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FINANCE COMMITTEE

Hundred and Ninety-seventh Session

Rome, 30-31 October 2023

WFP management plan (2024-2026)

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EXECUTIVE SUMMARY

- The “WFP management plan (2024–2026)” is submitted to the Board for approval.
- The executive summary of the “WFP management plan (2024–2026)” 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 (2024–2026)” 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 (2024-2026)”.**



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WFP management plan (2024–2026)

Executive summary

Introduction

The world continues to experience the largest global food and nutrition crisis in recent history, further threatening progress towards the achievement of the Sustainable Development Goals. Because of overlapping conflicts, the climate crisis and economic shocks, up to 783 million people were affected by chronic hunger in 2022 – nearly 17 percent more than in 2019 – and 345 million people are projected to be acutely food-insecure during 2023 in 79 countries where WFP operates.

In 2023 and beyond, global economic recovery is expected to be hampered by the lingering effects of the coronavirus disease 2019 pandemic, ongoing conflict in Ukraine and other countries, low global growth rates and high rates of inflation. International food prices have remained well above pre-pandemic levels and could face renewed upward pressure following the termination of the Black Sea Grain Initiative. The El Niño event that began in 2023 is expected to continue into early 2024, increasing the risk of floods and drought in many countries.

WFP's strategic plan for 2022–2025 assigns the highest priority to saving lives in emergencies through 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 bolster national and local capability to respond to crises, and improve efficiency and effectiveness through the integration, automation and streamlining of enabling processes. 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. In 2024, WFP will strengthen its corporate monitoring and assurance mechanisms so that, in an environment with high competition for limited resources, the organization can continue ensuring that optimal assistance is delivered to intended beneficiaries. Prioritizing innovation and partnerships to meet this goal, WFP will maintain collaboration and confidence of its valued donors and partners.

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Funding context

Following record contribution revenue of USD 14.1 billion in 2022, WFP expects to receive USD 10 billion in 2023 and the same amount in 2024. To address the projected gap between resource requirements and funding levels, WFP will strengthen existing high-impact partnerships with donors and forge new ones, including in the Global South; seek more flexible and predictable funding; and increase the domestic funding of its programmes from host governments. Through its global strategy for political engagement, WFP will also seek to diversify funding sources, including by leveraging existing relationships with national governments, international financial institutions, the private sector and thematic and multilateral funds and increase WFP's political visibility. WFP will continue to prioritize activities aimed at obtaining increased, flexible and regular income from the private sector and will forge new partnerships that harness the expertise of that sector. In addition, WFP will scale up anticipatory action, including forecast-based financing, with a view to reducing humanitarian costs by implementing protective measures in countries that are at high risk, before events occur.

Programmatic context

WFP's projected operational requirements for 2024 are estimated at USD 22.7 billion, a 15 percent increase compared with the management plan for 2023–2025. The increase reflects the continuing rise in global humanitarian needs linked to alarming levels of hunger and malnutrition, and WFP's capacity to respond. WFP plans to reach 157 million people through 88 operations in 2024, aiming to assist nearly 5 percent more people than under the previous management plan.

The global provisional implementation plan for 2024, of USD 11 billion, is based on the 2024 global contribution forecast of USD 10 billion, the estimated use of net carry-over contribution balances of USD 500 million and the projected revenue of USD 500 million from on-demand service provision. The implementation plan figure represents 48 percent of the USD 22.7 billion in operational requirements for 2024 and would enable WFP to assist 120 million beneficiaries, or 76 percent of the beneficiaries originally targeted. WFP will seek to minimize the negative effects of funding shortfalls in accordance with updated guidance on the prioritization of targeted population groups and by continuously monitoring outcomes and feedback from assisted and non-assisted people and communities. WFP will also assess access constraints and adjust its operational requirements for 2024, as appropriate.

Reflecting WFP's priority of saving lives in emergencies, crisis response will continue to account for the largest share of the provisional implementation plan in 2024 (80 percent). Resilience building will account for 17 percent and addressing root causes, 3 percent.

As in previous years, food and cash-based transfers continue to be the main transfer modalities, accounting for 53 percent and 30 percent, respectively, of the total transfer costs in the 2024 provisional implementation plan. The shares of the total transfer costs for WFP's capacity strengthening activities for individuals, communities and governments and for its mandated and on-demand service delivery activities will remain stable compared with 2023.

Programme support and business operations

Building on the methodology adopted during the bottom-up strategic budgeting exercise, the programme support and business operations budget has been set at USD 983.0 million, which includes USD 811.4 million for baseline activities. The baseline activities and proposed budget allocations have been guided by four corporate management priorities aligned with the Executive Director's vision: ensuring duty of care and improving workplace culture; strengthening emergency response capacities; ensuring maximum efficiency and accountability and prioritizing innovation; and building partnerships, including with the private sector. The baseline budget is 8 percent higher in 2024 than in 2023 owing to strategic investments in activities that are aligned with the corporate management priorities and that address the key risk areas of workplace culture and people management, and monitoring and identity management.

