead times and lower food prices than can be achieved through conventional procurement, and the amount saved is available to fund WFP programmes.
169. In addition, WFP may generate efficiency gains for the broader United Nations system through mechanisms such as the United Nations booking hub. The hub was established by WFP to manage its own accommodation arrangements and was later extended to cover the contracting of WFP drivers. As a result of their success, both solutions were adopted by other United Nations entities, which achieved time and cost efficiencies.

⁵⁰ "WFP strategic plan (2022–2025)" (WFP/EB.2/2021/4-A/1/Rev.2).

170. In 2023 WFP will seize opportunities to achieve additional efficiencies through the structural reorganization of its business model through a proposed CCI. The CCI aims to address overlaps and duplication in the provision of support to country offices at the global, regional and local levels. Another area prioritized for the achievement of potential efficiencies is global shared services. For example, by automating more than 50,000 payments a year, the global beneficiary payment solution would enable efficiencies through reduced lead times and more efficient processes for assessing risks and monitoring financial service providers. WFP will continue to report to the Board on each year's top ten efficiency gain initiatives in the annual performance report.

Employee and non-employee baseline budget for 2023

	Employee	Non-employee	Total 2023	Total 2022	% increase
Recurring	488.2	197.5	685.7	584.0	17
One-time	33.6	33.3	66.9	48.8	37
Total	521.8	230.8	752.6	632.8	19

171. Table IV.5 shows the 2023 baseline budget split between employee and non-employee costs and between recurring and one-time costs. The higher percentage increase in one-time costs is driven by the USD 17.6 million increase in the CCI budget.
172. Employee costs cover all employees irrespective of contract type and location, while non-employee costs cover all other expense categories.⁵¹ Employee baseline costs account for 69 percent of the total baseline budget for 2023, a slight drop from 71 percent in 2022. Baseline fixed-term staff account for USD 423.0 million, or 56 percent of the total baseline budget.
173. Table IV.6 compares WFP's post count for 2023 and 2022 baseline activities, by post category. The total planned number of posts in the proposed 2023 baseline budget is 4,258, compared with 3,792 in 2022, an increase of 12 percent. The greatest number of staff are in the "professional and higher" category, which increases by 23 percent. Short-term professional staff show a decrease of 27 percent, and consultants an increase of 10 percent, a lower percentage than the overall increase. These planned changes reflect WFP's shift to more stable contract types in 2023. The increase of 32 percent in temporary assistance, while high, involves relatively few employees. The growth in short-term employees reflects the ongoing need for temporary employees to implement onetime activities, especially when specific expertise is required, and to support surges in the volume of activity.

⁵¹ Non-employee costs include overtime, duty travel, training, rental of premises and equipment, utilities, cleaning and maintenance, office supplies and expenditures, communications and IT services and equipment, IT per capita, insurance, vehicle leasing and operation, hospitality, services from other United Nations entities, contributions to other United Nations entities, governing bodies, legal services and others.

TABLE IV.6: BASELINE ALLOCATION BY EMPLOYEE POST COUNT			
Post category	Total 2023	Total 2022	% change
Professional and higher	1 542	1 253	23
General service	548	489	12
Local staff (national officers and general service in regional bureaux and country offices)	788	779	1
Fixed-term subtotal	2 878	2 521	14
Professional and higher (short-term)	104	142	(27)
General service (short-term)*	37	37	1
Consultants	1 025	930	10
Temporary assistance**	214	162	32
Short-term subtotal	1 380	1 271	9
Total	4 258	3 792	12

* This excludes general service staff in regional bureaux and country offices, who are included in the "local staff" category.

** This comprises people engaged globally as short-term local staff, daily consultants, service contractors, interns, volunteers, and others engaged under similar arrangements.

Programme support and administrative budget

Overview

174. This section outlines the proposed PSA budget for 2023 and the rate charged for ISC. The PSA budget is a subset of the baseline budget described above. It provides essential programme and administrative support for WFP's operations, in compliance with the organization's governance and fiduciary responsibilities.
175. The funding for the PSA budget is derived from amounts that are recovered from contributions to cover ISC. The ISC rate is approved by the Board each year. Management proposes that the rate be maintained at 6.5 percent in 2023, subject to specific exceptions for a reduced 4 percent rate subject to conditions that have previously been approved by the Executive Board.
176. Management proposes a 2023 PSA budget of USD 576.3 million. That figure takes into consideration the operational needs and provisional implementation plan of USD 12 billion described in section III.
177. Table IV.7 presents an overview of the proposed PSA budget for 2023 by appropriation line.

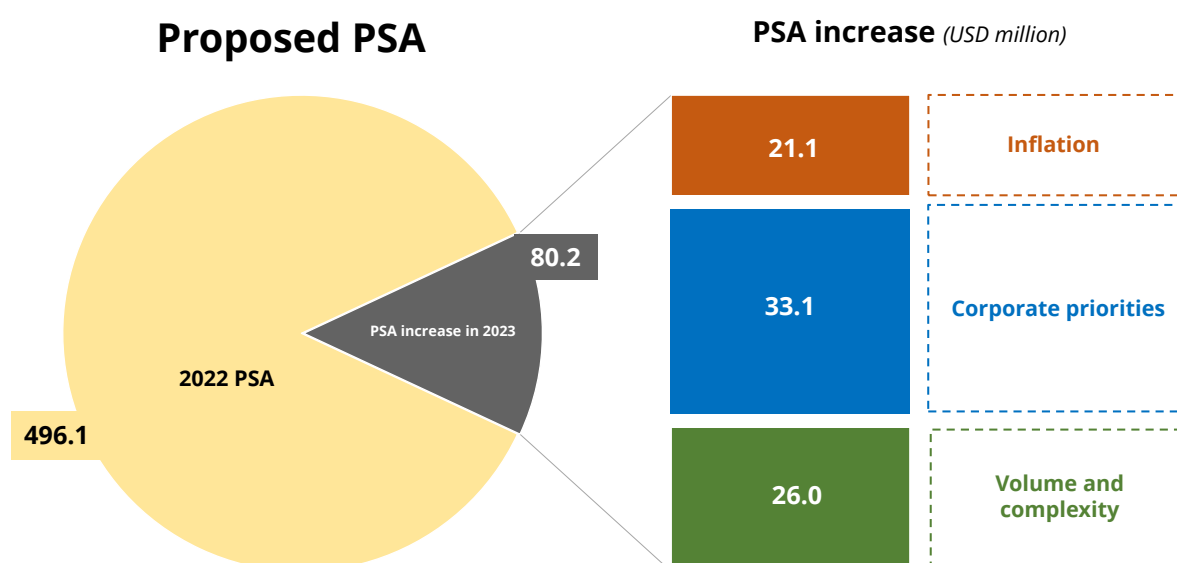
TABLE IV.7: PSA BUDGET BY APPROPRIATION LINE (USD million)	
Appropriation line	Total 2023
Strategy and direction	113.7
Services to operations	293.3
Governance, independent oversight and fundraising	169.3
Total	576.3

Changes in the programme support and administrative budget between 2022 and 2023

178. Although WFP's global contribution forecast is projected to increase by 31 percent (from USD 8.4 billion in 2022 to USD 11 billion in 2023) and the provisional implementation plan is projected to increase by 41 percent (from USD 8.5 billion in 2022 to USD 12 billion in 2023), the 2023 PSA budget increase of USD 80.2 million is an increase of only 16 percent. This reflects WFP's adoption of a prudent budget planning approach aimed at ensuring efficient and effective support for the projected level of operations while ensuring that the PSA budget can be covered from projected ISC income.

179. Figure IV.2 shows the main drivers of the proposed increase in the PSA budget for 2023.

Figure IV.2: The proposed 2023 PSA budget increase



180. A substantial portion of the 2023 proposed PSA increase of USD 80.2 million derives from the global economic outlook, over which WFP has no control. The world economy has entered a phase of heightened inflationary pressure that is expected to persist in 2023. Current estimates of global annual inflation are 9.2 percent for 2022 and 5.7 percent for 2023. In the Eurozone countries, inflation is estimated at 7.3 percent for 2022 and 3.6 percent for 2023⁵². Increases in WFP's budget due to inflation are tempered somewhat by the strengthening of the United States dollar. The net impact of inflation in the proposed PSA budget is a 4 percent increase.

181. The largest portion of the proposed PSA increase reflects how WFP intends to address and invest in its corporate priority areas, "effectiveness in emergencies", "people management", "evidence and learning" and "leverage technology", as well as in addressing significant and critical risk areas not covered by the four prioritized management results. The budget for these activities accounts for approximately 6 percent of the 2023 PSA budget.

182. The increase of USD 3.5 billion in the provisional implementation plan between 2022 and 2023 reflects an increase in the volume of WFP operations while the context in which WFP is operating has increased the complexity of its work. The additional costs related to the increase in volume and complexity drives up the budget by 5 percent.

⁵² Global Outlook of the Economist Intelligence Unit (EIU) – August 2022

Inflation

183. Approximately USD 21.1 million of the overall increase in the 2023 proposed PSA budget is attributed to inflation. This includes four inflationary components: 6 percent inflation of staff costs; 3 percent inflation of non-staff costs; an exceptional increase in headquarters energy costs; and a contingency fund for country offices.
184. For the euro component of the costs incurred at headquarters and global offices, WFP makes a forward purchase of the projected euro amounts to provide greater certainty regarding the United States dollar value of euro denominated expenditures. The strengthening of the United States dollar against the euro partially offsets increases related to inflation.

Standard position costs

185. The international professional and general service staff positions proposed in the PSA budget are costed using standard rates. Those rates are recalculated each year to reflect the actual costs of employing staff members at each grade and location, including the costs of staff entitlements, benefits and allowances, and the anticipated exchange rates for euro-based expenditures. The standard position costs for 2023 are based on the actual costs in 2021, increased to reflect inflation and accruals for after-service costs, based on an actuarial estimate, and security costs, staff wellness costs and termination indemnities.
186. To compensate for the underestimated inflation rate of only 2 percent for staff costs in the PSA budget for 2022, the 6 percent inflation rate applied in the 2023 budget is higher than the forecast 2023 inflation rate.
187. A comparison of the total costs for staff in the 2023 PSA budget using the 2022 standard position costs and the total costs for staff using the 2023 standard position costs shows an increase of USD 10.9 million.
188. For 2023 the reassignment cost for PSA-funded positions, which had been funded from a separate provision under central appropriations since 2008, has been moved to the standard position cost rates. This technical budgetary change provides consistency with the calculation of non-PSA rates and does not affect the overall 2023 PSA budget amount.
189. Long-term employee benefit liabilities include costs incurred under the after-service medical plan, the separation payment scheme, the staff compensation plan and other separation-related benefits. At its 2010 annual session the Board approved USD 7.5 million of annual incremental funding for employee benefit liabilities for a period of 15 years in view of projections suggesting that such funding should be provided in order to achieve full funding of long-term employee benefit liabilities. At the end of 2021 the assets-to-liabilities ratio was 108 percent; however, the ratio had dropped to 86 percent as of 30 June 2022 due to rising global interest rates, higher inflation expectations and the increasing risk of stagflation affecting high-risk assets. As a consequence, USD 7.5 million to fund employee benefit liabilities continues to be included in the standard position costs.

Non-staff costs

190. Aligned with estimated inflation in the eurozone, non-staff costs inflation of 3 percent amounts to approximately USD 5 million. This is spread across all non-staff-related costs in the proposed 2023 PSA budget.

Energy costs for office facilities

191. An exceptional increase in the cost of electricity and gas of approximately USD 3.2 million for WFP headquarters has been factored into the 2023 PSA budget. WFP's current utility contracts will expire in the last quarter of 2022 and suppliers have informed it that rates will be significantly higher in 2023. The increase also takes into account the cost of occupying additional

office space in Rome in early 2023 and efforts to reduce energy consumption such as optimizing the air-conditioning temperature during the summer months.

Country office contingency fund

192. The country office PSA budget has been increased by USD 2 million to meet unforeseen increases in support costs incurred at the local level because of potential decreases in host government contributions, rampant inflation and the widening funding gap, which jeopardize country offices' ability to cover their fixed costs, especially in the case of smaller country offices. This contingency fund, managed by the Operations Management Support Office, will be allocated to countries as needed throughout the year to address exceptional budget shortfalls.

Corporate priorities

Effectiveness in emergencies

193. During 2023 the emergency preparedness and response function will focus on strengthening existing expertise and will further develop field staff capacity to adapt to evolving needs. In this context, a PSA budget allocation of USD 5.1 million for the Emergency Operations Division will reinforce the division's leadership role in coordinating emergency workforce planning and deployment, including by institutionalizing the rapid response team and the Young Emergency Talent Initiative, creating emergency response job profiles, redesigning the emergency response roster and improving training; the 2023 PSA allocation will also address the need for normative guidance, deploying expertise to the field and maintaining WFP's civilian-military coordination capabilities.
194. To maintain the flexibility and capacity to respond to emergencies, additional PSA will be allocated to augment the planning, management and deployment of supply chain staff. This will ensure a structured recruiting process and the development of staff capacity through field assignments for succession planning.
195. The scale-up of WFP's humanitarian operations has added to the security challenges faced in remote field locations. To mitigate those growing security risks, the PSA budget for field security has been increased by USD 1.8 million to build the strategic and technical leadership skills of country security officers and to recruit additional field security officers for deployment at the subregional level.
196. With the main objective of supporting country offices in bridging funding gaps during emergencies, and given the substantial growth in WFP's programme of work and the increases in strategic financing facilities, a PSA allocation of USD 0.8 million will be invested in adding staff capacity to manage the increase in volume, improve data analysis for decision making and streamline processes for strategic financing facilities.

People management

197. *Implementation of the staffing framework:* In accordance with the prioritization of management result 2, people management, a significant increase in the 2023 PSA budget is for the implementation of the WFP people policy. WFP will continue to improve the contractual conditions of its employees, especially those who have been performing essential functions for several years yet remain on short-term professional and consultancy contracts. Within the PSA budget, the number of fixed-term professional full-time equivalent positions will grow by 275. An estimated 185 new fixed-term positions will be created through the conversion of short-term and consultancy positions, at a cost of approximately USD 11 million. The departments planning to convert the highest proportions of short-term professional and consultant contracts to fixed-term professional contracts in 2022 will see the highest increase in the PSA budget to reduce inequities in contract types by department and division.

198. *Strengthen recruitment, promotion and staff development:* In 2023 USD 4.5 million from the PSA budget will be allocated to the augmentation of WFP's operational capacity, primarily for managing corporate recruitment and contracting services to better meet WFP's growing staff requirements. In addition, WFP functions will be provided with specialized support for their learning needs and programmes (functional learning) and for the development of global learning programmes and other initiatives on cross-cutting skills.
199. The PSA budget for 2023 includes funding for the roll-out of strategic workforce planning and the implementation of related divisional action plans. Work will include the establishment of departmental or divisional workforce management units to design and implement professional development programmes and develop tailored tools and a succession plan that builds and equips the workforce to operate in a complex and rapidly evolving environment.
200. A new central appropriation budget line of USD 0.4 million relates to the implementation of the WFP policy on reasonable accommodation for persons with disabilities, which was approved through an Executive Director's circular in February 2022. The 2023 budget will cover the costs of implementing approved reasonable accommodation allowances for employees, recurring costs for the reasonable accommodation request management system and resources for managing the corporate process and related efforts.

Evidence and learning

201. A PSA allocation of USD 2.4 million to the Programme and Policy Development Department will be used for strengthening field monitoring activities, in particular staff, system and structures for addressing critical risks. This will reinforce the use of robust, timely and relevant evidence throughout the programme cycle.
202. The Management Department will continue to focus on methodologies for supporting corporate and field risk management. With a PSA allocation of USD 0.4 million, the Department will fund specific activities related to corporate and field risk management support and management oversight and accountability.
203. With WFP's important investment in evaluation and the resulting increase in the number of evaluations, an additional PSA budget allocation of USD 0.4 million is proposed for the resulting increase in the work of following up on evaluations.
204. A PSA allocation of about USD 0.4 million will support the integration of gender into data collection and analysis, including with regard to intra-household and qualitative data, and ensure that the CRF and country-level results encompass WFP's work in gender as a crosscutting element of the strategic plan.

Leverage technology

205. WFP is a recognized leader in technology and data and has identified them as enablers of its new strategic plan. In 2023, USD 3.0 million will fund an activity initiated in 2022 to operationalize the full data value chain (collecting and integrating data sources, visualizing data and generating insights for decision making). This activity also includes improving data governance at scale by reviewing, recommending and overseeing the implementation of data governance for digital solutions and data products and platforms.
206. Inherent cyber risks are ever present and growing by the day. In 2023 both the vulnerability management and incident response programmes will expand to cover a greater range of IT assets, including more that are based in the cloud, and to continuously scan WFP's networks and assets for cyber risks and threats. Work will centre on maturing the frameworks used in performing assessments and rolling out technologies that provide better protection of applications and advanced encryption of sensitive data.

Mitigating corporate risks

207. The 2023 PSA increase also reflects the commitment to address risks. In particular, risks and controls around NGO management and beneficiary management as other significant risks and control issues have been prioritized through the respective management results.
208. A PSA allocation of USD 1.6 million in 2023 is planned for strengthening cooperating partner management, a critical area for which a one-time investment is also budgeted in a CCI. The funds will be used to add staff capacity to the NGO Partnerships Unit and regional bureaux to strengthen their role in supporting country offices; provide training to regional bureau and country office staff; support change management and the roll-out of end-to-end digitalization of cooperating partner management processes.
209. USD 1.4 million is being budgeted for strengthening beneficiary management through improved delivery and assurance services and enhanced business processes. This includes the management of the service catalogue; CBT subject matter experts and business analysts; and advisory services for identity management. In this context policy and normative guidance, including on cash for people in crises, identity management norms and standards, and normative coherence, will be further developed.