Programme support and administrative budget

The 2024 programme support and administrative (PSA) budget funds 70 percent of the baseline budget, covering activities that provide indirect support for WFP's operations. Management proposes a 2024 PSA budget of USD 568 million. At USD 8.3 million less than the approved PSA budget for 2023, the 2024 proposed PSA budget will be equal to projected indirect support cost income in 2024.

In line with corporate management priorities, guiding principles and planning assumptions, the proposed PSA budget emphasizes the alleviation of financial stress on country offices to ensure that they can maintain their basic structure and comply with minimum normative standards. The 2024 PSA budget proposes a 24 percent increase in the funding for country offices. Because the regional bureaux provide the first line of support to country offices, their proposed budgets will decrease by only 1 percent. Headquarters departments will absorb most of the overall decrease in PSA funding and the shift of that funding to country offices, as indicated by the 6 percent reduction in their combined budgets compared with 2023.

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 Executive Board each year. The Secretariat proposes that the rate be maintained at 6.5 percent in 2024, with a lower rate of 4 percent to be applied under conditions previously approved by the Board.

Proposed uses of the programme support and administrative equalization account and the unearmarked portion of the General Fund

As a result of the high level of contributions in 2022 and favourable interest rates, on 1 January 2024 the PSA equalization account and the unearmarked portion of the General Fund are projected to have balances exceeding the target ceiling. Management proposes to use a portion of these healthy balances for strategic investments in corporate initiatives and to provide financial support to country offices to ensure continuity of high-quality programme implementation while they adjust to the lower funding levels.

Management proposes that the Board approve the use of USD 50 million of the PSA equalization account to replenish the Immediate Response Account and recommends that the Immediate Response Account resourcing target of USD 400 million established in the management plan for 2023–2025 be maintained in 2024 in order to meet the likely increased demand on the account given the projected funding gap. WFP will make a specific appeal to donors should the Immediate Response Account balance fall below the minimum threshold of USD 85 million, which is the average cost of providing three months of assistance to 2 million people.

Management also proposes to invest USD 88.4 million from the PSA equalization account to fund six out of eight critical corporate initiatives that would be implemented in 2024. These are aligned with WFP's corporate management priorities and risk areas. The first three are "Investing in WFP people" (USD 27.0 million), which aims to accelerate progress towards achieving WFP's vision of delivering excellence in people management and ensuring that its people have the right skills and tools; "Monitoring, identity management and traceability" (USD 23.7 million), which seeks to ensure that all commodities handled by WFP and its partners are tracked and traced across the value chain from origin to distribution to households, strengthen remote processes for monitoring community feedback; and "Fit for future in a changed funding landscape" (USD 7.9 million), which will empower partnership officers globally with more effective tools for diversifying WFP's resource mobilization and advocacy initiatives.

A further five critical corporate initiatives are aimed at enhancing efficiency in various areas of WFP's operations and activities. Three of these would also receive funding. "Corporate process optimization" (USD 21.0 million) aims to improve the efficiency and effectiveness of WFP's global services, in particular by re-engineering the organization's procurement capabilities and approaches to buying food, goods, and services for WFP's operations. "Country office support model optimization and simplification" (USD 3.0 million) seeks to enhance the support provided by headquarters to country offices by adopting a simplified support structure, clarifying accountabilities and strengthening functional support planning. The "United Nations Sustainable Development Group efficiency road map" (USD 5.8 million) will continue to support the implementation of United Nations development system reform and contribute to the achievement of targets related to efficiency gains within WFP and in the wider United Nations system. No additional funding is required for the "Implementation of the strategic plan and corporate results framework" or the "Termination indemnity fund" as the budgets planned for 2024 will be covered from balances remaining at the end of 2023.

The Secretariat proposes to allocate USD 100.4 million of the unearmarked balance of the General Fund to defraying costs and providing financial support for country offices that face a decrease in resources and operations. Of this amount, USD 15.4 million would be used to fund the human capital management platform, which aims to achieve efficiencies through improved people management and human resource activities in order to reduce the costs to country offices for these activities. The remaining USD 85 million would be used to ensure that country offices are able to prioritize support for the most vulnerable beneficiaries, preserve operational integrity and maintain their capacity to rapidly respond to acute crises. These funds will be allocated according to the operational and financial situation of the country office; potential uses include the coverage of costs related to cooperating partners, retargeting exercises for managing reductions in assistance or discrete investments that bring proven cost savings.

Draft decision*

Having considered WFP's management plan for 2024–2026 (WFP/EB.2/2023/5-A/1 and WFP/EB.2/2023/5-A/1/Add.1), the Board:

- i) notes that the 2024 programme support and administrative appropriation assumes a funding level of USD 10 billion in 2024;
- ii) takes note of the projected operational requirements of USD 22.7 billion for 2024 and the provisional implementation plan of USD 11 billion for 2024, which aligns the activities of WFP with anticipated funding, as outlined in section III of the management plan for 2024–2026;
- iii) approves a 2024 programme support and administrative appropriation of USD 568 million, to be allocated as follows:

strategy and direction	USD 121.3 million
services to operations	USD 295.8 million
governance, independent oversight and fundraising	USD 150.9 million
Total	USD 568.0 million
- iv) approves a standard indirect support cost recovery rate of 6.5 percent for 2024 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;
- v) approves the repurposing of the unspent balance in the staff wellness fund from the 2022 PSAEA allocation – initially approved as thematic funding to cover joint United Nations activities related to COVID-19 – to be used to finance wellness projects aligned with the wellness strategy for 2020–2024 and actions that address recommendations stemming from the 2022 global health survey;
- vi) 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;
- vii) approves the use of USD 88.4 million from the programme support and administrative equalization account for funding critical corporate initiatives as follows:
 - a) USD 27.0 million for the third year of the critical corporate initiative "*Investing in WFP people*", which aims to mainstream WFP's 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, while mitigating risks related to workforce alignment;
 - b) USD 23.7 million for a new two-year critical corporate initiative "*Monitoring, identity management and traceability*", which seeks to strengthen monitoring and improve identity management by implementing digital commodity tracking and minimum assurance standards for in-kind food operations and remote output and outcome monitoring activities, including beneficiary surveys on the adequacy of and challenges related to WFP's assistance;

* 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.

- c) USD 7.9 million for a new two-year critical corporate initiative "*Fit for future in a changed funding landscape*", which aims to enable headquarters, through functional reorganization and investments in improved tools and technology, to more effectively support and build the resource mobilization and advocacy capacity of country offices and regional bureaux;
 - d) USD 21 million for a new two-year critical corporate initiative "*Corporate process optimization*", which will integrate, automate and streamline business processes, particularly those related to procurement, to improve their efficiency and effectiveness;
 - e) USD 5.8 million for the second year of the critical corporate initiative "*United Nations Sustainable Development Group efficiency road map*", which covers activities aimed at ensuring that WFP has the capacity to prepare for, participate in, deliver and lead United Nations development system reform efforts;
 - f) USD 3.0 million for the second year of the critical corporate initiative "*country office support model optimization and simplification (COSMOS)*" in order to include additional regions and functions in the pilot model, which aims to improve the quality and efficiency of support for country offices by establishing dedicated global support teams that enable country offices to spend more time on field-level operations;
- viii) approves an allocation of USD 100.4 million from the unearmarked portion of the General Fund to supporting country offices as follows:
- a) USD 15.4 million for an early repayment to the Capital Budget Facility for the Human Capital Management (HCM) platform, which will improve people management, human resource services and data-driven people management decisions;
 - b) USD 85 million for a country office safety net to mitigate the impact of reductions in contribution revenue on country offices that are transitioning to lower resourcing and operational levels;
- ix) approves the Immediate Response Account resourcing target level of USD 400 million for 2024, in line with the 2023 level;
- x) 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;
- xi) approves the Evaluation function workplan and priorities for 2024–2026 as presented in annex VII; and
- xii) welcomes the departmental structure described in the Addendum to WFP management plan (2024-2026) (WFP/EB.2/2023/5-A/1/Add.1), notes that the Executive Director is proceeding with implementation, and looks forward to receiving an update.

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Section I: Introduction

1.1 Organizational context

1. The strategic plan for 2022–2025 frames the organizational context for this management plan, which covers the period from 2024 to 2026. Although the strategic plan was drafted largely before the accelerated deterioration of several influential external factors – such as the continued economic instability following the coronavirus disease 2019 (COVID-19) pandemic and conflicts in Ukraine and other regions in 2021–2022 – it has proved to be a valuable policy framework for WFP’s response to competing needs throughout 2023 and is expected to remain so in 2024.
2. The strategic plan assigns the highest priority to saving lives in emergencies and focuses on strengthening WFP’s efficiency and effectiveness so that urgent food and nutrition needs can be met with optimal speed, assistance modalities, skills, partnerships and people. It also affirms the importance of WFP’s partnered-up programmes that contribute to better outcomes, improve livelihoods and resilience and strengthen national emergency preparedness and response, social protection and food systems.
3. Persistent global economic instability and the attendant pressure on domestic budgets have reduced the funding contributed to humanitarian and development actors in 2023, and key donors have forecasted that their domestic budgets will remain constrained in 2024, thus limiting their funding of WFP. To illustrate this situation, in mid-2023 WFP had received nearly USD 4.1 billion in donor contributions,¹ representing 15 percent of annual requirements and a 26 percent reduction compared with the funding received by mid-2022.
4. In this challenging resourcing environment, WFP is being forced, with increasing frequency, to scale down the number of people assisted or reduce the rations and cash-based transfers (CBTs) distributed in its operations.² Regrettably, reductions in assistance risk becoming a common feature of maintaining operational sustainability at the country level in 2024, unless there is a rapid increase in contributions. Greater investments in evidence – in particular, further vulnerability mapping of beneficiary population groups – will be necessary in order to ensure that WFP’s country operations are equipped to manage agile scale-downs or scale-ups in beneficiary caseloads at short notice, should those become unavoidable.
5. WFP will respond to the resourcing challenges by striving for increased programme impact and seeking efficiency gains wherever possible, while delivering on its protection and accountability, gender and women’s empowerment, nutrition integration and environmental sustainability commitments. In pursuit of those objectives, senior management has identified innovation and partnerships as the two key enablers of WFP’s work:³ innovation because of WFP’s strong track record in leveraging efficiency and impact gains, such as through its Innovation Accelerator, and partnerships because the exponential increase in needs seen in recent years poses too large a challenge for WFP to address on its own. WFP will actively expand its relationships with non-governmental organizations, international

¹ As of 26 June 2023.