Volume and complexity

210. Key drivers of the budget increase are the continued growth in the size and complexity of WFP's operations in response to the rise in global hunger. This requires WFP to expand the breadth and depth of its partnerships, maintain flexibility and agility in its programmatic responses and manage greater strategic, fiduciary and operational risks.
211. The increased complexity, scale and number of operational responses affects the work of all WFP divisions and regional bureaux. This is seen for example in the impact on the fundraising, resource management and legal functions of having more contributions to record, allocate and spend, as well as new and often more complex donor agreements to design and implement; challenges facing the procurement, programme, resource management and legal functions in expanding the number of suppliers; a need for regional bureaux and programme functions to implement new strategic and operational partnerships and increase the reach of programmes and strengthen monitoring; and greater demands in respect of information (in terms of both type and timeliness) for supporting outreach, advocacy, fundraising, transparency and accountability, which affect all units that generate, compile, analyse and present data.
212. The volume and cost of operations has a tangible impact on WFP's portion of United Nations cost-shared budgets, which are expected to increase by approximately USD 1.7 million in 2023. This cost is budgeted for in the 2023 central appropriations. United Nations jointly financed bodies include the Chief Executives Board for Coordination, the International Civil Service Commission, the Joint Inspection Unit of the United Nations System and the Department of Safety and Security (DSS). The cost increase is dictated mainly by the cost drivers used in the calculation of the cost of United Nations jointly financed bodies, which are the number of positions and the level of expenditure.
213. With the significant increase in the size and complexity of the WFP programme of work and contribution revenue, the Management Department will further strengthen budget management and governance processes, with adequate capacity and specialized expertise to provide the support needed for increasing WFP resources and addressing funding gaps. This PSA activity is valued at USD 0.9 million.

Central appropriations

214. The proposed central appropriations budget for 2023 is USD 32 million, which is USD 3.3 million or 11.5 percent more than the 2022 budget.
215. To improve the presentation and comparability of the central appropriations budget, a new categorization of budget lines has been made and is shown in table IV.8 below for 2022 and 2023. The “corporate inter-agency positions and union” budget line has been removed and the following two new lines have been added:
- The “partnership activities (United Nations/non-United Nations)” budget line includes costs relative to inter-agency positions and contracts, which were previously included in the “corporate inter-agency positions and union” line.
 - The “United Nations staff unions” line accounts exclusively for staff positions under pillar D, which were previously included in the “corporate inter-agency positions and union” line.

In addition, the former budget line “others” has been renamed “other United Nations fees”. This category includes USD 0.3 million for the new United Nations ID project, which aims to solve data fragmentation and data transportability challenges across United Nations organizations.

216. In the partnership activities (United Nations/non-United Nations) budget line, an increase of USD 3.0 million is planned for 2023 to cover the costs of increasing the number of staff secondments and non-staff contributions to WFP’s strategic partnerships, including the Farm to Market Alliance, a public–private sector initiative that promotes collaboration between producers and other agri-related businesses, and an agreement with the International Committee of the Red Cross on enhancing cooperation in the attainment of WFP’s strategic objectives.
217. Other notable changes are as follows:
- Following the cancellation of the 2021 global management meeting, the PSA allotment for 2021 was used to cover the cost of the meeting in 2022. The budget for the 2023 meeting is at the same level as the budget for 2021.
 - Reassignment costs, which accounted for USD 3.5 million in 2022, were removed from the central appropriations budget and are included in the standard position cost rates for 2023 in order to maintain consistency with the calculation of non-PSA standard position cost rates.
 - A new budget line of USD 0.4 million for “disability inclusion” has been added, in accordance with WFP’s commitment to ensuring that its programmes reach persons with disabilities.

218. Table IV.8 provides a comprehensive list of 2023 central appropriations compared with 2022.

TABLE IV.8: CENTRAL APPROPRIATIONS FOR STATUTORY REQUIREMENTS AND OTHER CENTRALLY MANAGED COSTS (USD million)			
	2023	2022	% difference
Pillar A: Strategy and direction	1.8	0.9	103
Chief Executives Board for Coordination	0.7	0.4	61
Global management meeting	0.6	0.0	100
Recruitment costs	0.4	0.4	12
Senior management and alumni network	0.1	0.1	10
Pillar B: Business services	19.6	20.9	(6)
Emergency medical evacuation	0.2	0.2	10
International Civil Service Commission	1.1	0.8	43
Insurance and legal fees	2.7	2.1	27
Programme Criticality and Standing Committee on Nutrition	0.4	0.5	(14)
Services from other agencies	0.7	0.5	36
Reassignment costs	0.0	3.4	(100)
Staff awards, settlement and survey	0.4	0.4	0
WFP DSS cost share	13.7	13.0	6
Disability inclusion	0.4	0.0	100
Pillar D: Advocacy, partnerships, fundraising and United Nations coordination	8.2	4.7	72
Partnership activities (United Nations/non-United Nations)	4.4	1.4	214
Resident coordinator system cost-sharing and assessment centre	2.7	2.6	7
United Nations agencies' legal fees	0.2	0.2	9
Other United Nations fees	0.5	0.1	245
United Nations staff unions	0.4	0.4	0
Pillar E: Governance and independent oversight	2.4	2.2	9
Independent Oversight Advisory Committee	0.2	0.2	0
External Audit	0.4	0.4	0
International Aid Transparency Initiative membership fee	0.2	0.2	0
Advisory services	0.1	0.2	(69)
Joint Inspection Unit	1.5	1.2	29
Total	32.0	28.7	11

2023 organizational structure of the Secretariat

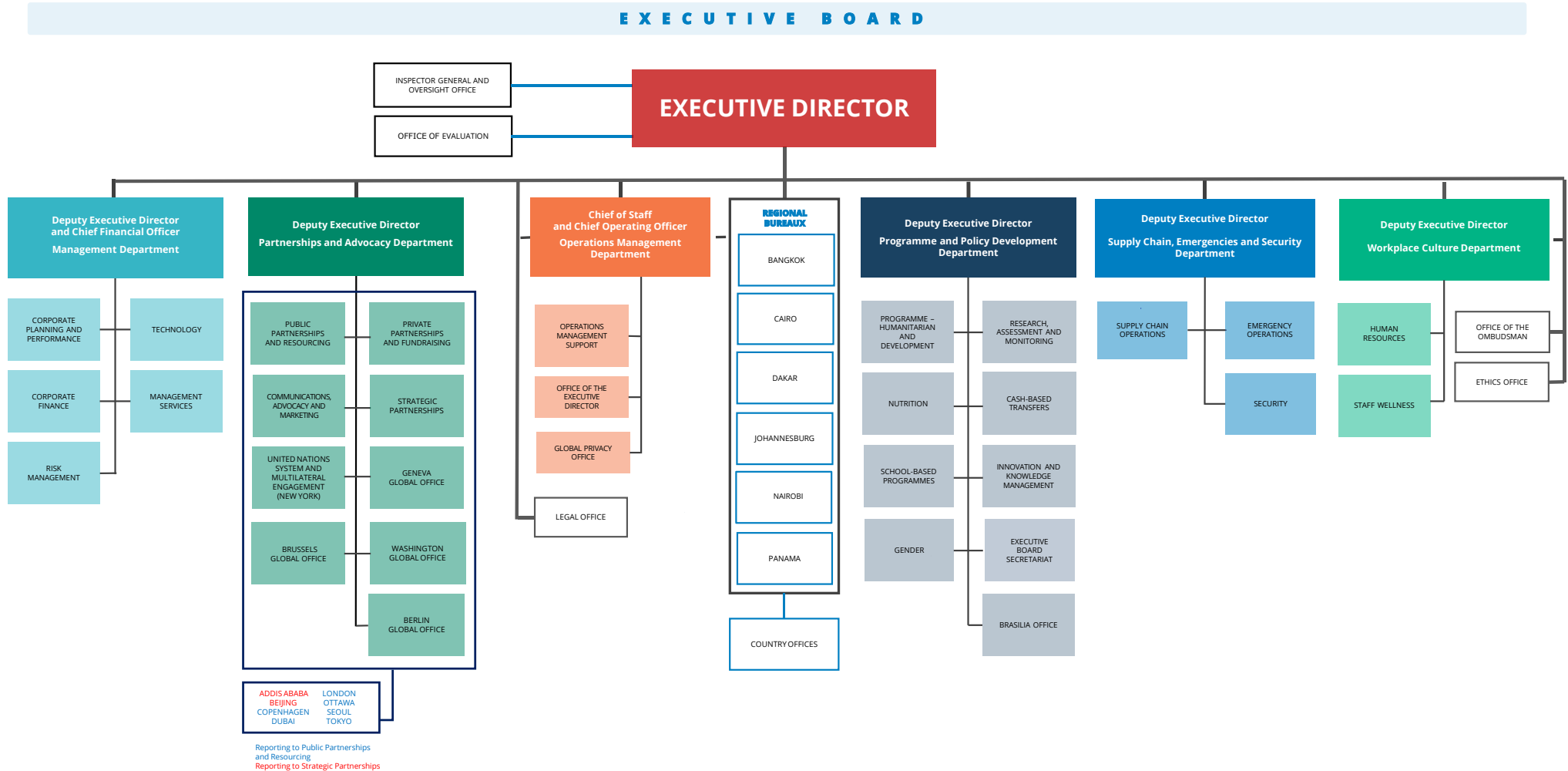
219. As shown in figure IV.3, WFP's organizational structure is headed by the Executive Director and is divided into six interrelated areas: the Workplace Culture Department, the Management Department (formerly referred to as the Resource Management Department), the Programme and Policy Development Department, the Supply Chain, Emergencies and Security Department (formerly the Office of the Deputy Executive Director), the Operations Management Department (formerly the Office of the Chief of Staff) and the Partnerships and Advocacy Department. With the exception of the Operations Management Department, which is headed by the Chief of Staff, the other five departments are headed by a Deputy Executive Director. Work in the six areas will enhance strategic collaboration in headquarters and support for the field through the delivery of refined global policies and strengthened quality control and oversight activities.
220. A structural change introduced in the current management plan is the move of the Executive Board Secretariat Division from the former Office of the Deputy Executive Director to the Programme and Policy Development Department. The change is reflected in the 2023 summary tables and retroactively applied to all the 2022 summary tables presented in this management plan.

Figure IV.3: Organizational structure of the Secretariat

UPDATED: 4 Aug 2022



WFP ORGANIGRAM 2023



221. Table IV.9 shows the proposed 2023 PSA budget by department compared with the 2022 PSA budget.

TABLE IV.9: PSA ALLOCATIONS BY DEPARTMENT (USD million)						
	2023 PSA budget	Inflation	PSA budget before inflation	2022 PSA budget	USD value difference	% change
Country offices	48.4	4.8	43.6	43.0	0.6	1
Regional bureaux	116.4	4.7	111.7	105.3	6.5	6
Headquarters	379.5	11.5	368.0	319.1	48.8	15
Operations Management Department	9.6	0.2	9.4	9.1	0.3	3
Divisions reporting to the Executive Director	49.6	1.0	48.6	45.0	3.6	8
Supply Chain, Emergencies and Security Department	63.6	1.5	62.1	47.4	14.7	31
Partnerships and Advocacy Department	65.7	1.3	64.4	58.7	5.7	10
Programme and Policy Development Department	64.1	1.5	62.6	52.1	10.5	20
Management Department	90.1	5.3	84.8	76.9	7.9	10
Workplace Culture Department	36.8	0.7	36.1	29.9	6.2	21
Central appropriations	32.0	0.1	31.9	28.7	3.2	11
Total	576.3	21.1	555.2	496.1	59.1	12

Non-inflationary increases by organizational unit

222. Table IV.9 above shows the proposed 2023 PSA budget of USD 576.3 million by organizational unit, the impact of inflation across the organizational units and the 2023 PSA by department, excluding inflation. The 2023 PSA budget excluding inflation is compared to the 2022 PSA budget to reflect budgetary allocations related to corporate priorities and volume and complexity.

Country offices

223. The country office PSA budget is designed to support core functions that are not directly attributable to operations. For each country office, the PSA budget covers the country director position, a national staff assistant for the country director, a driver and essential office running costs. The country office allocation for 2023 shows an increase of USD 0.6 million to cover an allocation to the Ukraine country office that was not included in the 2022 management plan.

Regional bureaux

224. The regional bureaux represent the first line of support for country offices, assisting them in the implementation of strategies and policies at the operational level and ensuring management effectiveness, operational oversight and coherence. The 2023 PSA budget for the regional bureaux includes the strengthening of regional strategies, the implementation of corporate guidance, surge capacity and coordination with regional bodies. The regional bureau PSA budget for 2023 net of inflation is USD 111.7 million, 6 percent higher than in 2022. The smallest increase is 3 percent, for the Regional Bureau for Western Africa. The most significant

increases are for the Regional Bureau for Asia and the Pacific (12 percent) and the Regional Bureau for the Middle East, Northern Africa and Eastern Europe (7 percent), with focused initiatives and efforts aimed at strengthening country office technical support and coordination. Those two regions also account for the highest percentage increases in operational requirements.

Headquarters

225. The headquarters PSA increase in 2023 is USD 48.8 million, or 15 percent over 2022. Notable changes from 2022 for the various departments are described below. Decisions about increases in PSA allocations were largely consistent with 2023 budget priorities, favouring primarily effectiveness in emergencies, people management, evidence and learning, leveraging of technology and addressing risks, while also providing additional capacity for the increase in volume and complexity of operations and the operating environment.
226. As shown in table IV.9 above, the three organizational units with the largest absolute increases in the 2023 PSA budget (excluding inflation) compared with 2022 are the Supply Chain, Emergencies and Security Department, the Programme and Policy Development Department and the Management Department. The increases in these three departments accounts for 61 percent of the increase in the headquarters budget.
227. The Supply Chain, Emergencies and Security Department will benefit from additional PSA funding for surge capacity, field security and workforce planning. This department also has the highest proportion of planned conversions of short-term professional and consultancy contracts to fixed-term professional contracts.
228. The additional PSA for the Programme and Policy Development Department is expected to fund, among other things, efforts to address weaknesses in field monitoring, cooperating partner management and beneficiary identity management. This department has the third largest share of planned conversions of short-term positions and consultancies to fixed-term professional positions.
229. The increase in PSA funding for the Management Department will fund efforts to strengthen budget governance to fulfil the objectives of the BUSBE and ensure that the department continues to act as an enabler through the implementation of accessible digital solutions that improve decision making. The department has the second largest share of planned conversions of short-term positions and consultancies to fixed-term professional positions.
230. The 21 percent increase in PSA funding for the Workplace Culture Department will, in particular, provide capacity for coordinating and monitoring the roll-out of strategic workforce planning, managing recruitment and promotion processes and ensuring adequate funding for staff development.

Budget by organizational level and object of expenditure

	2023 plan				2022 plan			
	Employees		Non-employee costs	Total	Employees		Non-employee costs	Total
	Staff*	Other employees			Staff*	Other employees		
Country offices	28.8	5.0	14.6	48.4	26.5	5.4	11.1	43.0
Regional bureaux	63.2	36.4	16.8	116.4	58.9	33.1	13.3	105.3
Headquarters	266.0	53.4	60.1	379.5	213.2	51.4	54.5	319.1
Central appropriations	2.9	–	29.1	32.0	1.1	–	27.6	28.7
Total	360.9	94.8	120.6	576.3	299.7	89.9	106.5	496.1

* Staff category now includes temporary assistant unit costs and is retroactively applied to 2022 for comparative purposes.

231. As in previous years, staff costs include the cost of international professional staff and general service staff based in Rome, as those categories of staff are budgeted using standard position rates. The increase in PSA staff costs from USD 299.7 million in 2022 to USD 360.9 million in 2023 is due to the higher number of positions in those categories and an increase in standard position rates.
232. In line with the WFP people policy and the strategic workforce planning initiative, WFP will continue to improve the contractual conditions of its employees, especially those who have been performing essential functions for several years but remain on short-term contracts. This commitment has resulted in increased costs associated with the shift of positions from short-term professional and consultancy contracts to fixed-term professional contracts.
233. Table IV.11 shows the number of positions in the PSA budget by organizational level – country offices, regional bureaux, headquarters and central appropriations – and by category, as approved in 2022 and projected for 2023. Compared with 2022, an additional 303 staff positions are planned for 2023, of which 94 percent are in headquarters. Short-term professional positions will decrease by 29 percent, in line with WFP’s commitment to providing more stable, long-term contracts to its core staff.

TABLE IV.11: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET BY ORGANIZATIONAL LEVEL (POST COUNT)*														
	2023 plan							2022 plan						
	Professional and higher	Professional and higher (short-term)	Consultants	General service	Temporary assistance	National	Total positions	Professional and higher	Professional and higher (short-term)	Consultants	General service	Temporary assistance	National	Total positions
Country offices	83					171	254	81		1			175	257
Regional bureaux	260	3	118		62	366	809	255	11	118		39	371	794
Headquarters	1 042	74	545	498	113	126	2 398	781	99	571	446	112	105	2 114
Central appropriations	12			1			13	5			1			6
Total	1 397	77	663	499	175	663	3 474	1 122	110	690	447	151	651	3 171

* Post count is FTE = number of full-time equivalent staff member and non-staff employee.

Gender equality and women's empowerment

234. Investment in gender equality and women's empowerment will be guided by WFP's recently updated gender policy⁵³ and its associated implementation plan. The policy update was informed by the independent evaluation of WFP's gender policy for 2015–2020,⁵⁴ which confirmed the appropriateness of WFP's strategic approach while observing that overall progress was challenged by human and financial resource investments that fell short of the organizational commitment to policy implementation. The evaluation recommended that WFP embed gender actions more systematically within country-level policy and programming dialogues, reviews and country strategic plans; identify strategies for mobilizing consistent financial and human resources for gender equality, such as the establishment of a cadre of professional gender advisers; and launch a high-level gender equality and women's empowerment steering group to strengthen accountability for policy implementation.
235. The policy positions CSPs as the key entry points for advancing WFP's high-level commitments to accelerating progress towards gender equality in each country where it operates. The Gender Office supports the integration of gender equality and women's empowerment in all of WFP's work and activities, with the aim of ensuring that the specific food security and nutrition needs of women, men, girls and boys are met. Gender budget commitments support WFP in the provision of technical support and training, the implementation of its gender transformation programme, the application of the WFP gender and age marker, and the integration of gender equality and women's empowerment into policies, strategies and other corporate positions. In line with broader United Nations reforms and accountability mechanisms, WFP will continue to

⁵³ "WFP gender policy 2022" (WFP/EB.1/2022/4-B/Rev.1).

⁵⁴ "Summary report on the evaluation of WFP's Gender Policy (2015–2020)" (WFP/EB.A/2020/7-B); "Management response to the recommendations of the summary report on the evaluation of WFP's Gender Policy (2015–2020)" (WFP/EB.A/2020/7-B/Add.1).

work to exceed the commitments enshrined in the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women.