² As of mid-2023, WFP has had to reduce assistance in several operations. For example, in Afghanistan, WFP has removed 8 million people from its emergency assistance; in Yemen, beneficiaries are receiving 40 percent of the planned emergency rations; in the State of Palestine, WFP has suspended assistance for 200,000 people, representing 60 percent of the planned beneficiaries; and in Bangladesh, WFP has reduced the monthly voucher value from USD 12 to USD 8 for more than 900,000 Rohingya refugees in Cox’s Bazaar.

³ The strategic plan for 2022–2025 delineates six “enablers” of WFP’s work: innovation, partnerships, people, technology, funding and evidence.

financial institutions (IFIs) and the private sector, along with its partnerships with national governments and institutions.

6. WFP is recognized as a leading first responder to hunger-related emergencies and a strong partner in supporting school meals and other large-scale safety nets and systems that stabilize access to food. It brings powerful institutional advantages such as the depth and breadth of its field presence, its analytical capabilities and its logistics expertise. However, in light of the diversion and misappropriation of aid uncovered in high-risk operations, notably in Ethiopia, in 2024 WFP must continue to bolster its emergency response capacity so as to retain and renew the confidence of donors and partners in its humanitarian leadership. This will include strengthening WFP's corporate monitoring and assurance mechanisms. WFP must also demonstrate greater programmatic focus and strengthen the evidence base to demonstrate programme effectiveness and results.
7. WFP will place increased emphasis on translating advances in digital transformation in order to improve services for beneficiaries while enhancing data security. Opportunities to bolster digitized systems and approaches exist in areas such as remote assessment, delivery and monitoring, which can help WFP to support less accessible or inaccessible populations and potentially reduce operational costs.
8. WFP's operations may be susceptible to rising operational costs in 2024 should the trends of recent years persist, particularly in food procurement costs, which rose by 39 percent between 2019 and 2022.⁴

1.2 Global context

Food security situation

9. The world continues to face the largest global food and nutrition crisis in recent history, driven by conflicts and insecurity, the climate crisis and economic shocks and compounded by critical shortfalls in humanitarian funding.
10. In 2022, up to 783 million people worldwide faced chronic hunger and 122 million more people were chronically undernourished than in 2019. After reaching a plateau at the global level in 2022, chronic undernourishment is rising in western Asia, the Caribbean and all regions of Africa. With projections indicating that almost 600 million people will still face hunger in 2030, the world is far off track to achieving zero hunger by 2030.⁵
11. In 2022, an estimated 148 million children under the age of 5 were undernourished, 45 million were wasted and 37 million were overweight. Drivers of malnutrition include high food prices, political instability, natural disasters and the consequences of two global events – the COVID-19 pandemic and the conflict in Ukraine. Despite slight progress, the world is not on track to meeting the 2030 global nutrition targets.⁶
12. The levels of acute food insecurity are alarming: estimates made in mid-2023 indicate that up to 345 million people are projected to be acutely food-insecure during 2023 in 79 countries where WFP has an operational presence and where data are available.⁷ After

⁴ WFP. 2023. [WFP At a Glance – July 2023](#).

⁵ Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), United Nations Children's Fund, WFP and World Health Organization (WHO). 2023. [The State of Food Security and Nutrition in the World 2023. Urbanization, agrifood systems transformation and healthy diets across the rural-urban continuum](#).

⁶ *Ibid.*

⁷ WFP. 2023. [WFP Global Operational Response Plan 2023: Update #8 – June 2023](#).

more than doubling from pre-pandemic levels, the number of acutely hungry people at the global level remains close to its 2022 peak.⁸

13. An estimated 40.4 million people are at emergency or worse levels of acute food insecurity in 51 countries in 2023; without urgent life-saving action, those people will be at risk of falling into catastrophic levels of food insecurity.⁹ In 2023, at least 129,000 people are expected to experience catastrophic levels of food insecurity in Burkina Faso, Mali, Somalia and South Sudan.¹⁰ While this is a decrease of 753,000 people compared with the same period in 2022 – partly as a result of the prompt scale-up of humanitarian assistance – warnings have been issued for 18 hunger hotspots where acute food insecurity is likely to deteriorate in the next six months.¹¹

Economic outlook

14. Economic shocks became the primary driver of acute food insecurity in nearly half of all food crises in 2022.¹² The outlook for the global economy remains highly uncertain as a result of the lingering effects of the COVID-19 pandemic, the ongoing conflict in Ukraine, stubbornly high inflation and turmoil in the banking sector. Global growth is expected to reach only 2.1 percent in 2023 and 2.4 percent in 2024, well below the average of 2.9 percent of the past 20 years.¹³ Many poor countries struggle with unsustainable debts, and households worldwide face very high prices for food and other essential goods.
15. In many countries, public debt levels are alarmingly high.¹⁴ Servicing those foreign debts can lead to cuts in imports of essential goods such as food, destabilize currencies and hinder the ability of governments to raise new credit for essential investments.¹⁵ This situation is expected to worsen owing to tightening monetary policies in response to expected global headline inflation of 7.0 percent in 2023 and 4.9 percent in 2024, levels that are well above the targets set by central banks.¹⁶ Despite ongoing support, more international cooperation will be necessary in order to prevent a debt crisis.¹⁷
16. Although international food prices have fallen in recent months, they remain 23 percent above pre-pandemic levels.¹⁸ The World Bank projects the decline in international food prices seen in 2022 to slow from 8 percent in 2023 to 3 percent in 2024. The prices of energy and fertilizer – key inputs for food producers – are substantially higher than before the pandemic. Volatile input markets and adverse weather events in major production areas

⁸ *Ibid.*

⁹ Emergency levels of acute food insecurity correspond to phase 4 in the Integrated Food Security Phase Classification (IPC)/cadre harmonisé (CH), in which people classified as severely food-insecure according to WFP's Consolidated Approach for Reporting on Food Security Indicators also fall. Catastrophic levels of acute food insecurity correspond to IPC/CH phase 5.

¹⁰ Based on the most recent IPC/CH estimates, the numbers of people in IPC/CH phase 5, or catastrophic food insecurity conditions are 43,000 in Burkina Faso, 3,000 in Mali, 40,000 in Somalia and 43,000 in South Sudan.

¹¹ WFP. 2023. *WFP Global Operational Response Plan 2023: Update #8 – June 2023*; WFP and FAO. 2023. *Hunger Hotspots: FAO-WFP early warnings on acute food insecurity – June to November 2023 outlook*.

¹² Food Security Information Network and Global Network Against Food Crises. 2023. *2023 Global Report on Food Crises: Joint analysis for better decisions*.

¹³ World Bank. 2023. *Global Economic Prospects: June 2023*; World Bank. 2023. *GDP growth (annual %)* (accessed 9 June 2023). Average for the period 2002–2021.

¹⁴ World Bank. 2023. *Global Economic Prospects: June 2023*.

¹⁵ United Nations Department of Economic and Social Affairs. 2023. *World Economic Situation and Prospects: Mid-Year Update*.

¹⁶ International Monetary Fund. 2023. *World Economic Outlook: A Rocky Recovery*.

¹⁷ World Bank. 2023. *Global Economic Prospects: June 2023*.

¹⁸ FAO. 2023. *FAO Food Price Index: World Food Situation* (accessed 9 June 2023).

could destabilize prices, as has the recent termination of the Black Sea Grain Initiative.¹⁹ Domestic food inflation remains high; 31 percent of countries have annual food inflation above 15 percent compared with 9 percent before the pandemic.²⁰

Conflict and insecurity

17. Conflict and armed violence are the primary drivers of hunger for most people because they result in the displacement of farmers, the destruction of agricultural assets and food stocks, the disruption of markets and supply chains, price increases and damage to livelihoods.²¹ They also limit humanitarian actors' access to communities in need.²² Seven out of ten acutely food-insecure people live in fragile or conflict-affected settings.²³ All four countries where famine-like conditions are expected in 2023 are experiencing high levels of armed violence.²⁴
18. Between 2010 and 2020, the number of state-based armed conflicts almost doubled having progressively fallen since the break-up of the Soviet Union in the early 1990s.²⁵ Increasingly, humanitarian workers share operational space with military and other armed actors, which results in an erosion of humanitarian space and severely jeopardizes WFP's ability to address global hunger and malnutrition.²⁶

Climate crisis

19. By damaging or reducing the resilience of food systems and multiplying the risks of other shocks such as conflict, the climate crisis is a key driver of food insecurity. Since 1961, climate change has reduced agricultural growth by 21 percent globally, and by 34 percent in Africa.²⁷
20. In 2023, an El Niño event was officially declared. El Niño is expected to continue into early 2024 and it is considered very likely that the event will become moderate to strong. Countries in east Africa have already experienced wetter than average conditions, which are expected to last until between March and May 2024. Although those conditions may partially alleviate the impacts of the successive droughts that have affected parts of Ethiopia, Kenya and Somalia since early 2020, the significant loss of productive assets from the droughts will affect many pastoralist communities for years. Wetter conditions in the Great Lakes region in late 2023 are expected to extend the multi-year occurrence of flooding, affecting South Sudan well into 2024.

¹⁹ World Bank Group. 2023. *Commodity Markets Outlook: Lower Prices, Little Relief*; International Food Policy Research Institute. 2023. *Russia terminates the Black Sea Grain Initiative: What's next for Ukraine and the world?*

²⁰ December 2019: Trading Economics. *Food Inflation* (accessed 2 March 2023). For Cuba, data from the website of the national statistics office are used. For the Sudan, the Syrian Arab Republic and Yemen, food inflation is estimated based on changes in the cost of WFP food baskets as official data are not available. May 2023: Trading Economics. *Food Inflation* (accessed 15 June 2023). Data for periods since March 2023 are considered recent. For Cuba, data from the website of the national statistics office are used. For the Democratic Republic of the Congo, Myanmar, the Sudan, the Syrian Arab Republic and Yemen, food inflation is estimated based on changes in the cost of WFP food baskets as official data are not available.

²¹ Food Security Information Network and Global Network Against Food Crises. 2023. *2023 Global Report on Food Crises: Joint analysis for better decisions*.