236. The procedure for estimating the planned resources to be allocated to gender-related activities was updated as part of the BUSBE in 2021. The procedure takes into account the proportional costs of personnel engaged in, and other costs contributing to, gender equality activities at headquarters, regional bureaux and global offices. Nearly USD 28.3 million for gender equality activities in 2023 is estimated under baseline activities, of which USD 24.5 million is incorporated into the PSA budget, compared with the 2022 estimate of USD 24.4 million. The increase in the planned funding for gender equality, compared with 2022, is in line with the commitments laid out in the gender policy implementation plan and a renewed sense of ownership of efforts to accelerate progress towards gender equality and women's empowerment in all WFP units.

Indirect support cost rate

237. WFP's ISC rate is calculated to ensure that the cost of the activities defined in the PSA budget can be fully funded with projected contribution revenue. At the same time, the rate established should not generate excess income that could otherwise be used for direct programme implementation.
238. A method for calculating the standard ISC rate was established in 2006,⁵⁵ and the derived rate for 2023 has been calculated as shown in table IV.12.

2021 baseline	5.56
Increase for higher indirect expenditures	2.04
Decrease for higher funding forecast	(1.04)
Increase for higher PSAEA balance	0.00
Derived ISC rate for 2023	6.56

239. The calculated ISC rate of 6.56 would cover the costs of the PSA budget and would ensure that a healthy balance is maintained in the PSAEA to fund critical corporate initiatives in 2023 and 2024. As the projected PSAEA balance at the end of 2023 will be higher than the target ceiling of five months, there is no need to increase the ISC rate to raise the PSAEA balance.
240. For 2023, management proposes to maintain a standard ISC rate of 6.5 percent and a lower rate of 4 percent, in line with General Rule XIII.4 (e), for contributions from: governments of developing countries and countries with economies in transition, as determined by the Board; governments for contributions to programmes in their own countries; and IFIs under such conditions as shall be determined by the Board. The Board decided at its 2022 annual session to apply a 4 percent ISC rate for such IFI contributions during the remainder of 2022; management proposes to extend this rate into 2023 for all contributions received under General Rule XIII.4 (e). The 6.5 percent rate continues to be one of the lowest standard ISC rates among the funds, programmes and specialized agencies of the United Nations.

⁵⁵ ["Review of indirect support costs rate"](#) (WFP/EB.A/2006/6-C/1).

Status of the programme support and administrative equalization account

241. The PSAEA, established in 2002, records the differences between WFP's ISC revenue and the PSA expenses for the financial period. The balance acts as a safety net for underwriting the risk of a shortfall in ISC income needed for PSA expenditure. In 2015, the Board endorsed the use of the PSAEA for CCIs,⁵⁶ which enables WFP to invest in sustainable initiatives that require non-recurring investment and improve the delivery of services to beneficiaries. Subject to the approval of the Board, the PSAEA may also be used for thematic support funds and to strengthen WFP's reserves.
242. Following a review of the optimal balance of the PSAEA,⁵⁷ a target balance of five months of PSA expenditure and a "floor" of two months of PSA expenditure were adopted for the PSAEA. The projected opening and closing balances and movements in the PSAEA in 2022 and 2023 are shown in table IV.13. The projected 2022 closing balance of USD 337.7 million will be equivalent to seven months of 2023 PSA expenditure. Taking into consideration the global contribution forecast of USD 11 billion for 2023, and the proposed uses of the PSAEA in 2023, the projected 2023 closing balance will be USD 284.9 million, which is nearly six months of PSA expenditure.

TABLE IV.13: PROJECTIONS OF THE PROGRAMME SUPPORT AND ADMINISTRATIVE EQUALIZATION ACCOUNT FOR 2022 AND 2023 (USD million)		
	2022	2023
PSAEA balance at 1 January	326.6	337.7
ISC projected revenue (based on global contribution forecast income of USD 11.0 billion)	630.0	630.0
Approved/proposed PSA budget	(496.1)	(576.3)
Additional 2022 PSA released under the Executive Director's authority (estimated)	(27.0)*	
Approved/proposed PSAEA drawdowns	(95.8)	(106.5)
– CCIs	(57.8)	(50.4)
– Thematic funding for WFP's wellness programmes	(8.0)	
– IRA replenishment	(30.0)	(50.0)
– ISC shortfall from World Bank contributions		(6.1)
Projected PSAEA balance at 31 December	337.7	284.9
PSAEA target (equivalent to 5 months of 2023 PSA expenditures)		240.1
PSAEA floor (equivalent to 2 months of 2023 PSA expenditures)		96.1

* In line with the Executive Board decision to authorize the Executive Director to adjust the PSA component of the budget up to 2 percent of the anticipated change in income following the change in the level of the global contribution forecast for the year, as of July 2022 the Executive Director had approved USD 14.7 million of additional PSA to be released for specific activities. USD 27 million is the estimated amount that may be released by the end of 2022.

⁵⁶ "Progress on the Financial Framework Review, including Indirect Support Costs" (WFP/EB.A/2015/6-C/1). The criteria for CCI approval are that the initiative is one-off, not covered by the regular PSA budget, not related to a project, in need of predictable funding, unlikely to generate sufficient additional investment from donors and focused on organizational change.

⁵⁷ "Update on the Financial Framework Review" (WFP/EB.2/2015/5-C/1).

Proposed use of the programme support and administrative equalization account

243. In light of the healthy PSAEA balance projected for the end of 2022, the forecast level of contributions in 2023 and the ISC income versus the proposed PSA budget in 2023, management proposes using the PSAEA to replenish the IRA in the amount of USD 50 million, correct an ISC revenue error made in 2021 in the amount of USD 6.1 million and invest USD 50.4 million in four CCI.

Transfer to the Immediate Response Account

244. The IRA is indispensable to WFP's ability to continue to save lives, and ensuring its sustainability is therefore critical. A yearly target for the IRA has been established, and the account is funded mainly by voluntary contributions from donors and by the repayment of IRA advances from contributions to CSPs. To that end, WFP continues to advocate donor contributions to the IRA. Other sources of funding, such as transfers from reserves and surplus balances, have also been used to fund the IRA on an exceptional basis.

245. In 2022, IRA allocations to country offices are on track to exceed the 2021 record allocations of USD 220 million. In addition, with operational requirements projected at USD 19.7 billion and a global contribution forecast of USD 11 billion, the demand for use of the IRA as a last resort, in the absence of contributions, is expected to increase in 2023. In this context, management proposes that USD 50 million be transferred from the PSAEA to the IRA. While WFP will continue to advocate direct contributions to the IRA that ensure its long-term sustainability, the transfer will improve the availability of funds for IRA allocations.

Year	Directed contributions	Repayments and other sources*	Transfers from reserves	Total revenues	Total allocations
2011	38.1	104.4		142.5	161.9
2012	56.2	82.4		138.6	126.1
2013	52.1	88.6		140.7	165.3
2014	53.1	132.6		185.7	182.0
2015	50.2	102.4	50.0	202.6	164.2
2016	33.9	138.9	-	172.8	215.2
2017	33.2	128.2	15.0	176.4	154.2
2018	29.6	91.4	44.0	165.0	144.2
2019	22.6	173.1	-	195.7	161.0
2020	24.7	107.5	52.5	184.7	188.5
2021	64.0**	124.2	-	188.2	220.0
2022***	23.8	74.9	130.0	228.7	119.2

* Repayments and other sources include multilateral contributions, surpluses and other adjustments.

** This figure excludes USD 3.1 million in confirmed contributions from private donors in 2021 that were transferred to the IRA reserve in January 2022.

*** The data reported for 2022 cover the period up to 30 June 2022.

Adjustment for 2021 indirect support cost income

246. In 2021, WFP entered into three agreements with the World Bank for contributions to WFP operations in Afghanistan and Yemen. At that time, the standard Board-approved ISC rate was 6.5 percent, with a reduced rate of 4 percent for contributions made by governments to programmes in their own countries. At the time of signing the agreements, the World Bank contributions were considered to be government contributions eligible for the reduced ISC rate that would be paid directly to WFP in the absence of recognized governments in the two countries.
247. However, following further review in late 2021 and consultations with World Bank officials, senior management determined that the standard 6.5 percent ISC rate should have been applied to the World Bank contributions and that application of the 4 percent ISC rate was an error. Consistent with that determination, each of the three contributions was registered in WFP's systems at the standard 6.5 percent ISC rate, and the matter was reported to the External Auditor and the Independent Oversight Advisory Committee and disclosed in note 8.2 to the annual audited accounts for 2021.⁵⁸
248. The 2.5 percent difference between the ISC rate signed in the World Bank agreements and the standard ISC rate resulted in a programme shortfall and an increase in the PSAEA balance of USD 6.07 million as of 31 December 2021.
249. To enable WFP to honour its obligations to the World Bank under the agreements, management proposes that the shortfall be covered through an allocation of USD 6.07 million from the PSAEA to the Afghanistan and Yemen operations. The use of the PSAEA to fund the shortfall is consistent with the account's purpose with regard to ISC income and addresses this error in the application of the reduced ISC rate.

Use of the programme support and administrative equalization account for critical corporate initiatives

250. Management proposes to allocate USD 50.4 million of the PSAEA to fund the 2023 budgets of four CCIs. The four CCIs are described in the following paragraphs, and more details on their expected results, examples of core activities, proposed budgets, implementation plans and KPIs are presented in annex V. WFP's annual performance reports will include a review of the achievements of all CCIs and the use of their approved budgets each year.
251. The four CCIs proposed for 2023 with the corresponding amounts for approval are:
- *Investing in WFP people (USD 27.0 million):* This CCI is aligned with the 2023 budget prioritization of management result 2, people management.
 - *Strategic plan and corporate results framework implementation (USD 13.6 million):* This CCI supports WFP's prioritization, in the proposed budget for 2023, of management results 5, evidence and learning, and 6, leverage technology, and of activities aimed at strengthening field monitoring and cooperating partner management.
 - *Country office support model optimization and simplification (COSMOS) (USD 3.2 million):* This CCI relates to management result 5, evidence and learning, and the BUSBE objective of enabling more efficient funding.
 - *United Nations Sustainable Development Group (UNSDG) efficiency road map (USD 6.6 million):* This CCI addresses the theme of effective partnerships and the achievement of efficiencies.

⁵⁸ "Audited annual accounts, 2021" (WFP/EB.A/2022/6-A/1).

252. CCIs are usually multi-year initiatives that have complementary overall objectives and rely on multi-year funding for the effective implementation of activities.⁵⁹ Approximately USD 40 million would be available from the projected PSAEA balance at the end of 2023 for CCI needs in 2024. Nearly half of that amount is expected to support the third and final year of the CCI on investing in WFP people and the second year of the CCI on the UNSDG efficiency road map; plans for the other two CCIs in 2024 will be reviewed. Funding requests for 2024 will be submitted to the Board for approval in 2023.

Second year of the multi-year initiative on investing in WFP people

253. The strategic plan for 2022–2025 identifies WFP's people as a key enabler of the achievement of the organization's mission,⁶⁰ and the WFP people policy⁶¹ established four related work priorities: "nimble and flexible", "performing and improving", "diverse and inclusive", and "caring and supportive". To effectively operationalize the initiatives required to achieve these priorities, WFP began to implement a long-term, coordinated and incremental process of change in the management of its people. The management plan for 2022–2024 allocated USD 25.3 million for the first year of the CCI on investing in WFP people to support this ambitious change management process.

254. In the first year of the three-year CCI WFP focused on launching 75 activities across the organization aimed at delivering critical technical support, guidance and field-based resources for the change management process, working towards five deliverables: proactive management of structures and positions; acquisition and retention of diverse talent; capability and capacity development; development of respectful and inclusive workplaces; and employee safety, health and well-being. By June 2022, 40 percent of the budget had been utilized and steady progress had been made towards all five deliverables, including progress in focused recruitment and in the planning, design and procurement of employee learning and development services. Several areas have been prioritized for support under the CCI, such as investing in and advancing gender equality and women's empowerment and making progress in ensuring that all employees have equal opportunities, access to resources and a voice in decision making. The CCI reflects those priorities through activities such as women's security awareness training and investments in leadership capacity building activities.

255. To accelerate and expand the implementation of those activities in the second year of the CCI, WFP will continue to strengthen its organizational capacity to establish and operationalize corporate and cross-functional processes and activities that achieve the outcomes expected from each deliverable. Planned activities for 2023 are based on the same five deliverables established for 2022 and build on the progress made in that year. For example, in 2023 the diversity and inclusion experts recruited in each regional bureau in 2022 will enable WFP to meet the expectations set out in a new Executive Director's circular on reasonable accommodation for persons with disabilities.⁶²

256. The outcomes and activities that will support the change management process in 2023 have been identified through detailed analysis and validation of the inputs received during more than 40 consultations with the employees and management of headquarters offices and regional bureaux. In 2023, a dedicated CCI coordinator will continue to engage with participating offices to track activities, budget utilization and the delivery of expected outcomes.

⁵⁹ "Report of the External Auditor on critical corporate initiatives" (WFP/EB.A/2021/6-F/1).

⁶⁰ "WFP strategic plan (2022–2025)" (WFP/EB.2/2021/4-A/1/Rev.2). See p. 3: "Investing in its people [...] – these are the building blocks that enable WFP's strategic plan (2022–2025)."

⁶¹ "WFP people policy" (WFP/EB.A/2021/5-A).

⁶² Executive Director's Circular OED2022/006: WFP Policy on Reasonable Accommodation for Persons with Disabilities.

257. The funding required for each deliverable in 2023 is shown in table IV.15. An overall budget of USD 32.6 million is planned for 2023. WFP estimates that of the USD 25.3 million approved in 2022, USD 5.6 million will be carried over into the 2023 budget, so USD 27.0 million is the requested funding for approval. In 2024, the third and final year of the CCI, activities carried out in 2023 will be mainstreamed. The final budget for the CCI in 2024 will be determined during the management plan process in mid-2023; it is expected that the budget for 2024 will approximate the approved budget for 2022.

Deliverable	2022 approved budget	2023 total budget	Less: carry over from 2022*	2023 requested Funding
1 Proactive management of structures and positions	7.2	4.7	1.6	3.1
2 Acquisition and retention of diverse talent	4.0	7.4	0.9	6.5
3 Capability and capacity development	8.7	7.3	1.9	5.4
4 Development of respectful and inclusive workplaces	1.0	7.6	0.2	7.4
5 Employee safety, security, health and well-being	4.4	5.6	1.0	4.6
Total	25.3	32.6	5.6	27.0

* The 2022 year-end balance is estimated at 22 percent across deliverables, mainly due to cost savings from delayed start-up of activities in the first and second quarters of the year.

258. Under this CCI, the budget that will increase the most compared with 2022 is that for deliverable 4, which is expected to increase to USD 7.6 million in 2023. Primary activities will focus on supporting inclusive accessibility through a review of WFP premises and developing relevant policies and certification processes covering all areas of diversity and inclusion such as gender parity, disability inclusion and anti-racism.
259. Table IV.16 shows the breakdown of the 2023 CCI budget by department. In 2023, the CCI will engage a minimum of 19 WFP offices in headquarters, regional bureaux and participating country offices to implement 82 activities. WFP functions directly involved include communications, finance, programming, partnerships, human resources, management services, performance planning, security and wellness.

Unit	2023
Regional bureaux and country offices	17.1
Workplace Culture Department	9.4
Programme and Policy Development Department	2.1
Management Department	1.8
Supply Chain, Emergencies and Security Department	1.4
Partnerships and Advocacy Department	0.8
Total	32.6

260. In 2022, the People and Culture Coordination unit in the Workplace Culture Department facilitated the development of new corporate results indicators and a related methodology, which are included in the CRF for 2022–2025 under management result 2. The new indicators will facilitate improved corporate performance monitoring and accountability. For example, the percentage of the workforce on short-term contracts is a key indicator under deliverable 1, which WFP will monitor to ensure that appropriate contract modalities are used in accordance with the established staffing framework. A full list of KPIs and targets is available in annex V.

Second year of the multi-year initiative on the implementation of the new strategic plan and corporate results framework

261. The implementation of the strategic plan and CRF for 2022–2025 focuses WFP’s commitment to improving its corporate performance planning and monitoring processes by incorporating new outcomes, new outputs, management results and revised outcome and output indicators into CSP activities while also strengthening programmatic support to country offices. This commitment, which will be implemented through activities that emphasize enhanced evidence generation and learning and the leveraging of technology, will enable WFP to achieve the goals set out in the new strategic plan.

262. Table IV.17 lists the six deliverables of the CCI. Funding of USD 15.35 million, approved by the Board at its 2022 annual session, includes funds for elements of the first four deliverables. Those deliverables provide support for the realignment of WFP’s systems, platforms, budget and performance management and monitoring processes in ways that enable country offices to align their CSP design, planning, monitoring and reporting systems with the new CRF during the period from mid-2022 to December 2023. Several activities that began in 2022, such as the updating of relevant financial and donor reports and the optimization of field budget processes, with a total budget of USD 2.1 million, are expected to be completed in 2023.

Deliverable	2022/2023 approved budget*	2023 budget	Less: 2023 budget previously approved	2023 requested funding
1 Financial and donor reports, beneficiary counting, systems and platform realignment	5.3	1.4	0.8	0.6
2 Full alignment of planning, budgeting and reporting for all country offices with the new strategic plan and CRF	3.1	1.4	0.2	1.2
3 Optimization of field budget processes to enhance resources-to-results	5.1	2.7	0.9	1.8
4 Project support and change management	1.9	1.5	0.2	1.4
5 Mainstreaming of cross-cutting priorities into WFP operations	-	3.6	-	3.6
6 Strengthening of evidence generation, field monitoring and cooperating partner management	-	5.1	-	5.1
Total	15.4	15.7	2.1	13.6

* This includes USD 2.1 million carried over from the budget of the 2022–2023 CCI approved by the Board at its annual session in 2022.

263. Relevant technology requirements are budgeted in 2023 with a focus on the realignment of WFP's corporate reporting processes and the design and launch of budget planning solutions and platforms that enable automated reporting. Activities under deliverables 5 and 6 and elements of deliverable 4 are planned for 2023 and have the aim of strengthening the provision of programmatic support to country offices throughout CRF implementation. The total proposed budget for 2023 is USD 15.7 million, of which approval is requested for USD 13.6 million.
264. The new deliverables include guidance and support for a timely transition to the new frameworks (deliverable 4) that align first- and second-generation CSPs with the new line of sight and CRF. In addition, support for effective change management will be provided to country offices, with the development and roll-out of relevant training in 2023.
265. The CCI will also enable WFP to strengthen its guidance, tools and platforms for monitoring and reporting on performance under the cross-cutting priorities (deliverable 5) established in the strategic plan and CRF. Deliverable 5 includes investments in the design, implementation and monitoring of the environmental and social safeguards that will be incorporated into CSPs in order to support environmental sustainability; the incorporation of targets for, and the assessment of progress towards, gender equality and women's empowerment; and the full incorporation of community feedback mechanisms – which are central to accountability and effective programme planning and implementation – into WFP activities, particularly those involving emergency preparedness and response. System-wide changes that reinforce the integration of nutrition and support improved nutrition action in WFP activities will be included, and a road map for thematic funding will be rolled out, setting out the changes that WFP needs to make to its resource mobilization process to ensure that it can fully fund the resilience and system strengthening elements of the strategic plan for 2022–2025, including through resources from thematic funds.
266. Under the CCI WFP will strengthen field monitoring and accountability to affected populations and will enhance cooperating partner management (deliverable 6). Process monitoring is a key instrument for measuring the planned implementation of a programme and identifying ways to improve implementation in the areas of, for example, protection and the timeliness and quality of distributions. WFP has guided country offices on the selection of digital tools for process monitoring and explored synergies with complementary systems, including community feedback mechanisms, but there is still a need to support coherence and harmonization between current country office process monitoring systems and corporate oversight. To address this gap, a functional system for effectively identifying, prioritizing, tracking and resolving issues that require corrective action will be made readily available to country offices in 2023. WFP will address the need to further strengthen country office management of cooperating partners by implementing the end-to-end digitalization of related management processes and capacity strengthening activities for partners. Initiatives focused on improving evidence generation, including evaluation – from the programme design and targeting stages to the monitoring and evaluation of WFP's efficiency, effectiveness and impact – will be implemented to support WFP's contributions to ending hunger and achieving the SDGs. The initiatives will include the piloting of innovative knowledge management approaches, a midterm evaluation of the strategic plan and the updating and alignment of the systems and tools used to generate evidence.
267. In late 2023 WFP will identify, assess and design activities to be undertaken in 2024 to ensure that work in any remaining areas can be completed in line with the goals set out in the strategic plan. Potential activities include standardizing data collection processes, streamlining and automating corporate reporting processes, improving data quality, generating new performance insights and strengthening evidence and knowledge management.

268. Table IV.18 shows the 2023 CCI budget split by department. The Programme and Policy Development Department will be allocated more than half of the budget (USD 8.4 million), followed by the Management Department (USD 5.6 million). Together the two departments account for 90 percent of the total planned activities.

TABLE IV.18: CRITICAL CORPORATE INITIATIVE BUDGET BY UNIT, 2023 (USD million)	
Department	2023
Management Department	5.6
Programme and Policy Development Department	8.4
Partnerships and Advocacy Department	1.2
Divisions reporting to the Executive Director	0.5
Total	15.7

269. The KPIs developed under the first four deliverables are consistent with those approved in the 2022 CCI. New KPIs for monitoring progress achieved under deliverables 5 and 6, such as the number of countries using SugarCRM for process monitoring, and the percentage of country offices using WFP's onboarding packages for cooperating partners, will be developed. The full set of KPIs, including targets for 2023, is set out in annex V.

First year of the Country Office Support Model Optimization and Simplification initiative (COSMOS)

270. In the first quarter of 2022, at the request of the Office of the Executive Director, a "functional review 2.0" was launched to examine how WFP's various functional areas are organized at global headquarters. The exercise drew on a "functional review 1.0" carried out in 2019 and 2020 and the BUSBE, which together identified a need for further analysis of WFP's operating structure with a view to define ways of improving the effectiveness and efficiency of the organization. Subsequently, the leadership group endorsed the launch of the COSMOS project to address the needs identified. COSMOS is aimed at improving the effectiveness and efficiency of country office support provided by global headquarters, to enable country offices to focus their efforts on delivering operations. Country office support includes, for example, transactional activities, provision of standard services, technical expertise, operational capacity and ad-hoc support.
271. The first phase of COSMOS began in mid-2022 and includes the design and development of detailed models, the assessment of the impact of the proposed changes and the development of an implementation plan for piloting in 2023. Three initial functional areas – CBT, technology and supply chain – are being considered for the pilot. A dedicated programme secretariat has been put in place to coordinate efforts and ensure consistency with other initiatives that affect WFP's global headquarters and country offices. Senior leadership, including the COSMOS steering committee, is engaged on a regular basis.
272. Based on senior leadership approval, it is expected that in 2023, pilot models for the three functional areas will be launched. If the piloting is successful, WFP will design models for additional functional areas. In case the pilots do not achieve the intended benefits, however, the pilot models have been designed to allow WFP to revert to the original structure and avoid any adverse impacts. The funding requested for 2023 will enable the secretariat team to manage, coordinate and support the overall governance of the project, as well as the functional teams to support the pilot design and implementation. The team will collaborate with several divisions to support change management, knowledge management, performance monitoring and communications.

273. Five deliverables have been identified. The Office of the Executive Director, under the Operations Management Department, will oversee the budget and track performance against KPIs for inclusion in the annual performance report.

TABLE IV.19: CRITICAL CORPORATE INITIATIVE BUDGET BY DELIVERABLE, 2023 (USD million)	
Deliverable	2023
1 Programme governance	1.0
2 Target model validation	0.2
3 Change management coordination	0.5
4 Extension to additional functions	1.3
5 Plan for organization-wide roll-out	0.2
Total	3.2

TABLE IV.20: CRITICAL CORPORATE INITIATIVE BUDGET BY DEPARTMENT, 2023 (USD million)	
Department	2023
Operations Management Department	3.2
Total	3.2

274. Annex V shows KPIs by deliverable. Indicators focus on the achievement of clear targets, such as the development of a knowledge management framework by the end of 2023, and the validation of model design through piloting for the first three functions selected.

Multi-year initiative on the United Nations Sustainable Development Group efficiency road map

275. In a 2017 report⁶³ the Secretary-General of the United Nations presented his vision of, and proposals for, the repositioning of the United Nations development system to facilitate a better response to the 2030 Agenda for Sustainable Development. The Secretary-General's report cited several potential areas for simplification and the optimization of business operations and identified targets for common business services and back-office functions. The initial aim was to achieve projected savings of USD 310 million a year throughout the United Nations system by 2022; that timeline has been extended to the end of 2024.
276. During the Secretary-General's second term the momentum for the efficiency agenda was renewed, resulting in the formulation of the UNSDG efficiency road map. The Business Innovations Group is continuing its efforts to deliver on the Secretary-General's overarching efficiency targets and aims to achieve the annual target of USD 310 million in savings through a variety of inter-agency and bilateral initiatives. Over the years, the experience and evidence gained from implementation of those initiatives, and new initiatives launched since 2018, have resulted in adjustments to a number of the original targets. The revised efficiency road map for 2022–2024 is in line with the United Nations quadrennial comprehensive policy review for 2021–2024, effectively extending the original timeframe for the implementation of key United Nations development system reform activities to the end of 2024.
277. The purpose of the requested CCI funding is to ensure that WFP has the capacity to support the Secretary-General's reform during the two-year extension. The funds will ensure that WFP has the capacity to prepare for and respond to inter-agency reform efforts, develop positions and offerings related to United Nations Development System reform, and respond to the requirements of the reform, leading that response where appropriate. The proposed investment includes funding for activities related to the key targets set by the Secretary-General

⁶³ *Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet: report of the Secretary-General.*

to realize the USD 310 million in savings. In February 2022, WFP's Executive Director and the United Nations High Commissioner for Refugees proposed the following actions to advance progress in the implementation of the efficiency road map:

- rebalancing implementation efforts between common back-offices, also referred to as local shared services centres and global shared services (GSS), starting with the establishment of a dedicated project team to drive GSS design and implementation going forward;
- re-evaluating the common premises initiative to determine the challenge in meeting the target and exploring the office consolidation opportunities offered by the new ways of working; and
- revising the types of activity that can be considered when deciding how to achieve the USD 310 million target to include new initiatives that show promise and the use of global structures that have deepened United Nations collaboration, such as the United Nations International Computing Centre.

278. The UNSDG efficiency road map CCI replaces a CCI on United Nations development system reform, which received USD 9.3 million between 2019 and 2021 for the design and initial rollout of the efficiency agenda. The original CCI resulted in the successful development and roll-out to all country offices of corporate guidance on strategic programmatic elements of the reform, including webinars led by the regional bureaux.

279. The new CCI has four deliverables, which are expected to be completed over two years, except for deliverable 4, which is expected to be completed in 2023:

- Deliverable 1, UNSDG activities, comprises the specific United Nations development system reform activities towards which WFP has committed to contributing, in some cases by taking a leading role. Those activities include increasing the use of common premises, adopting a business operations strategy and implementing local shared service centres and global shared services.
- Under deliverable 2, the United Nations booking hub, WFP will deliver further efficiency gains in 2023 and beyond by providing carpooling and ridesharing services for the entire humanitarian community.
- Deliverable 3, United Nations fleet, requires funding to cover the administrative costs of establishing a service to procure light vehicles and lease them to United Nations entities on a full cost recovery basis, similar to WFP's Global Vehicle Leasing Programme. The deliverable anticipates piloting, and subsequently normalizing, the service as a standard source of light vehicles.
- Deliverable 4, global payment solution, aims to consolidate WFP's accounts payable function in a single location in order to alleviate the workload of country offices, regional bureaux and headquarters offices in carrying out routine tasks. In 2023, the project is expected to be launched globally, drawing upon the experience of other organizations such as the United Nations Children's Fund (UNICEF) and FAO.

280. It is expected that in 2024 similar levels of funding will be requested for the first three deliverables in order to complete the CCI.

Deliverable	2023
1 UNSDG activities	2.1
2 United Nations Booking Hub	1.8
3 United Nations Fleet	1.4
4 Global payment solution	1.3
Total	6.6

Department	2023
Management Department	5.9
Programme and Policy Development Department	0.7
Total	6.6

281. The KPIs for monitoring results in 2023 under this CCI include but are not limited to those listed below. Additional KPIs and subsequent targets can be found in annex V.

- Percentage of WFP country offices co-locating with other United Nations entities (baseline: 48 percent; target: 50 percent);
- Number of global and regional training sessions and webinars delivered to strengthen capacity building (baseline: 4 regional webinars; target: 1 global and 6 regional training sessions);
- Number of countries where the UNSDG efficiency road map has been rolled out and support has been provided (baseline: 6; target: 50⁶⁴);
- Number of missions to support carpooling operations (baseline: 4; target: 25);
- Number of countries with signed carpooling agreements (baseline: 15; target: 25);
- Number of vehicles leased through the United Nations Fleet (baseline: 0; target: 250).

Unearmarked portion of the General Fund

282. The main source of income for the unearmarked portion of the General Fund is investment income from WFP's cash balances held in investment portfolios and bank and money market accounts and foreign exchange income on treasury transactions, which is credited to the General Fund in accordance with Financial Regulation 11.3.

283. As no one-time drawdown from the unearmarked portion of the General Fund had occurred since 2014, the balance of the unearmarked portion of the fund had grown to USD 324.8 million by 1 January 2022. Subsequently, the Board at its 2022 annual session approved requests for the allocation of funds totalling USD 185 million to the IRA and the EDMF and for the establishment of a changing lives transformation fund. Considering those approved allocations, the projected balance at the end of 2022 is USD 162.7 million. This updated forecast is slightly higher than the USD 151 million presented to the Board at its annual session in 2022 owing to the expected increases in the return on investment and foreign exchange differences. The forecast balance of the unearmarked portion of the General Fund is net of treasury management expenses of up to USD 2.35 million per annum, as approved by the Board for covering investment management, bank and advisory fees and treasury staff costs.

⁶⁴ Baseline and target set by the United Nations Development Coordination Office.

Transfer of the unearmarked portion of the General Fund to the operational reserve

284. In line with its recommendation on internal project lending (IPL) (see section V), management recommends the transfer of USD 34.8 million from the unearmarked portion of the General Fund to the operational reserve of the IPL facility, increasing the reserve from USD 95.2 million to USD 130 million. With a leverage ratio of 10:1, that level of reserve would support an increase in the IPL ceiling to USD 1.3 billion if the global contribution forecast were to reach USD 13 billion.
285. With the transfer of USD 34.8 million, the projected balance of the unearmarked portion of the General Fund is expected to be USD 127.9 million at the end of 2023. The proposed transfer to the operational reserve is fully consistent with the intended use of unearmarked General Fund balances and does not increase financial risks because the funds will not be used for a financial outlay but rather to strengthen a specific reserve. Management generally considers the remaining unearmarked balance to be at a reasonable level to support the financial risk of write-offs and other unexpected financial outlays or for future allocations to unfunded priorities and replenishments of reserves.

Section V: Strategic financing facilities

Overview

286. This section presents information on three strategic financing facilities – corporate services financing, IPL and the GCMF – and the level of authority and agility that are required by WFP to ensure continuous support for its dynamic operational requirements. None of these facilities requires contributions from donors.
287. The section also presents a target level for the IRA, another critical internal funding mechanism, which focuses on critical life-saving activities.

Corporate services

288. The Board approved a ceiling of USD 147 million for corporate services financing in the management plan for 2022–2024. WFP is requesting a further increase in the ceiling to USD 200 million.
289. Corporate services financing operates through a revolving financing mechanism,⁶⁵ which means that all amounts advanced are repaid over a period of time. The facilities enable WFP to provide services economically and efficiently through three mechanisms: the fleet centre, the Capital Budgeting Facility (CBF) and fee-for-service activities. The portion of the overall corporate services ceiling allocated to each mechanism is based on projected demand; if the projections change, the allocation among the mechanisms may be adjusted within the overall ceiling.
290. The proposed ceiling and the allocation to the three mechanisms reflect increased demand associated with growth in WFP's operations since the mechanisms were adopted, as shown in table V.1.

Description	Current	Proposed
Ceiling for corporate services	147	200
Allocated to:		
Fleet centre Fleet services for all WFP offices and operations	15	25
Capital Budgeting Facility Advances for multi-year projects that can demonstrate quantifiable benefits	82	125
Fee-for-service activities Advances for corporate services or activities, which are normally recovered from CSPs, headquarters units and liaison offices	50	50

⁶⁵ "Financial Framework Review: Restructuring of the Working Capital Financing Facility" (WFP/EB.A/2014/6-D/1).

Fleet centre

291. The fleet centre has hitherto provided advances to WFP offices for fleet-related services. Those services include tools, systems and support for fleet assessment and management; the procurement and deployment of light and armoured passenger vehicles and trucks; the procurement and installation of vehicle accessories and safety equipment; and driver training. The advances are recovered through vehicle leasing fees charged to the budgets of the WFP offices leasing the vehicles and from revenue generated from the disposal of leased vehicles at the end of their lease periods.
292. The fleet centre fund can provide advances to the global vehicle leasing programme, the special account for the insurance of vehicles, the global truck fleet and, from 2023, to the United Nations fleet.
293. The United Nations fleet is an initiative arising out of United Nations development system reform through which WFP and the Office of the United Nations High Commissioner for Refugees (UNHCR) have combined their experience to provide vehicle leasing and fleet management services for all United Nations entities.
294. In 2023 no new advances are expected to be allocated to the global vehicle leasing programme or the self-insurance special account because both are expected to have sufficient balances at the end of 2022 to cover 2023 expenditures.
295. To consolidate all requests for fleet services into one fund, the outstanding amount of USD 14 million associated with the global truck fleet and allocated from the CBF will be transferred to the fleet centre fund at the beginning of 2023.
296. The projected fleet centre balance available at the end of 2022 is USD 5 million. WFP projects that the global truck fleet special account may require advances in 2023 to expand country office truck capacity; furthermore, an advance may be made to the United Nations fleet for the initial purchase of vehicles. Considering the transfer of the global truck fleet to the fleet centre, and based on projected new advances and expected repayments, USD 10 million of the overall increase in corporate services will be allocated to the fleet centre.

Capital Budgeting Facility

297. The CBF is a revolving facility that enables WFP to provide advances for multi-year projects and to receive repayments from country portfolio budgets or other funding sources over agreed time periods. The projected available balance of the CBF at the end of 2022 is USD 25 million. As noted in paragraph 292, the outstanding CBF advances to the global truck fleet will be transferred to the fleet centre at the beginning of 2023 to consolidate fleet activity funding in one mechanism.
298. CBF advances of USD 14.1 million for the private sector strategy and fundraising activities, the human capital management platform and improved premises in Mali have been approved and are scheduled for disbursement in 2023. In addition to those approved advances, requests for new CBF advances of more than USD 50 million are expected, including for infrastructure projects in Burkina Faso, Cameroon and Zimbabwe, the rehabilitation of critical supply routes in South Sudan, the construction of a facility for humanitarian staff in Barbados and a logistics hub in the United Republic of Tanzania.
299. In the light of these approved and expected transactions, USD 43 million of the overall requested increase in the corporate services ceiling would be allocated to the CBF.

Fee-for-service activities

300. The fee-for-service mechanism provides advances to headquarters and country offices for meeting the costs of various services, with repayment of the advances throughout the year from fees collected for services rendered. While the advances outstanding at any given time may not exceed the fee-for-service ceiling, the total amount of the advances made during the year may do so because the advances are recovered throughout the year. Services that may benefit from the fee-for-service mechanism in 2023 include information technology and beneficiary identity management.
301. While the costs of information technology services have been recovered through the fee-for-service mechanism for several years, beneficiary identity management services were approved for cost recovery more recently, as an outcome of the cost recovery workstream of the BUSBE. The year 2023 will be the second year in which costs for beneficiary identity management services are recovered from country portfolio budgets.
302. The projected balance of the fee-for-service mechanism available for allocation at the end of 2022 is USD 49.2 million. That level is deemed sufficient to meet the advances requested.