²² FAO and WFP. 2022. *Monitoring food security in food crisis countries with conflict situations: a joint FAO/WFP update for the members of the United Nations Security Council. November 2022, Issue No 11*.

²³ WFP calculation, based on: WFP. 2023. *WFP Global Operational Response Plan 2023: Update #8 – June 2023*.

²⁴ WFP. 2023. *WFP Global Operational Response Plan 2023: Update #8 – June 2023*

²⁵ Stockholm International Peace Research Institute. 2022. *Environment of Peace: Security in a new era of risk*.

²⁶ WFP. 2023. *WFP Global Operational Response Plan: Update #7 – February 2023*.

²⁷ Ortiz-Bobea, A., Ault, T.R., Carillo, C.M., Chambers, R.G. and Lobell, D.B. 2021. *Anthropogenic climate change has slowed agricultural productivity growth*. *Nature Climate Change*, 11: 306–312.

21. Conditions in Central America have already been very dry in 2023 and are expected to be drier than average for the remainder of the year. Areas of western Ethiopia, eastern South Sudan and Karamoja in Uganda may see drier than average conditions in mid-2023. Similar outcomes are likely for the southern Africa region during the 2023 to 2024 growing season, as parts of the region are recovering from tropical storm Freddy and western areas were affected by drought during the 2022 to 2023 growing season. However, regional stocks are plentiful, which will help to minimize impacts.

Displacement

22. The number of forcibly displaced people has risen sharply in the past decade and that trend is unlikely to reverse.²⁸ By the end of 2022, 108.4 million people worldwide were forcibly displaced by persecution, conflict, violence and human rights abuses, representing the largest increase ever recorded of 19 million people in 12 months.²⁹ By May 2023, the estimated number of forcibly displaced people exceeded 110 million.³⁰
23. Nearly 60 percent of forcibly displaced people are internal migrants.³¹ In 2022, the number of internal displacements due to conflict was triple the annual average of the past ten years, and the number due to disaster reached its highest level in a decade, 41 percent above the annual average of the past ten years.³²
24. In 75 percent of the countries for which a food security assessment is available, some part of the population is internally displaced. The five countries with the largest number of acutely food-insecure people in 2022 were home to nearly one-third of the world's internally displaced persons.³³

International humanitarian assistance

25. As a result of the exceptional donor response to record humanitarian needs, international humanitarian aid increased by 27 percent, or USD 10.0 billion, in 2022, reaching USD 46.9 billion. However, at the same time the United Nations appeals for that year totalled USD 52.4 billion, and the appeals funding shortfall grew to a record USD 22.1 billion. In 2023, the situation is expected to worsen as needs have already increased to USD 54.9 billion, nearly 80 percent above those in 2019.³⁴
26. In 2022, official development assistance (ODA) reached USD 204 billion, 13.6 percent more than in 2021 owing to the sharp rise in refugees from Ukraine and elsewhere. A continued high allocation of ODA to refugee costs could divert support away from the SDGs. Increasingly, IFIs have targeted funding to thematic investment areas such as climate change and increased their support to fragile or conflict-affected countries.³⁵ For example, the World Bank delivered 36 percent of its total financing, or a record USD 32 billion, to address climate change in 2022, although this is still far from the USD 4.3 trillion needed annually by 2030 to avoid the worst impacts of climate change.³⁶ Other recent trends in ODA and humanitarian

²⁸ Office of the United Nations High Commissioner for Refugees. 2023. *Global Trends: Forced displacement in 2022*.

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ *Ibid.*

³² Internal Displacement Monitoring Centre. 2023. *Global Report on Internal Displacement 2023: Internal displacement and food security*.

³³ *Ibid.* The five countries are: Afghanistan, the Democratic Republic of the Congo, Ethiopia, Nigeria and Yemen.

³⁴ Development Initiatives. 2023. *Global Humanitarian Assistance Report 2023*.

³⁵ International Monetary Fund. 2022. *Countries Hurt by War and Fragility Need Strong Global Partnerships, Resources*; and World Bank. 2023. *Supporting the Most Vulnerable: Scaling Up Support to Address Fragility, Conflict, and Violence*.

³⁶ World Bank. 2022. *10 Things You Should Know About the World Bank Group's Climate Finance*.

assistance include increased funding provided for nutrition in 2021, 18 percent above the five-year average but at the same level as in 2019;³⁷ decreased international support for school meals;³⁸ and the reversal of the previous decade's growth in the share of ODA allocated to gender equality in 2020 and 2021. Overall, recent analysis indicates that although humanitarian assistance to the food sector increased between 2016 and 2021, the level and severity of food insecurity rose faster than humanitarian allocations, and that insufficient humanitarian and development funding is targeted to long-term efforts to prevent recurrent food crises.³⁹

³⁷ Global Network Against Food Crises. 2022. *2022 Financing Flows and Food Crises Report – Analysis of humanitarian and development financing flows to food sectors in food crisis countries*.

³⁸ International support for school feeding decreased from USD 267 million in 2020 to USD 214 million in 2022. However, low-income countries increased their investments in school feeding over the same period, from a 30 percent to a 45 percent share, with a change in political will following the creation of the School Meals Coalition. See: WFP. 2022. *State of School Feeding Worldwide 2022*.