Proposed approach to setting the ceilings for the internal project lending facility and the Global Commodity Management Facility

303. Over the past two years, WFP has requested the Board to increase the IPL ceiling twice and the GCMF ceiling three times to respond to rapidly escalating humanitarian demand. The most recent increase was approved at the Board's 2022 annual session, when it approved a ceiling of USD 950 million for IPL and a ceiling of USD 950 million for the GCMF. The frequency with which these facilities have had to be increased in the past two years signals that a fixed amount is no longer fit for purpose in an uncertain and rapidly escalating humanitarian environment.
304. To manage the increases in the ceilings more efficiently, avoid the risk that the funds in the two facilities are insufficient and increase the ability to respond to growing and changing needs, management proposes to change the ceilings from a fixed United States dollar amount to a percentage of WFP's global contribution forecast. Such an approach would provide surge capacity for WFP's strategic financing facilities, enabling management to proactively anticipate, prepare for and respond to emergencies with speed and agility, in line with the projected response from donors.
305. The IPL facility allows WFP to spend funds advanced to programmes before forecast contributions are confirmed, with the forecast contributions serving as collateral for the advances. The collateral may be specific forecast contributions or a portion of the total forecast contributions for the programme concerned. IPL based on the latter type of collateral is referred to as macro-advance financing, and it is subject to a ceiling of USD 270 million within the overall IPL ceiling.
306. The GCMF is a strategic working capital financing mechanism through which WFP purchases food before the confirmation of contributions, with the objective of reducing lead times for food deliveries (especially in emergencies), purchasing food when market conditions are most favourable, enabling economies of scale and facilitating local and regional procurement.
307. These strategic financing are vital tools for addressing the increasingly complex challenges that WFP faces as a voluntarily funded organization, because it enhances the predictability of resource availability and provides greater stability for programme implementation. Since the beginning of 2022,⁶⁶ USD 1.7 billion has been advanced to programmes through the IPL facility and 1.6 million mt of food, valued at USD 1.3 billion, has been purchased by country offices through the GCMF.

⁶⁶ As of August 2022.

TABLE V.2: GLOBAL COMMODITY MANAGEMENT FACILITY AND INTERNAL PROJECT LENDING FACILITY CEILINGS COMPARED WITH ANNUAL CONTRIBUTIONS					
Year	Annual contributions (USD million)	GCMF ceiling (USD million)	GCMF ceiling (% of annual contributions)	IPL ceiling (USD million)	IPL ceiling (% of annual contributions)
2016	5 900	350	5.9	570	9.7
2017	6 100	350	5.7	570	9.3
2018	7 300	500	6.8	570	7.8
2019	8 100	560	6.9	570	7.0
2020	8 400	560	6.7	570	6.7
2021	9 600	660	6.9	570	6.8
2022	11 000*	950**	8.6	950***	8.6

* Global contribution forecast.

** The ceiling was increased from USD 660 million to USD 800 million by the Board in January 2022 and subsequently increased to USD 950 million at the Board's 2022 annual session.

*** The ceiling was increased from USD 570 million to USD 760 million by the Board in January 2022 and subsequently increased to USD 950 million at the Board's 2022 annual session.

308. As shown in table V.2, the ceiling for the IPL facility has increased from USD 570 million in 2016 (equivalent to 9.7 percent of the annual contributions of USD 5.9 billion) to USD 950 million in 2022 (equivalent to 8.6 percent of the global contribution forecast of USD 11.0 billion).
309. Similarly, the GCMF ceiling has increased in line with the increase in contributions (see table V.2). In 2016 the ceiling was USD 350 million, representing 5.9 percent of the annual contributions of USD 5.9 billion; the facility enabled country offices to purchase USD 640 million-worth of food in that year within the reduced lead time. In 2021, the ceiling of the GCMF was USD 660 million, representing 6.9 percent of the annual contributions of USD 9.6 billion; the facility enabled country offices to purchase USD 1.5 billion-worth of food in that year, an increase of 140 percent compared with 2016.
310. Since 2021 WFP has seen a surge in requests for IPL and GCMF financing, revealing a need to raise the facilities' ceilings and reflecting the rapidly escalating humanitarian demand in hotspots such as Afghanistan, the Tigray region of Ethiopia, Ukraine and Yemen, the socioeconomic impact of the COVID-19 pandemic, high global food prices, and the unprecedented response from donors. The strategic financing facilities make it possible to provide critical assistance during the period between the projection of requirements and the confirmation of contributions.
311. WFP has requested the Board's approval of increases in the ceilings on a number of occasions. Between June 2021 and June 2022, the Board was asked to approve two increases in the IPL ceiling, raising it from USD 570 million to USD 760 million (by correspondence) in November 2021 and to USD 950 million at the Board's 2022 annual session. Over the same period, WFP also sought the Board's approval for three increases in the GCMF ceiling, raising it from USD 560 million to USD 660 million at the Board's 2021 annual session, to USD 800 million (by correspondence) in November 2021 and to USD 950 million at the Board's 2022 annual session (which at the time represented 10 percent of the global contribution forecast of USD 9.5 billion).

312. In 2022, with a ceiling of USD 950 million the GCMF ceiling is at 8.6 percent of the USD 11 billion global contribution forecast. The global supply chain context and the humanitarian environment have drastically evolved in the past few years, characterized by longer lead times, higher food and transport prices and rapidly escalating humanitarian requirements in a few hotspots. Lack of suppliers of supplementary nutritious foods is resulting in longer lead times at the same time that demand for them is growing. Long lead times are also a common characteristic of purchases from smallholder farmers. To continue supporting operations in this new context underpinned by a rapid surge in requirements, to increase purchases from smallholder farmers and to implement solutions to address the challenges in the supplemental nutritious food supply chain, WFP recommends setting the GCMF ceiling at 10 percent of the global contribution forecast.
313. Therefore, management now requests that the Board increase the IPL and GCMF ceilings to a maximum of 10 percent of the prevailing global contribution forecast. Approval of this proposal would raise the ceilings to USD 1.1 billion (10 percent of the USD 11 billion global contribution forecast for 2023). Management would manage the utilization of IPL and GCMF up to the ceilings as the global contribution forecast is changed.
314. In the event of a decrease in global contribution forecast, the ceilings would drop proportionally and management would take steps to bring the IPL and GCMF balances into line with the lowered ceilings. In the case of IPL, this would entail limiting new advances and accelerating repayments where possible. In the case of the GCMF, it would entail reducing the replenishment of the GCMF stock and accelerating sales to country offices where possible.
315. Robust risk mitigation measures would remain in place and WFP would continue to report to the Board on the facilities' level of activity through the annual report on WFP's use of its advance financing mechanisms. Over the past five years, WFP's forecasting process for the IPL facility has been strengthened by the adoption of a systematic approach that includes the ongoing incorporation, updating and multi-level validation of trends analysis and information on donors into the Salesforce corporate platform.
316. Guidelines on the request and approval process for the IPL facility are being streamlined to provide a common approach to be followed throughout WFP. While recognizing the generous support provided by donors, WFP will continue to advocate the extension and increased visibility and predictability of the validity periods of donor grants so that country offices can exercise spending authority in advance of confirmed contributions. The IPL facility would also be backed by an increased operational reserve at the maximum leverage ratio of 10:1. That ratio has been validated through external reviews of the advance mechanism.
317. Financial Regulation 10.5 calls for the maintenance of an operational reserve to ensure the continuity of operations in the event of a temporary shortfall in resources. An operational reserve of USD 95.2 million is currently used to manage the risks associated with the IPL facility of USD 950 million at a leverage ratio of 10:1. In line with its proposal that the Board increase the ceiling for the IPL, management also recommends that USD 34.8 million be transferred from the unearmarked portion of the General Fund to the operational reserve, bringing the total reserve to USD 130 million, as proposed for Board approval in section IV of this management plan.
318. With a leverage ratio of 10:1, that level of reserve would provide a safety net for an increase in the IPL ceiling up to USD 1.3 billion if the global contribution forecast reached USD 13 billion. While there are inherent risks with the IPL mechanism because forecast contributions may not always materialize, mitigation measures have been very robust. Such measures have resulted in only one write-off of USD 2.2 million since the facility was mainstreamed into WFP's financial management model in 2006.

319. Robust risk mitigation measures also apply to the GCMF: the facility relies on a well-established planning process that is led by the Chief Financial Officer, builds on insights provided by the Supply Chain Operations Division, country offices and other functional offices and is supported by the upgraded enterprise resource planning system. In addition, WFP's extended self-insurance scheme provides comprehensive insurance coverage to mitigate the risks associated with commodity losses.
320. The GCMF reserve covers losses sustained by the facility that fall outside insurance coverage. The current balance of the reserve is USD 6 million; no movements have occurred in the reserve since its inception in 2014 because there have been no uninsured losses and self-insurance coverage has been expanded.
321. The PSAEA, which is a reserve for funding activities as directed by the Board, will continue to serve as a safety net of last resort⁶⁷ for corporate services. The use of the PSAEA for corporate services would be considered an extraordinary case for which management would seek the Board's authorization.

Immediate Response Account target

322. Communities around the world continue to face the effects of conflict, climate shocks, economic challenges and the consequences of the COVID-19 pandemic. Given this alarming and escalating situation, WFP must always have available resources that it can use to respond rapidly when lives are at risk. The IRA is a flexible funding facility used as a last resort to enable WFP to save lives from imminent threats and to respond to shocks.
323. Under Financial Regulation 4.3, the Board establishes an IRA target level for a financial period. The target level should be maintained by direct contributions from donors and, when possible, by repayment of advances made for eligible operations or activities. Contributions to the IRA have a high degree of flexibility and are not earmarked for a specific activity or country programme. Should the IRA balance fall below the minimum threshold of USD 85 million, which is the average cost of three months of requirements for 2 million people, WFP will make a specific appeal to donors.
324. The IRA does not replace WFP's bilateral contributions from donors or contributions from the United Nations Central Emergency Response Fund; it is funded through donor contributions to the IRA and, on an exceptional basis, the allocation of other discretionary and flexible funding to the account such as fully flexible donor contributions or, subject to Board approval, transfers from reserves. Although the IRA is a revolving fund, IRA allocations can be converted to grants when country offices are unable to repay funds despite extensive efforts.
325. In the context of growing and unprecedented global food insecurity, a record USD 220 million was allocated from the IRA in 2021 – a 17 percent increase compared with 2020 – for emergency response, early action and life-saving preparedness or operational readiness activities under 49 CSPs.
326. In 2022, IRA allocations are providing life-saving assistance to prevent famine in Afghanistan, the Central African Republic, the Democratic Republic of the Congo, Madagascar, Nigeria, Somalia and Yemen and for other critical emergencies. In August 2022, allocations were on track to exceed the record levels of 2021; based on the current average monthly allocation of USD 33.3 million and on growing requirements, the requests from country offices for IRA funding could reach a total of USD 400 million in 2022. Given expected operational requirements of USD 19.4 billion in 2023 and a global contribution forecast of USD 11 billion, the projected funding gap will increase the demands on the IRA in 2023.

⁶⁷ "Financial Framework Review: Restructuring of the Working Capital Financing Facility" (WFP/EB.A/2014/6-D/1).

Year	Total contributions to WFP	IRA target	Target as a % of total contributions
2011	3 700	70	1.9
2012	4 000	70	1.8
2013	4 400	70	1.6
2014	5 500	70	1.3
2015	5 000	200	4.0
2016	5 900	200	3.4
2017	6 100	200	3.3
2018	7 300	200	2.7
2019	8 100	200	2.5
2020	8 400	200	2.4
2021	9 500	200	2.1
2022*	11 000	200	1.8

* 2022 global contribution forecast.

327. The annual IRA target does not represent a commitment by Member States but serves as a signal for resource mobilization. The target has been set at USD 200 million since 2015 and has not reflected WFP's increasing requirements or contributions. When the target was set in 2015 it accounted for 4 percent of annual contributions; as of August 2022, it is just 1.8 percent of global contribution forecast, which have more than doubled since 2015. A considerable increase in the target is therefore needed to regain the previous levels of agility and responsiveness.
328. The IRA is an indispensable component of WFP's frontline role in the initial response to multiple crises and facilitates adherence to the key principles of timeliness, predictability and flexibility. WFP therefore recommends that the IRA target be set at USD 400 million for 2023. The approval of the Board is required under Financial Regulation 4.3 but does not represent a commitment by Member States.

ANNEX I

Baseline budget by organizational level

ANNEX II

**Programme support and administrative budget
by organizational level**

ANNEX III

Evaluation function workplan 2023–2025

Introduction

1. This annex sets out the proposed workplan for the evaluation function for the period from 2023 to 2025 and the estimated corporate resources required for the function, including the programme of work for centralized and impact evaluations and indicative plans for decentralized evaluations. The workplan timeframe is aligned with that of the WFP management plan for the same period.
2. The workplan reflects the commitment of WFP's leadership to ensuring that the evaluation function meets global expectations for independent evaluation by supporting accountability for results, organizational learning and evidence-based decision making throughout WFP, as highlighted in the new WFP strategic plan for 2022–2025. The workplan is fully responsive to the demands of the 2030 Agenda for Sustainable Development and takes into account the WFP policy on country strategic plans (CSPs),¹ the WFP response to the recommendations of the 2020 independent peer review of WFP's evaluation function² and the updated evaluation policy for 2022–2030 approved by the Board at its 2022 first regular session.³
3. The evaluation policy, corporate evaluation strategy and evaluation charter, all updated in 2022, establish the vision, strategic direction and normative and accountability framework for the evaluation function and clarify the institutional arrangements for evaluation.
4. This annex has two parts: the first lays out the overall deliverables for the evaluation function for 2023 and the outlook for 2024 and 2025, and the second outlines the resources required to achieve those deliverables.

Part 1. Overall deliverables for 2023 and outlook for 2024 and 2025

5. Deliverables for 2023 and the outlook for 2024 and 2025 are based on the following five strategic outcomes set out in the evaluation policy:
 - a) Evaluations are independent, credible and useful.
 - b) Evaluation coverage is balanced and relevant and serves both accountability and learning purposes.
 - c) Evaluation evidence is systematically accessible and available to meet the needs of WFP and partners.
 - d) WFP has enhanced capacity to commission, manage and use evaluations.
 - e) Partnerships strengthen the environment for evaluation and United Nations coherence.

¹ Approved by the Board at its 2016 second regular session (WFP/EB.2/2016/4-C/1/Rev.1), WFP's [Policy on Country Strategic Plans](#) requires an evaluation for every CSP.

² "Summary report on the peer review of the evaluation function at the World Food Programme" (WFP/EB.A/2021/7-D); and "Management response to the recommendations in the summary report on the peer review of the evaluation function at the World Food Programme" (WFP/EB.A/2021/7-D/Add.1/Rev.1).

³ "WFP evaluation policy 2022" (WFP/EB.1/2022/4-C).

6. The main areas of investment in the evaluation function are the management and conduct of centralized, decentralized and impact evaluations, the promotion of integrated learning from evaluations and the use of evaluative evidence, and capacity strengthening within WFP and with national partners.
7. The overall evaluation workplan will evolve to reflect the changes brought about by WFP's new strategic plan and updated evaluation policy and to ensure United Nations coherence with the global evaluation agenda. All evaluation activities are regularly reviewed and carefully planned and managed with the aim of continuing to meet corporate accountability and learning needs without unduly burdening WFP operations and partnerships.
8. Key deliverables, activities and resource implications for each evaluation policy strategic outcome are presented below.

A. Evaluations are independent, credible and useful

9. Key priorities in 2023 will be:
 - adapting evaluation approaches and methods based on global good practices and innovations in evaluation, informed by the evaluation methods advisory panel established in 2022;
 - maintaining a strategic advisory panel to advise on the implementation of WFP's impact evaluation strategy for 2019–2026⁴ and the methods and approaches used for impact evaluations;
 - enhancing support mechanisms with the aim of strengthening the quality, credibility and usefulness of decentralized evaluations, including by:
 - periodically updating guidance on the decentralized evaluation quality assurance system and ensuring its dissemination throughout WFP;
 - maintaining the help desk managed by the Office of Evaluation (OEV) to support decentralized evaluations, including those commissioned by headquarters divisions;
 - managing an outsourced quality support service for decentralized evaluations;
 - continuing to adapt approaches, tools and processes to meet the challenges of producing high-quality and timely evaluations in a context of global volatility and unprecedented food crises, leveraging WFP's wide range of datasets and building on lessons from remote data collection and hybrid evaluation models.

B. Balanced and relevant evaluation coverage

B.1 Programme of work for centralized evaluations

10. OEV-managed evaluations inform all stakeholders of the relevance, effectiveness, coherence, impact and sustainability of WFP policies, strategies, operations and activities and the efficiency of their implementation. The main types of OEV-led evaluations are global evaluations, comprising policy and strategic evaluations; country-specific evaluations, comprising evaluations of CSPs and corporate emergency responses; and impact evaluations. In addition, OEV contributes to inter-agency humanitarian and other joint evaluations and foresees the potential to engage in more system-wide evaluations in the future.

⁴ WFP. 2019. *WFP Impact Evaluation Strategy (2019–2026)*.

11. The evaluations in the programme of work for 2023–2025 have been selected and prioritized to be of maximum relevance to WFP's dynamic policy and programming and thus to optimize OEV's role in supporting accountability and learning in order to strengthen WFP's contribution to ending global hunger. The programme is designed to generate timely and pertinent evidence for decision making, and OEV consults with the Office of Internal Audit and the External Auditor in order to minimize overlap and identify synergies wherever possible.
12. Table A.III.1 provides an overview of OEV's programme of work for centralized evaluations in 2023 and the provisional outlook for 2024 and 2025. The rest of this section sets out details of and the rationale for those deliverables.
13. *Country strategic plan evaluations.* CSP evaluations are the primary instrument for providing accountability and meeting learning needs in accordance with the expectations of the Board and WFP management. They provide evidence of the strategic positioning and results of all WFP CSPs in order to inform the design of the next generation of CSPs and, potentially, to contribute to the design of United Nations sustainable development coordination frameworks (UNSDCFs). For this purpose, each CSP evaluation is conducted in the penultimate year of the relevant CSP so that a final evaluation report is available when the country office starts to design the next CSP.
14. The number of CSP evaluations undertaken each year is based on projections of changes in CSP cycles resulting from the alignment of CSP and UNSDCF cycles, which has a direct impact on the timing of CSP evaluations. Nineteen CSP evaluations are under way in 2022 and will be completed in 2023. In addition, 12 new evaluations are planned to start in 2023, 17 in 2024 and 9 in 2025.
15. *Policy evaluations.* The norm governing the evaluation of WFP's policies is set by the WFP policy formulation document approved by the Board in 2011.⁵ It requires that policies approved after 2011 be evaluated between four and six years after the start of their implementation so that they can contribute evaluation evidence and learning to WFP's policy cycle. For policies approved prior to 2011, evaluation of either the policies themselves or the themes addressed by the policies is based on their continuing relevance to WFP's work or potential to contribute to new policy development. Some policy topics are covered by strategic evaluations and may not be the subject of specific policy evaluations. OEV consults WFP management to determine the priorities and timing for policy evaluations in the light of the compendium of policies relating to the strategic plan.⁶ Forthcoming policy evaluations will take place as follows:
 - a) Three evaluations will be presented to the Board at its 2023 annual session: a report on the evaluation of the resilience policy initiated in late 2021, one on the disaster risk reduction and climate change policies commissioned in 2022, and the other on the CSP policy commissioned and initiated in 2022.
 - b) In 2023, OEV will commission two evaluations of the environment policy and the emergency preparedness policy.
 - c) Looking ahead to 2024 and 2025, OEV expects to begin an evaluation of the enterprise risk management policy in 2024 and an evaluation of the local and regional food procurement policy in 2025.

⁵ "WFP Policy Formulation" (WFP/EB.A/2011/5-B).

⁶ "Compendium of policies relating to the strategic plan" (WFP/EB.1/2022/4-D).

16. *Strategic evaluations* are forward-looking and focus on strategic themes, systemic or emerging corporate issues and programmes and initiatives with global or regional coverage. The selection of topics and the scheduling of strategic evaluations through 2022 were informed by a 2017 review of topics of strategic relevance with potential to contribute to organizational learning. Priorities for strategic evaluation under the updated evaluation policy covering 2022–2030 have been identified through an internal review followed by a consultative process with Board members and WFP management taking into account a number of factors, including the WFP strategic plan, and will be revised in response to changing circumstances. The list of strategic evaluations that are currently under way or foreseen is as follows:
- a) A combined evaluation of the nutrition and HIV/AIDS policies commissioned in 2021 will be presented to the Board at its 2023 first regular session.
 - b) An evaluation of protection from sexual exploitation and abuse will be initiated in 2022.
 - c) An evaluation on refugees and displacement will be commissioned in 2023, followed by a mid-term evaluation of the WFP strategic plan for 2022–2025 starting in late 2023.
 - d) An evaluation of supply chain management previously expected to commence in 2022 will, following consultation among the relevant divisions, instead begin in 2024 and focus on the supply chain road map.
 - e) Strategic evaluations of knowledge management and vulnerability assessment, analysis and targeting will also begin in 2024.
 - f) Strategic evaluations of WFP's work in middle-income countries, the principle of "leaving no one behind" and social protection will be commissioned in 2025.
17. *Corporate emergency response evaluations*. In line with the Board's request for increased evaluation coverage of corporate emergency responses and the Executive Director's circular on WFP's emergency activation protocol ([OED2022/003](#)), all crises classified as being in the "corporate scale-up phase" or "corporate attention phase" will be subject to evaluation through an OEV-commissioned corporate emergency response evaluation, a CSP evaluation or an inter-agency humanitarian evaluation (IAHE). The Director of Evaluation will determine the most appropriate option in consultation with key stakeholders.

Type	2023		2024		2025	
	<i>Continued from 2022</i>	<i>New starts</i>	<i>Continued from 2023</i>	<i>New starts</i>	<i>Continued from 2024</i>	<i>New starts</i>
Country strategic plan*	<ul style="list-style-type: none"> • Benin CSP (2/2023) • Bhutan CSP (2/2023) • Burkina Faso CSP (2/2023) • Cambodia CSP (2/2023) • Dominican Republic CSP (2/2023) • Egypt CSP (A/2023) • Ghana CSP (2/2023) • Haiti CSP (2/2023) • Kenya CSP (A/2023) • Lesotho CSP (A/2023) • Madagascar CSP (2/2023) • Malawi CSP (2/2023) • Namibia CSP (2/2023) • Nepal CSP (2/2023) • Philippines (2/2023) • Rwanda CSP (A/2024) • Senegal CSP (2/2023) • Syrian Arab Republic ICSP (2/2023) • Zambia CSP (A/2023) 	<ul style="list-style-type: none"> • Colombia CSP • Congo CSP • Cuba CSP • Democratic Republic of the Congo CSP • Djibouti CSP • Guatemala CSP • Iraq CSP • Liberia CSP • Mali CSP • Nicaragua CSP • Niger (CSP) • Sierra Leone CSP 		<ul style="list-style-type: none"> • Armenia CSP • Burundi ICSP • China CSP • Côte d'Ivoire CSP • Eswatini CSP • Ethiopia CSP • Indonesia CSP • Iran (Islamic Republic of) ICSP • Lebanon CSP • Libya ICSP • Somalia CSP • South Sudan CSP • Timor-Leste CSP • Tunisia CSP • Türkiye ICSP • Uganda CSP • Yemen ICSP 		<ul style="list-style-type: none"> • Afghanistan CSP • Bangladesh CSP • Cameroon CSP • Caribbean multi-CSP • El Salvador CSP • Lao People's Democratic Republic CSP • Mozambique CSP • Peru CSP • Togo ICSP

Type	2023		2024		2025	
	<i>Continued from 2022</i>	<i>New starts</i>	<i>Continued from 2023</i>	<i>New starts</i>	<i>Continued from 2024</i>	<i>New starts</i>
Policy	<ul style="list-style-type: none"> Building resilience for food security and nutrition (A/2023) Disaster risk reduction and climate change (A/2023) Country strategic plans (A/2023) 	<ul style="list-style-type: none"> Environment Emergency preparedness 	<ul style="list-style-type: none"> Environment Emergency preparedness 	<ul style="list-style-type: none"> Enterprise risk management 	<ul style="list-style-type: none"> Enterprise risk management 	<ul style="list-style-type: none"> Local and regional food procurement
Strategic	<ul style="list-style-type: none"> Protection from sexual exploitation and abuse 	<ul style="list-style-type: none"> Refugees and displacement Mid-term evaluation of the WFP strategic plan (2022–2025) 	<ul style="list-style-type: none"> Refugees and displacement Mid-term evaluation of the WFP strategic plan (2022–2025) 	<ul style="list-style-type: none"> Knowledge management Supply chain road map Vulnerability assessment, analysis and targeting 	<ul style="list-style-type: none"> Knowledge management Supply chain road map Vulnerability assessment, analysis and targeting 	<ul style="list-style-type: none"> Middle-income countries Leaving no one behind Social protection
Corporate emergency response	<ul style="list-style-type: none"> WFP response in Myanmar Regional response to the protracted emergency in the Sahel 	<ul style="list-style-type: none"> New topic to be determined 		<ul style="list-style-type: none"> New topic to be determined 		<ul style="list-style-type: none"> New topic to be determined
Inter-agency humanitarian	<ul style="list-style-type: none"> Response to the humanitarian crisis in Afghanistan Response to the humanitarian crisis in northern Ethiopia 	<ul style="list-style-type: none"> 1 or 2 topics to be determined 		<ul style="list-style-type: none"> 1 or 2 topics to be determined 		<ul style="list-style-type: none"> 1 or 2 topics to be determined

Type	2023		2024		2025	
	<i>Continued from 2022</i>	<i>New starts</i>	<i>Continued from 2023</i>	<i>New starts</i>	<i>Continued from 2024</i>	<i>New starts</i>
Joint	<ul style="list-style-type: none"> UNAIDS-led joint evaluation on social protection UNDP-led joint synthesis of evaluative evidence of SDG 17 partnerships 	<ul style="list-style-type: none"> New topic to be determined 		<ul style="list-style-type: none"> New topic to be determined 		<ul style="list-style-type: none"> New topic to be determined
Syntheses		<ul style="list-style-type: none"> Cooperating partners 		<ul style="list-style-type: none"> New topic to be determined 		<ul style="list-style-type: none"> New topic to be determined

* Planning for CSP evaluations is based on information available as of 21 July 2022 and the current planning cycles of ICSPs and CSPs.

Letters and figures in brackets refer to the Board sessions at which the evaluations will be presented: A = annual session; 1 = first regular session; and 2 = second regular session. For example, A/22 refers to the 2022 annual session.

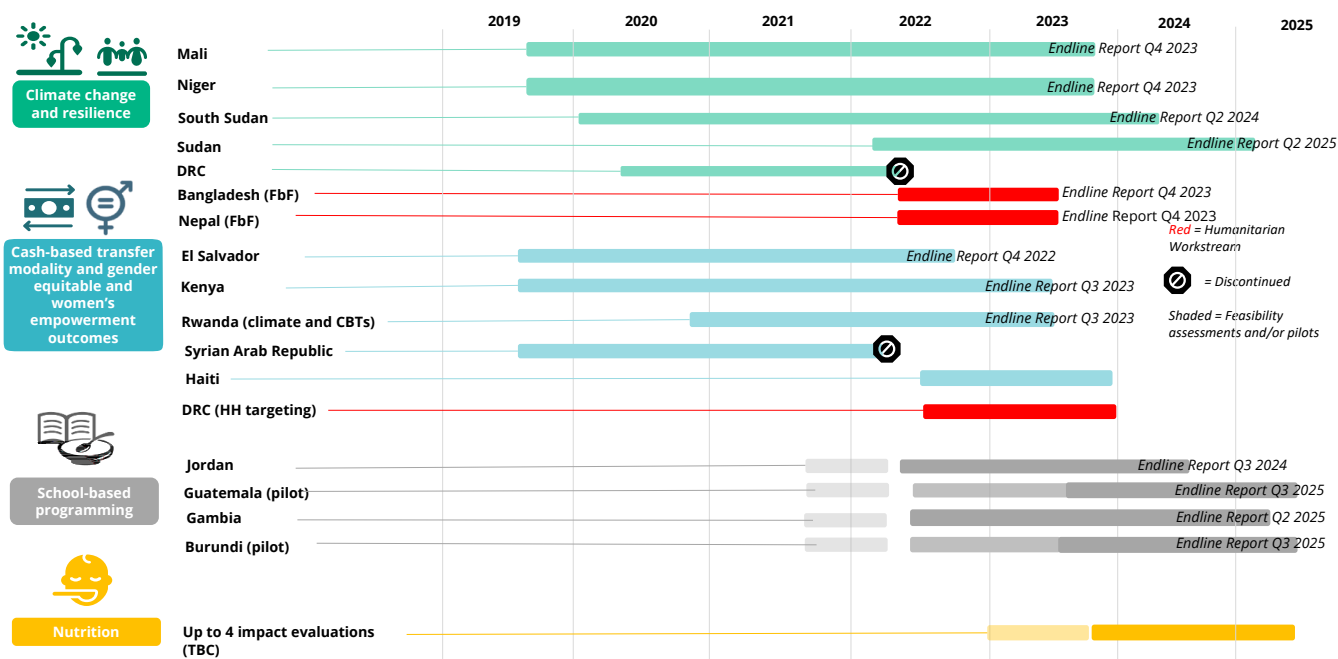
Abbreviations: ICSP = interim country strategic plan; UNDP = United Nations Development Programme.

18. In 2022, the priority corporate emergency response evaluations have been the evaluations of WFP's response in Myanmar and the regional response to the protracted emergency in the Sahel. Priorities for 2023 and 2024 will include the evaluations of the Ukraine limited emergency operation and WFP's response to the global food crisis. The timing and scope of those evaluations will be confirmed towards the end of 2022. WFP's response to the emergencies in northern Ethiopia and Afghanistan will be covered by IAHEs (see next paragraph) started in 2022 and evaluations of the CSPs for northern Ethiopia in 2024 and Afghanistan in 2025.
19. *Inter-agency humanitarian evaluations.* As an active member of the IAHE steering group chaired by the United Nations Office for the Coordination of Humanitarian Affairs, OEV recognizes the benefits of joint evaluations in providing a cost-efficient way of achieving evaluation coverage, minimizing the burden on United Nations country teams in challenging environments and enabling the evaluation of WFP's performance as part of system-wide humanitarian responses. OEV expects to contribute to up to two IAHEs per year. OEV is part of the management groups for the IAHEs of the Yemen crisis response and the COVID-19 humanitarian response, which were initiated in 2021 and are being completed in 2022, and the IAHEs of the responses to the humanitarian crises in Afghanistan and northern Ethiopia, which were launched in 2022 and will be completed in 2023. Topics for new IAHEs in 2023 will be determined by the IAHE steering group.
20. *Joint evaluations and activities.* OEV is contributing to the UNAIDS-led joint evaluation of social protection, which will be completed in 2023, and the UNDP-led joint synthesis of evaluative evidence of SDG 17 partnerships. OEV will continue to collaborate with other United Nations entities on identifying opportunities for a joint evaluation in 2023 and expects to contribute to up to two joint or system-wide evaluations per year from 2023 onwards. Those evaluations will be in addition to a joint evaluation to be conducted at the decentralized level and contributions to UNSDCF evaluations.
21. *Synthesis evaluations.* A synthesis evaluation of cooperating partners will be started in 2023, following consultation with WFP management.

Programme of work for impact evaluations

22. *Impact evaluations.* Figure A.III.1 shows the evolution of impact evaluations from 2019 to 2025 in accordance with the impact evaluation strategy. OEV has launched three impact evaluation windows on cash-based transfers and gender, on climate change and resilience and, in 2021, on school-based programming; a fourth window, on nutrition, will start in 2022. OEV expects to increase the number of impact evaluations from the 15 that are ongoing in 2022 to 17 in 2023 and 18 in both 2024 and 2025. Taking advantage of additional OEV support and donor funding, work on generating evidence from impact evaluations in fragile and humanitarian settings will continue under all thematic windows.
23. Findings from the mid-term review of the impact evaluation strategy conducted in 2021 will inform decisions with regard to any adjustments or improvements required in the implementation of the strategy going forward. The review highlights the need to develop further impact evaluation capacity in WFP offices, expand partnerships and focus on communications.

Figure A.III.1 Programme of work for impact evaluations, 2019–2025

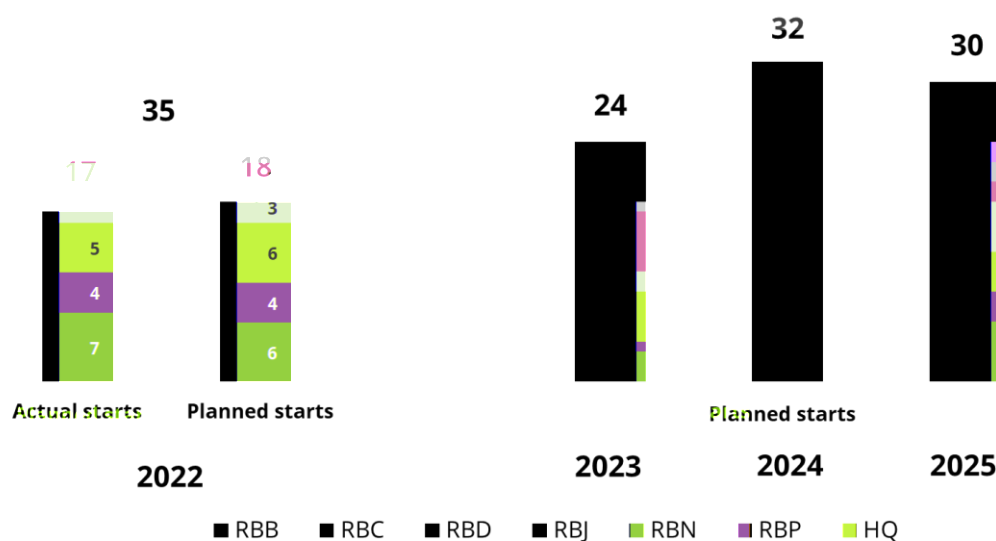


Abbreviations: FbF = forecast-based financing; HH = household.

B.2 Indicative plans for decentralized evaluations

24. Figure A.III.2 shows the actual and planned starts of evaluations in 2022 and the projections for 2023–2025, by region. As of July 2022, 35 evaluations had started or were expected to start in 2022; 24 are planned for 2023, assuming adherence to the minimum coverage norm of one decentralized evaluation per CSP cycle and the expectation that two headquarters divisions will conduct one decentralized evaluation each. Estimates for 2024 and 2025 are 32 evaluations in 2024 and 30 in 2025, with a modest increase in the number of joint evaluations and multi-country thematic decentralized regional evaluations expected in that period.

Figure A.III.2: Planned decentralized evaluations, 2022–2025



Abbreviations: HQ = headquarters; RBB = Regional Bureau for Asia and the Pacific; RBC = Regional Bureau for the Middle East, Northern Africa and Eastern Europe; RBD = Regional Bureau for Western Africa; RBJ = Regional Bureau for Southern Africa; RBN = Regional Bureau for Eastern Africa; RBP = Regional Bureau for Latin America and the Caribbean.

25. To support the implementation of the six regional evaluation strategies that are being updated in 2022 to align them with the new corporate evaluation strategy, WFP will maintain its efforts to ensure sufficient capacity for the effective planning, budgeting and management of decentralized evaluations and to maximize their use in evidence-based policy and programme design. In 2023, those efforts will focus on supporting country offices and regional bureaux in the planning, commissioning and management of decentralized evaluations that address specific learning gaps, ensuring maximum complementarity with other types of evaluations and other evidence products (reviews, assessments, studies) to inform ongoing programme implementation.

C. Promoting systematic access to and availability of evaluation evidence

26. The theory of change that underlies the updated evaluation policy includes a new outcome focused on ensuring that evaluation evidence is systematically accessible and available to meet the needs of WFP and its partners. The aim of the outcome is to ensure that the value of evaluation is recognized throughout WFP and beyond and that the use of evaluation evidence is facilitated throughout the organization to the benefit of organizational learning. The outcome requires that the right evidence is channelled to the right people at the right time and in the right way to promote its use, facilitate learning and ultimately improve WFP performance. To meet that aim, three related workstreams in the corporate evaluation strategy detail the actions required to map evidence gaps and identify the needs, motivations and preferences of the users of evaluation evidence, to stimulate broad engagement and interactions and to facilitate the use of evaluation evidence and its integration into corporate knowledge management.
27. Building on work started in 2021 on the implementation of WFP's evaluation communications and knowledge management strategy, OEV's priorities in 2023 will be:
- developing capacity to map user needs for evidence and to extract evidence from existing evaluative products by using advanced data mining technologies;
 - increasing the delivery of focused evidence tailored to identified user needs, including summaries of evidence and thematic webinars, and stepping up support for regional evaluation units liaising with programme teams to identify and respond to needs and evidence-sharing opportunities;
 - enhancing internal and external collaboration on evidence and knowledge management, in particular with other functional offices in WFP that generate evidence or facilitate its sharing, such as the Innovation and Knowledge Management Division, the Research, Assessment and Monitoring Division, the Corporate Planning and Performance Division, the Nutrition Division and School-based Programmes Service;
 - conducting a second review of the follow-up to evaluation recommendations in WFP on a topic to be confirmed in consultation with the Corporate Planning and Performance Division; and
 - contributing WFP evaluation evidence to the follow-up to the 2021 United Nations food systems summit and other relevant forums.