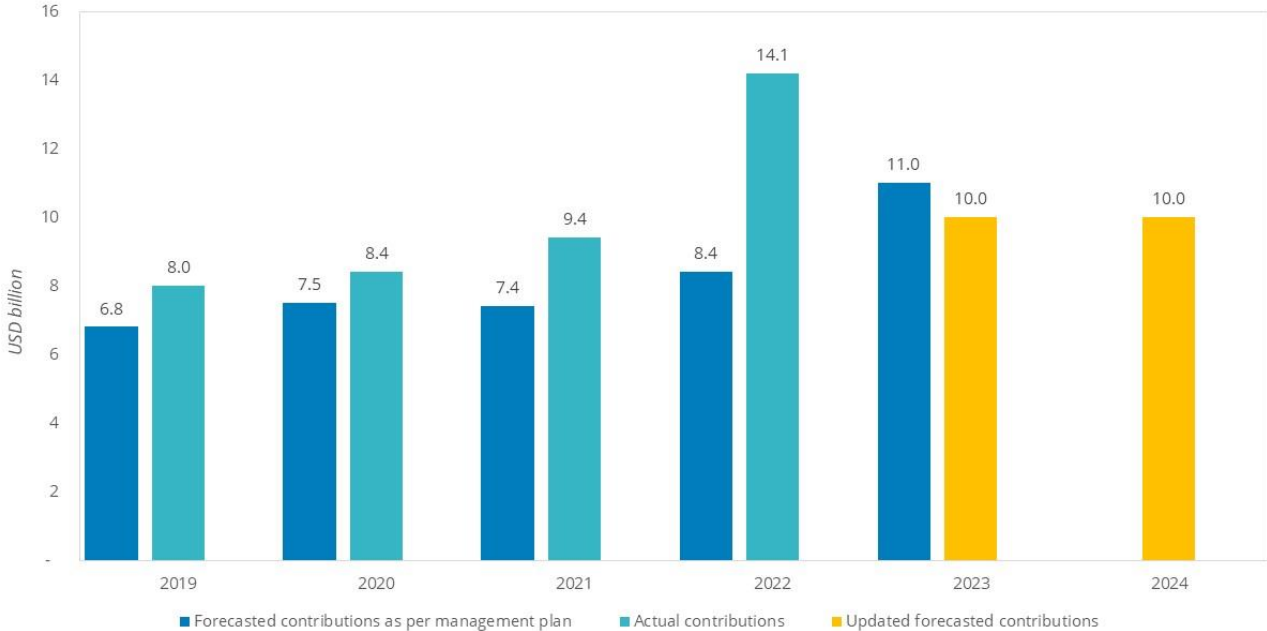
³⁹ Global Network Against Food Crises. 2022. *2022 Financing Flows and Food Crises Report – Analysis of humanitarian and development financing flows to food sectors in food crisis countries*.

Section II: Funding context and resourcing assumptions

2.1 Overview

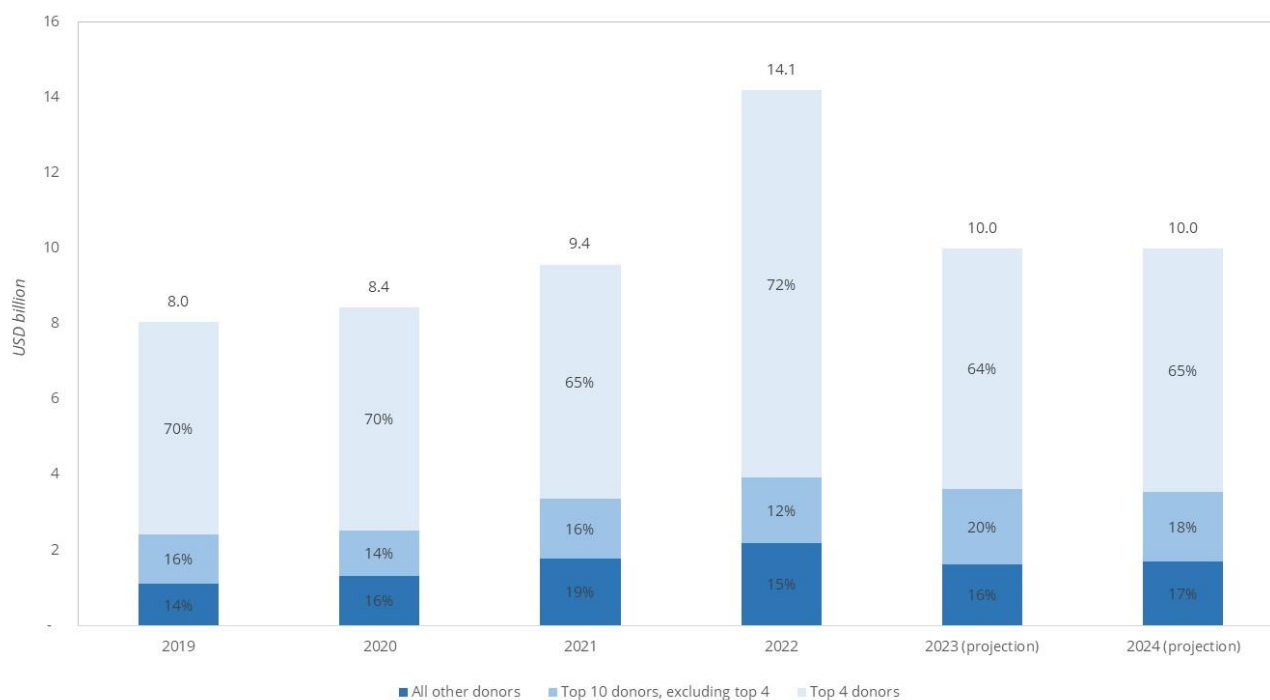
- 27. In 2022, the world came together and contributed an extraordinary level of resources, including a record USD 14.1 billion for WFP, to tackle the unprecedented global food crisis. With the support of donors, WFP and partners helped to keep people alive and become more resilient to future shocks.
- 28. By 31 July 2023, WFP had received USD 4.7 billion in confirmed contributions for 2023 from 77 funding sources, including donor governments, national governments, multilateral organizations, IFIs, companies and private donors. That amount is 43 percent less than the amount received by the end of July 2022.
- 29. Because the outlook for the global economy continues to be volatile amid banking sector distress, low economic growth, high inflation and the ongoing conflict in Ukraine, WFP expects potential ripple effects on its funding levels in 2023 and 2024.
- 30. As of mid-2023, WFP projects total confirmed contributions of USD 10 billion by the end of the year, representing 42 percent of the projected operational requirements. The forecast for 2024 is expected to remain at USD 10 billion.⁴⁰
- 31. As WFP marks its 60th anniversary, the organization faces the greatest and most complex food security crisis in modern times. More than ever, coordinated efforts by governments, IFIs, the private sector and other partners are required to mitigate the risk of an even more severe crisis in the future, driven by growing needs and decreasing funding.