D. Enhancing the capacity to commission, manage and use evaluations

28. To ensure adequate capacity for evaluation management throughout WFP, and in accordance with the competency framework of the United Nations Evaluation Group (UNEG) and ongoing discussions on the professionalization of the evaluation function in the UNEG forum, OEV will continue to roll out the evaluation capacity development strategy for 2020–2024. The strategy caters to staff performing various functions and at various levels, including programme and policy advisers, WFP management and staff who are part of WFP's evaluation cadre at the headquarters, regional bureau and country office levels. OEV and

regional evaluation units will also continue to develop and manage relationships with external companies and consultants providing services through long-term agreements and individual contracts.

29. OEV priorities in 2023 will include:

- continuing to mainstream evaluation into the capacity development initiatives of other functions and conducting cross-functional training, with a particular focus on increasing the capacity for engaging in and using impact evaluations throughout WFP;
- working closely with the UNEG professionalization working group, piloting a recognition scheme for evaluation (initiated in 2022 through a memorandum of understanding with the United Nations System Staff College in Turin) the aim being to enable the WFP evaluation cadre to develop the capacity for high-quality evaluation management and to provide a framework for the recognition of their achievements;
- coordinating with the Human Resources Division on the implementation of the strategic workforce action plan for evaluation, which includes coordination of workforce planning for monitoring and evaluation officers with RAM and other divisions; and
- structured interactions with service providers to ensure that evaluation firms and evaluators understand WFP's evaluation policies and procedures, including the evaluation quality assurance system, and can innovate and adapt evaluation approaches, methods and processes.

E. Contribution to global knowledge and global decision making through partnerships

30. WFP will continue to engage in the international evaluation system, focusing on the areas where it can add the greatest value and that are of most relevance to its work.

31. In 2023 specific priorities will include:

- enhancing partnerships with a wide range of stakeholders at the regional and country levels (United Nations entities, national governments, civil society, etc.) for the provision of support for country-led evaluations, the promotion of and conduct of joint evaluations, cooperation with voluntary organizations for professional evaluation, South-South learning and the development of tools for assessing national evaluation capacity. The work will include:
 - operationalizing the memorandum of understanding on the global evaluation initiative led by the World Bank's Independent Evaluation Group on enhancing the results of national evaluation capacity development through a coordinated approach involving relevant partners at the global, regional and national levels; and
 - continuing to participate in a strategic partnership for creating a platform for evaluation capacity development with EvalPartners, a global movement that shapes the international evaluation agenda;
- further developing WFP's network of organizations generating evidence through impact evaluations in priority areas;
- actively participating in the work of UNEG as lead, co-lead and member of the various interest groups and working groups to ensure that evaluations contribute to the delivery of results under the 2030 Agenda for Sustainable Development;
- actively participating in the work of the Active Learning Network for Accountability and Performance in Humanitarian Action; and

- continuing to engage in and contribute to the system-wide evaluations led by the Executive Office of the Secretary-General and to UNSDCF evaluations at the country level.

Cross-cutting workstreams

32. In addition to the deliverables against the five strategic outcomes presented in the previous section, OEV is also engaged in four cross-cutting workstreams: the normative framework; resources (funding and people); institutional arrangements and management; and reporting. Priorities in 2023 will include:

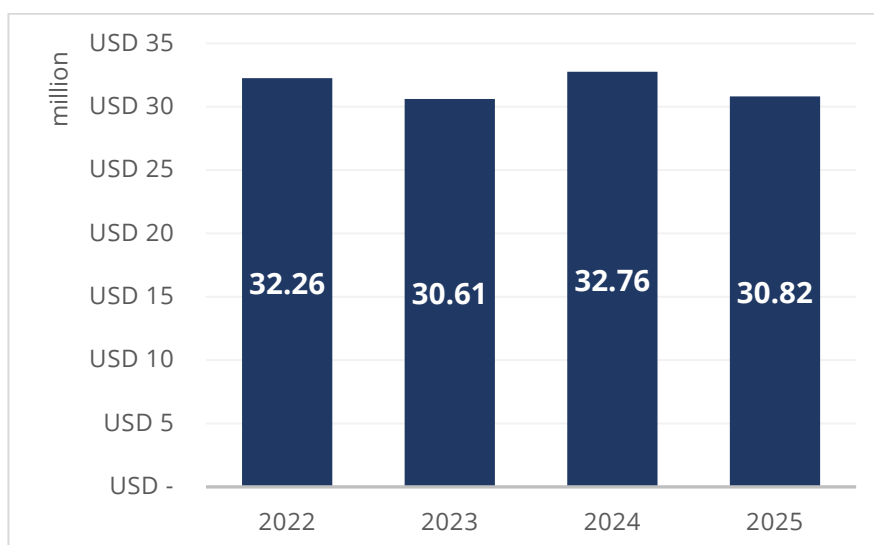
- *normative framework*: promoting the updated normative framework for evaluation, including the evaluation policy, charter and strategy, the regional evaluation strategies and implementation of the UNEG ethics guidelines that promote high ethical standards for evaluation;
- *resources (funding and people)*: attracting multi-year funding for the multi-donor trust fund for impact evaluations, reviewing the use of the contingency evaluation fund in accordance with the technical guidance note issued in 2022 and implementing the strategic workforce action plan for evaluation;
- *institutional arrangements and management*: ensuring the effective functioning of the evaluation function steering group and the regional evaluation committees in accordance with the updated terms of reference; and
- *reporting*: producing the annual evaluation report presented to the Board at its annual session, which is the main channel for reporting on the performance of the evaluation function and is informed by current monitoring indicators – quantitative and qualitative – including new indicators relevant to the updated policy. Priorities include:
 - updating the indicators to reflect changes in policy frameworks, UNEG norms and standards, the corporate results framework and other normative frameworks; and
 - identifying indicators for monitoring and reporting on progress in the implementation of regional evaluation strategies.

Part 2. Overall evaluation function resourcing

Resources for the evaluation function from 2022 to 2025

33. Figure A.III.3 shows the overall resource allocations to the evaluation function in 2022, the resources required for 2023 and the projected requirements for 2024 and 2025, and table A.III.2 presents a detailed breakdown. The resources required to deliver on the workplan for 2023 total *USD* 30.61 million.

Figure A.III.3: Overall resources allocated (2022) and required (2023) for the evaluation function and projected requirements for 2024 and 2025



34. The figures reflect an evolving resourcing situation and the annual fluctuations in the resources required to meet the commitments set out in the evaluation policy and satisfy the demand for diverse evaluations that meet accountability and learning needs across WFP and ensure alignment with the strategic direction of the updated policy. They are provisional, based on the OEV workplan, current and anticipated trends in regional bureaux and best assumptions and projections.
35. The modest increases in the PSA budgets in 2023 for OEV and some regional evaluation units demonstrate the commitment of WFP management to further investing in and consolidating the evaluation function and regularizing short-term staff positions. A one-off funding source of note in 2023 is the envisaged funding of the mid-term evaluation of the strategic plan, with an indicative budget of USD 0.5 million funded through the critical corporate initiative on the implementation of the strategic plan.
36. Looking ahead to 2024, a continued increase in the resources allocated to the evaluation function is expected, in line with the trend since 2017. There will be a slight dip in 2023, however, reflecting a drop in the number of decentralized evaluations planned and the reduced level of confirmed contributions to the multi-donor trust fund for impact evaluation at the time of writing. Based on the global contribution forecast at the time of drafting of the evaluation policy update, OEV expected to be approaching the 0.4 percent floor for the proportion of total contribution income allocated to evaluation, as set out in the evaluation policy.⁷ However, the upward revision of the global contribution forecast for 2022 and 2023 may cause the overall percentage of resources allocated to evaluation to decline.

⁷ Contribution revenue of USD 8.0 billion was forecast at the time of evaluation policy preparation, versus an updated forecast of USD 11 billion in July 2022.

Table A.III.2: Overall resources allocated (2022) and required (2023–2025) for the evaluation function (USD million)**Resources for OEV**

Main element	Funding source	2022	2023	2024	2025
OEV workplan		15.17	16.40	16.40	16.40
	PSA total [1]	15.17	15.90	16.40	16.40
	PSA equalization account/CCI for strategic plan/CRF		0.50		
Country strategic plan evaluations [2]		4.50	3.00	4.25	2.25
	CSP budget	4.50	3.00	4.25	2.25
Impact evaluations		1.76	2.02	1.64	2.02
	Multi-donor trust fund [3]	1.12	0.35		
	CSP budget [4]	0.64	1.68	1.64	2.02
Subtotal		21.42	21.43	22.30	20.68
	<i>Established PSA staff positions</i>	48	54	54	54
	<i>Staff costs as % of total OEV budget</i>	43	46	45	48

Regional evaluation units and decentralized evaluations

Main element	Funding source	2022	2023	2024	2025
Regional evaluation units [5]		3.20	3.84	3.84	3.84
	PSA (regional bureaux)	3.20	3.84	3.84	3.84
Decentralized evaluations [6]		6.14	3.84	5.12	4.80
	CSP budget	6.14	3.84	5.12	4.80
Subtotal		9.34	7.68	8.96	8.64
Contingency Evaluation Fund [7]		1.50	1.50	1.50	1.50
	Multilateral	1.50	1.50	1.50	1.50
Total		32.26	30.61	32.76	30.82
As % of WFP contribution income [8]		0.29	0.28	0.30	0.28

Notes

1. 2022: staff costs: USD 9.13 million; other costs: USD 6.04 million. 2023: staff costs: USD 9.95 million; other costs: USD 5.95 million. 2024 and 2025: staff costs: USD 9.95 million; other costs: USD 6.45 million.

2. Figures are based on the number of planned CSP evaluations as of August 2022 (12 in 2023, 17 in 2024 and 9 in 2025).

3. Confirmed donor contributions.

4. Figures are based on ongoing multi-year impact evaluations and planned new starts (17 in 2023, 18 in 2024 and 18 in 2025). Included is a USD 1 million contribution from the German Federal Ministry for Economic Cooperation and Development (BMZ) to the Sudan country office for an evaluation of the impact of the multi-year (2022–2025) programme on strengthening resilience and social cohesion in Darfur, to be jointly implemented by UNICEF and WFP.

5. Regional evaluation unit budgets (staff and other) are included in the regional bureaux's final submissions for the management plan.

6. Figures are based on the projected numbers of decentralized evaluations: (24 in 2023, 32 in 2024 and 30 in 2025).

7. Access to the contingency evaluation fund is formally extended beyond decentralized evaluations to include CSP evaluations and impact evaluations from 2022 onwards.

8. Percentages are based on updated forecasted contribution revenue as of 29 July 2022 (the date of the first informal consultation on the management plan for 2023–2025), which are assumed to continue in 2024 and 2025.

Resources for the Office of Evaluation in 2023

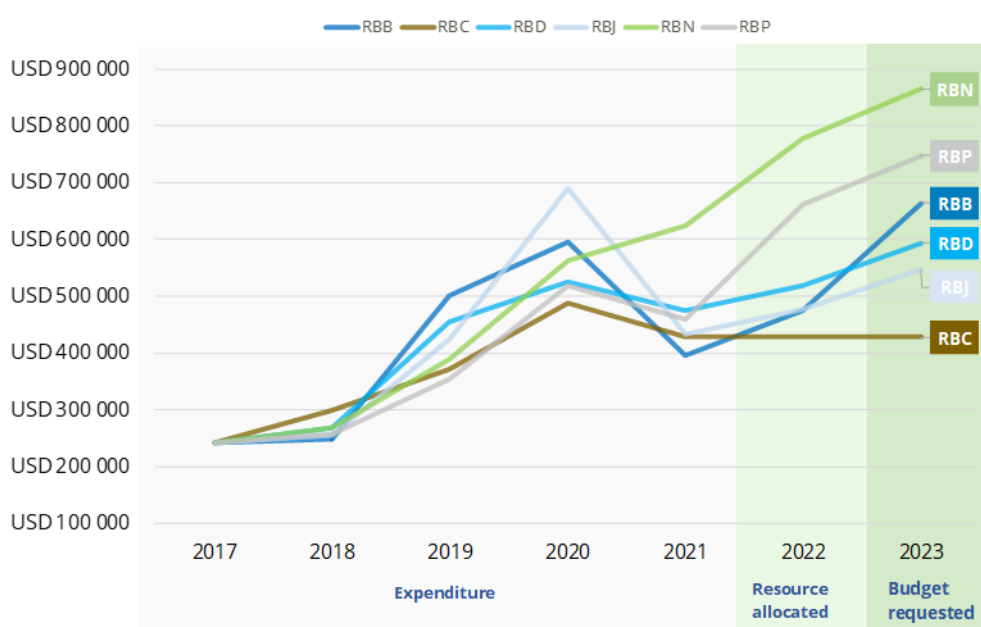
37. In 2023 the resources required for OEV to ensure progress towards the five interdependent outcomes in the updated evaluation policy total USD 21.43 million, sourced from and allocated for use as follows: USD 15.90 million from the PSA budget; USD 0.5 million from the critical corporate initiative on the implementation of the strategic plan, for the mid-term evaluation of the strategic plan; USD 3 million for CSP evaluations; USD 1.68 million for the collection of data from country CSP budgets, for use in impact evaluations; and USD 0.35 million of confirmed contributions from the multi-donor trust fund, for supporting impact evaluation work in specific countries. OEV's budget submission was reviewed by the global budget committee and approved by the Executive Director.
38. The modest increase (4.86 percent over 2022) in the 2023 PSA budget for OEV will enable the resumption of adherence to coverage norms for policy, strategic and corporate emergency evaluations (following a slowdown in activity due to the COVID-19 pandemic), the conduct of a large number of CSP evaluations and the consolidation of staffing for impact evaluation activities, communication and knowledge management and research and analytics.
39. OEV is actively working to attract new donors for the multi-donor trust fund and to secure additional multi-year funding to support the ongoing growth in impact evaluations. To date, contributions to the trust fund have been received from BMZ, the Reconstruction Credit Institute and the United States Agency for International Development (USAID).⁸
40. OEV anticipates that CSP budget plans will remain fluid, particularly in the light of the continuing alignment of WFP's CSPs with UNSDCF, which has implications for the planning of CSP and decentralized evaluations. WFP will continue to respond flexibly to changes and trends as they emerge, depending on the human and financial resources available.
41. *Human resources.* The total OEV staff budget required for 2023 is USD 9.95 million. The PSA submission reflects an increase from 48 established staff positions in 2022 to 54 in 2023. The increase in the budget in 2023 is driven primarily by the regularization of staff positions to comply with the staffing framework, with a cost increase of approximately USD 360,000 resulting from regularizing five consultant positions. Recurrent roles and responsibilities have been identified, and regularization plans are in line with the recommendations resulting from the strategic workforce planning exercise finalized in 2022. A new G-5 position has been added to provide dedicated finance and budget support in the light of the increase in impact evaluations. One P-2 position on the impact evaluation team has been replaced by a P-3 position in response to an impact evaluation strategy review recommendation that capacity be further increased with thematic window coordinator positions. OEV's headcount and budget also include a consultant position based in Bangkok who is working on the piloting of a model of technical support for country offices conducting impact evaluations.
42. *Efficiency.* OEV is committed to exploring ways to ensure maximum efficiency, the scalability of systems and flexibility of teams in response to an evolving and dynamic workload. OEV contributes to efficiency through participation in co-managed evaluations and cost-sharing arrangements (for example, IAHEs and other joint evaluations and a partnership for the conduct of impact evaluations with the World Bank) and through the further enhancement and streamlining of quality assurance and assessment systems and administrative processes.

⁸ A proposal for an initiative on "generating impact evaluation evidence on climate adaptation and humanitarian programming", with a budget of USD 5.5 million for the period 2023 to 2025, has been submitted to USAID.

Resources for regional evaluation units in 2023

43. Figure A.III.4 shows the evolution of the actual budgets of the six regional evaluation units under the previous policy, approved regional evaluation budget allocations in 2022 and funding requirements for 2023. PSA budget allocations for regional evaluation units have increased by 20.18 percent, with a total budget of USD 3.84 million in 2023 compared with USD 3.2 million in 2022.
44. The regional units have evolved in various ways since their formation in 2017, and there are significant variations in the number and levels of their staff. Following the updating of the regional evaluation strategies in 2022, it is expected that the composition of the units could evolve further, depending on the circumstances in and strategic and programmatic priorities of each region. OEV will continue to work with regional bureau management to ensure that adequate resources for the regional evaluation units and for regionally led evaluations are embedded in the PSA budgets of all regional bureaux and that recurrent staff positions are regularized at levels commensurate with the nature of their duties, in accordance with the staffing framework.

Figure A.III.4: Evolution of the regional evaluation unit budgets, 2017–2023



Notes

The 2019 PSA and multilateral terminal disbursement dates were extended to 31 August 2020, resulting in the high expenditures of 2020. Budgets for 2021 reflect the PSA allocations at the start of the year and include one investment case for RBN; modifications are expected.

The 2022 figures are actual allocations; 2023 figures are from Tagetik software applied to the regional bureaux final submissions for the management plan.

Evaluation function funding model

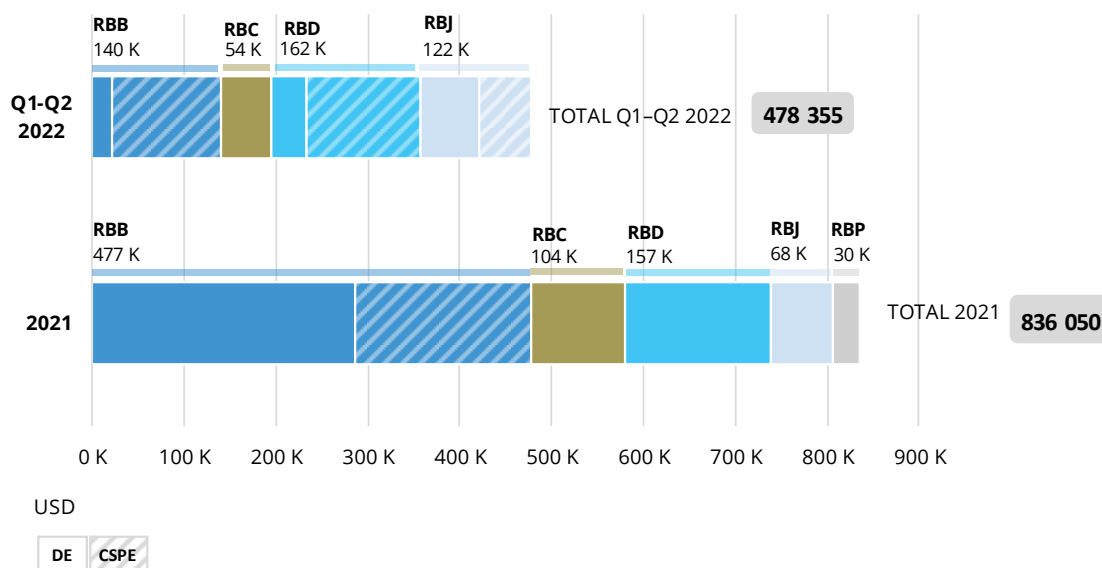
45. Under the updated evaluation policy, funding sources have been simplified to ensure the functioning of sustainable and predictable financing mechanisms for all evaluation types. Table A.III.3 presents the four principal sources of funding for the evaluation function. In addition to its regular PSA budget, the function is funded from country portfolio budgets, a multi-donor trust fund set up in late 2019 to support impact evaluations in specific countries and multilateral funding for the contingency evaluation fund.

TABLE A.III.3: THE FUNDING MODEL FOR WFP'S EVALUATION FUNCTION			
PSA budget	Programme resources/country portfolio budgets	Multi-donor trust fund (donor contributions)	Multilateral contingency evaluation fund
Decentralized evaluations oversight: regional evaluation units (staff and operational costs of each unit)	Decentralized evaluations conduct and management (staff time); implementation costs		Support for country offices that face genuine resource constraints in respect of planned and budgeted decentralized evaluations
Centralized evaluations conduct and management (OEV annual workplan)	Country strategic plan evaluations conduct: adjusted DSC		Support for country offices that face genuine resource constraints in respect of planned and budgeted CSP evaluations
Impact evaluations conduct and management (OEV annual workplan)	Impact evaluations data collection costs	A dedicated multi-donor trust fund managed by OEV that channels donor resources to specific WFP impact evaluations	Support for small country offices that face genuine resource constraints in respect of impact evaluation data collection costs
OEV overall function responsibility (standards, oversight, reporting)			

Contingency evaluation fund

46. The level of the contingency evaluation fund will be maintained at *USD 1.5 million* in 2023, and its use will be guided by a technical note and a joint assessment of applications carried out by the Programme Services Branch and OEV. Allocation decisions will be made by the evaluation function steering group, considering the recommendations of the contingency evaluation fund secretariat. OEV acts as the contingency evaluation fund secretariat and will report on the fund's use in the annual evaluation report.
47. To address the Board's request for regular reporting on the use of the contingency evaluation fund, figure A.III.5 shows the breakdown of the actual allocations from the fund to country offices in 2021 and to date in 2022, indicating the spread across regions. In 2021, 11 country offices were supported by allocations from the fund amounting to USD 836,050, with nine country offices receiving support for decentralized evaluations and two for CSP evaluations. As of 31 July 2022, a total of USD 478,355 in contingency evaluation funding had been allocated to six country offices, with four receiving support for decentralized evaluations and three for CSP evaluations.

Figure A.III.5: Contingency evaluation fund allocations to country offices in 2021 and January–July 2022 (USD)



Notes

2021 funding for decentralized evaluations in Bhutan, the Dominican Republic, Egypt, Guinea, India, Lesotho, Nigeria, Pakistan and the Philippines and for CSP evaluations – in India and Sri Lanka.

2022 funding for decentralized evaluations in Benin, Bhutan, Eswatini and Türkiye and for CSP evaluations in Bhutan, Ghana and Namibia

Abbreviations: CSPE = CSP evaluation; DE = decentralized evaluation.

Historical funding levels

48. For reference, figure A.III.6 shows the evolution of resource requirements for the evaluation function across WFP over the course of the previous evaluation policy (2017–2021). Table A.III.4 shows a detailed breakdown of the resources and funding sources during the same period, revealing how budgets allocated from various funding sources have evolved over time at the corporate and regional levels, the resources allocated to evaluation increasing from 0.24 percent in 2017 to 0.32 percent in 2021.

Figure A.III.6: Overall funding for the evaluation function, 2017–2021

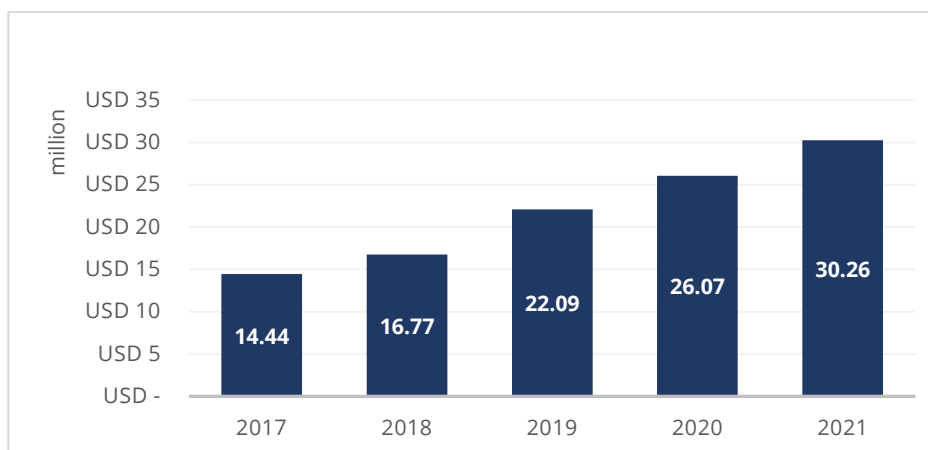


Table A.III.4: Resources available for the evaluation function 2017–2021 (USD million)

Function area		OEV workplan				
Main element	Funding source	2017	2018	2019	2020	2021
OEV workplan		8.38	8.33	11.10	12.22	12.73
	PSA staff costs	3.05	3.00	5.66	7.03	7.27
	PSA other costs	5.33	4.43	4.73	5.18	5.46
	PSA equalization account investment case/CCI		0.40			
	Extrabudgetary (multilateral)		0.50	0.59		
	Extrabudgetary (multilateral 2018 – carry over to 2019)			1.12		
Country strategic plan evaluations				1.75	2.25	4.50
	CSP budget			1.75	2.25	4.50
Impact evaluations				0.52	4.53	2.26
	Multi-donor trust fund			0.52	4.53	2.26
Subtotal		8.38	8.33	13.36	19.00	19.49
	<i>Established PSA staff positions</i>	15	15	29	38	39
	<i>Staff costs as % of total OEV budget</i>	36.4	36	42.4	37	37.3
Function area		Outside OEV				
Main element	Funding source	2017	2018	2019	2020	2021
Regional evaluation units		1.60	1.61	3.31	2.90	2.58
	PSA (regional bureaux)	1.60	1.61	1.64	1.64	2.58
					0.36	
					0.90	
				1.67		
Decentralized evaluations		2.96	5.33	3.92	2.67	6.70
	CSP budget	2.96	5.33	3.92	2.67	6.70
Contingency evaluation fund		1.50M	1.50	1.50	1.50	1.50
	PSA	1.50	1.50	1.50	1.50	1.50
Subtotal		6.06	8.44	8.73	7.07	10.77
Total		14.44	16.77	22.09	26.07	30.26
As % of WFP contribution income		0.24	0.23	0.27	0.31	0.32

ANNEX IV

Trust funds and special accounts

ANNEX V

Concept notes for the proposed critical corporate initiatives

ANNEX VI

**Corporate high-level targets, management result
key performance indicators and cost per beneficiary**

ANNEX VII

Update on the bottom up strategic budgeting exercise

ANNEX VIII

Terminology and acronyms

As far as possible, common United Nations terminology for budget preparation has been used in this document. WFP-specific terms and definitions have been used where necessary.

Account

A formal record of an asset, liability, revenue or expense for which the effects of transactions are recorded in terms of their monetary value or other unit of measurement.

Activity

Activities are actions taken or work performed through which inputs such as funds, technical assistance and other types of resources are mobilized to produce specific outputs.

Activity category

Activities, which are described in country strategic plans, are classified in standardized groups throughout WFP, which allows aggregation by nature of the activities. A comprehensive list of WFP activity categories can be found in the corporate results framework.

Annual performance report (APR)

A corporate-level report submitted to the Board and donors highlighting WFP's main achievements and challenges. Reporting progress against the WFP strategic plan and management plan, the APR reflects results-based management principles and constitutes an essential piece of WFP's accountability and performance management system. The report draws on WFP's accounting and operation management systems and on consultation with divisions, regional bureaux, country offices and partners.

Appropriation

The amount approved by the Board for purposes specified in the programme support and administrative (PSA) budget for a financial period, against which obligations up to the amount approved may be incurred for those purposes.

Appropriation line

The largest subdivision of the PSA budget within which the Executive Director is authorized to make transfers without prior approval of the Board.

Baseline

Essential activities that contribute to the efficient and effective delivery of the annual implementation plan but that cannot be readily traced to individual CSPs.

Beneficiaries

Beneficiaries are individuals who benefit directly (tier 1 beneficiaries) or indirectly (tier 2, tier 3 beneficiaries) from WFP interventions at any time during a given reporting period.

Board

The Executive Board of WFP, and its predecessors.

Capital Budgeting Facility

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

Contribution

A donation of appropriate commodities, non-food items, acceptable services or cash made in accordance with procedures set out in WFP's financial regulations. A contribution may be multilateral, directed multilateral or bilateral.

Corporate results framework (CRF)

The normative document approved by the Board in order to operationalize WFP's strategic plan and policy on country strategic plans. It establishes the logic model for programme results and the management support architecture used to guide the planning and monitoring of and the reporting on WFP's performance towards the achievement of strategic objectives. The CRF aligns the "line of sight" with indicators used to measure results. These indicators are maintained in two compendiums: the CRF programme output and outcome compendium; and the CRF management key performance indicator compendium. Targets for results are set in the performance cycles of country, regional and headquarters offices and reviewed by the Board in the annual performance report.

Critical corporate initiatives

Non-recurring investments funded by allocations from the PSA equalization account and aimed at strengthening WFP's programming, operational and administrative capacity.

Directed multilateral contribution

A contribution, other than a response to an appeal made by WFP for a specific emergency operation, that a donor requests WFP to direct to a specific activity or activities initiated by WFP or to a specific programme or programmes.

Direct support cost

A cost that corresponds to country-level expenditures that are directly linked to the execution of the programme as a whole but cannot be attributed to a specific activity within it.

Executive Director

The Executive Director of the World Food Programme or the official to whom the Executive Director has delegated authority and responsibility for the matter in question.

Extrabudgetary funding

Extrabudgetary resources include special accounts and trust funds, which may be established by the Executive Director as stipulated in [Financial Regulation 5.1](#).

Financial regulations

Regulations adopted pursuant to general regulations that govern the financial management of the WFP Fund. The Board may, in exceptional circumstances, grant exemptions from the financial regulations.

Focus areas

Mutually exclusive categories of the contexts in which WFP operations are implemented. Focus areas appear as tags in WFP logical frameworks at the WFP strategic outcome level and are three in number: crisis response, resilience building and response to root causes. Each strategic outcome statement should be associated with one focus area.

Full cost recovery

The recovery of all the costs of the activities financed by a contribution or service provision payment.

Functional areas

Areas of expertise relevant to managing related business processes and providing internal services for implementing operations. The functional areas are closely related to the country office and regional bureau structures and, to a certain extent, headquarters divisions.

Funding Compact

An agreement between Member States and the United Nations to increase the quality and quantity of resourcing in exchange for increased transparency and accountability.

General Fund

The 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.

Global Commodity Management Facility

A facility that enables WFP to buy food on the basis of estimated regional needs and funding forecasts with a view to exploiting favourable market conditions and minimizing the time required to deliver food to beneficiaries.

Global contribution forecast

Based on donor intelligence including funding trends, political developments and information received from donor counterparts at the capital level, the global contribution forecast provides a projection of WFP's expected contributions. The primary purpose of producing the global forecast is to support organizational planning and risk management. The global forecast is used in the management plan document to arrive at the corporate key figure for projected contribution revenue for the coming years. The projected indirect support cost income in the management plan is in turn derived from the projected contribution revenue figure and serves to support the proposed programme support and administrative budget. The global forecast is updated five times a year to coincide with corporate business processes such as the quarterly financial statements, Executive Board sessions and publication of the management plan and is presented to and endorsed by WFP's leadership group.

Implementation plan

An annual plan of prioritized and adjusted operational requirements, based on funding forecasts, available resources and operational challenges.

Indirect support cost

A cost that cannot be directly linked to the execution of a programme or activity.

Integrated Road Map

The Integrated Road Map defines the transformative changes required in order to implement the Strategic Plan (2017–2021) and facilitate and demonstrate WFP's contribution to achieving the goals of the 2030 Agenda for Sustainable Development, in particular SDG 2, "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture", and SDG 17, "Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development".

Internal project lending

An internal advance financing mechanism whose objectives are to maximize the utilization of project resources in order to improve the timely availability of food. The facility enables projects to receive advance funding pending confirmation of forecast contributions within established risk management parameters.

Management cost recovery fees

Management cost recovery fees are charges to external entities based on the total cost of services to cover the costs of managers and the management support infrastructure of WFP's service provision activities, including oversight, risk management and tool development.

Management plan

The three-year comprehensive plan of work approved by the Board each year on a rolling basis, inclusive of planned outcomes and indicators of achievement, together with the annual WFP budget.

Multilateral contribution

A contribution for which WFP determines the programme or WFP activities for which the contribution will be used and how it will be used, or a contribution made in response to a broad-based appeal for which WFP determines, within the scope of the broad-based appeal, the programme or WFP activities for which the contribution will be used and how it will be used, and for which the donor will accept reports submitted to the Board as sufficient to meet the requirements of the donor.

Operational costs

Transfer costs and implementation costs of a programme.

Operational requirements

All direct operational needs and direct support costs related to approved programmes and programmes that are expected to be submitted for approval.

Other services

Other services are activities that are incidental or supplementary and are not central to directly supporting the operations of the organization.

Pillars

Five categories (A–E) that describe products and services delivered by regional bureaux and headquarters in order to support country offices in implementing their CSPs and therefore to align the plans and budgets of regional bureaux and headquarters offices.

Programme categories

A classification of WFP activities, established in accordance with the General Rules:

- **Country strategic plans (CSPs)** describe WFP's entire portfolio of humanitarian and development activities in a country or countries and are prepared on the basis of country-led analyses of sustainable development.
- **Interim country strategic plans (ICSPs)** describe WFP's entire portfolio of humanitarian and development activities in a country or countries and are prepared for countries where country-led analyses of sustainable development have not been completed.
- **Limited emergency operations** are used to provide emergency relief in a country or countries where WFP does not have a country strategic plan or an interim country strategic plan.
- **Transitional interim country strategic plans (T-ICSPs)** describe WFP's entire portfolio of humanitarian and development activities in a country or countries and are implemented between the end of a limited emergency operation and the start of implementation of a country strategic plan or interim country strategic plan.

Programme of work

The total approved WFP programme requirements determined in collaboration with governments and other partners and utilized for funding appeals.

Programme support and administrative (PSA) budget

The portion of the WFP budget that pertains to providing indirect support for WFP's activities.

Project

A separately identified undertaking within a programme category.

Ration

A ration is the food or cash or voucher equivalent provided daily for a beneficiary in a targeted group; it is expressed as the weight in grams of each food type and varies in size according to needs and available funding.

Service provision

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

Special account

An account established by the Executive Director for a special contribution or for monies earmarked for specific activities, the balance of which may be brought forward to the succeeding financial period.

Strategic objectives

The first level of support for the achievement of strategic goals, the five WFP strategic objectives frame WFP's programmatic and operational focus and link to national and global efforts to meet SDG 2 and SDG 17 targets.

Strategic outcomes

Part of WFP's programmatic results chain, strategic outcomes are statements in WFP logical frameworks that reflect the stated or implied goals of a country's national plan and regional framework to which WFP's assistance will contribute. Strategic outcomes contribute to WFP strategic results, and below them are outputs and activities. Strategic outcomes are classified in standard outcome categories for the purpose of aggregation throughout WFP.

Strategic results

Supporting the strategic objectives, strategic results align WFP's support with national efforts to achieve the SDGs. They contribute to the achievement of strategic objectives and frame strategic outcomes at the country level. For more comprehensive information, consult the WFP Strategic Plan (2017–2021).

Trust fund

An identifiable subdivision of the WFP Fund, established by the Executive Director in order to account for a special contribution, the purpose, scope and reporting procedures of which have been agreed with the donor.

WFP budget

The annual budget component of the management plan approved each year by the Board indicating estimated resources and expenditures for programmes and activities and including a programme support and administrative budget.

WFP transfer modalities

- **Commodity voucher.** A paper or electronic entitlement expressed in fixed quantities of specified goods. It is a distinct transfer modality and is not cash-based or in-kind.
- **Cash-based transfers.** Transfer modalities through which beneficiaries are provided with purchasing power in the form of cash and/or value vouchers.
- **Cash transfer.** Monetary assistance in the form of cash or electronic disbursement to a targeted individual or household for the purchase of food.
- **Value voucher.** A paper or electronic entitlement of fixed value issued to a targeted individual or household and redeemable at specified retailers.

Acronyms

BUSBE	bottom-up strategic budgeting exercise
CBF	Capital Budgeting Facility
CBT	cash-based transfer
CCI	critical corporate initiative
COMET	country office tool for managing effectively
COMP	country operation management plan
COSMOS	Country office support model optimization and simplification
COVID-19	coronavirus disease 2019
CRF	corporate results framework
CSP	country strategic plan
DSC	direct support costs
DSS	Department of Safety and Security
EDMF	Emerging Donor Matching Fund
FAO	Food and Agriculture Organization of the United Nations
FTE	full-time equivalent
GCMF	Global Commodity Management Facility
GSS	global shared services
IFI	international financial institution
IMF	International Monetary Fund
IPC	Integrated Food Security Phase Classification
IPL	internal project lending
IRA	Immediate Response Account
ISC	indirect support costs
IT	information technology
KPI	key performance indicator
NGO	non-governmental organization
PACE	Performance and competency enhancement
PSA	programme support and administrative (budget)
PSAEA	programme support and administrative equalization account
PSEA	protection from sexual exploitation and abuse
SDG	Sustainable Development Goal
SPRING	standard project report intelligent next generation
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDIS	United National Disability Inclusion Strategy
UNHAS	United Nations Humanitarian Air Service
UNHCR	Office of the United Nations High Commissioner for Refugees
UNHRD	United Nations Humanitarian Response Depot
UNSDCF	United Nations sustainable development cooperation framework
UNSDG	United Nations Sustainable Development Group