Figure 2.1: Evolution of donor contributions to WFP, 2019–2024 (confirmed and projected)



⁴⁰ The figure excludes revenue from the provision of on-demand services.

Figure 2.2: Donors to WFP by value of contributions and percentage of total contributions, 2019–2024 (confirmed and projected)*



* The top ten donors in 2019–2022 were identified from the list of actual donors, disaggregated by donor organization. In 2023–2024 they were identified from forecasted estimates based on a global forecast exercise in June 2023, which counted all IFIs as a single donor in the absence of a detailed breakdown by individual IFI.

2.2 Diversifying the funding base

32. WFP relies on a small number of donors for most of its resources. On average, more than 80 percent of all funding comes from ten donors.⁴¹ To support the achievement of Sustainable Development Goal (SDG) 2 and address rising food insecurity, WFP will employ the full scope of its financing facilities and tools in mobilizing resources, pursuing complementary sources of funding and seeking to forge high-impact and sustainable partnerships.
33. *Political engagement:* WFP recognizes the need to engage at the highest governmental, parliamentary and policy levels in order to encourage political will for the objective of achieving zero hunger and for meeting the targets of the WFP strategic plan for 2022–2025. Through its Global Strategy for Political Engagement – the collaborative platform that builds synergies and promotes common initiatives and tailored training among offices and experts involved in political engagement – WFP aims to increase its internal capacities and to scale up external engagement. The objective of the strategy is to position WFP as the trusted partner for the humanitarian and development community by leveraging existing relationships, expanding alliances and increasing the visibility and acknowledgement of its contributions at the political level.
34. *International financial institutions:* WFP aims to continue increasing the number of agreements signed with national governments and involving funding sourced from IFIs by reinforcing its provision of analysis and technical support so as to enable country offices to better leverage national funding. This will entail drawing on resources from, and

⁴¹ On the list of the top ten donors, the private sector is counted as a single donor even though it is made up of multiple donors.

strengthening partnerships with, IFIs and strengthening collaboration with national governments and alignment with their priorities and capabilities in the implementation of WFP's strategic plan. Through this approach, in 2023, WFP aims to secure more than USD 1.2 billion from the countries in which it operates for implementing activities in support of national government zero hunger objectives, building on its context-specific comparative advantages.

35. *Domestic resources:* Domestic funding for WFP from national governments – excluding funding sourced from IFIs – is forecast to reach USD 138 million in 2023 and 2024. WFP puts national ownership and the mobilization and effective use of domestic resources at the centre of its efforts to achieve the SDGs. WFP promotes the national financing of programmes related to SDG 2 and in other areas, including through direct support and the use of initiatives such as the Emerging Donor Matching Fund. In 2022, WFP received USD 89 million in such contributions to programmes. This included more than USD 56 million in cash, commodities, goods, services or expertise from 14 countries, which was matched with USD 10 million from the Emerging Donor Matching Fund. The fund promotes contributions from low-income and lower-middle-income countries by providing incentives for those countries to contribute domestic resources to WFP's country strategic plans (CSPs).
36. *Resources from the Global South:* WFP will strengthen the mobilization of additional resources from the Global South, including by continuing to facilitate South–South and triangular cooperation for the exchange of knowledge, experiences and skills among developing countries, in support of progress in the achievement of zero hunger. In addition, WFP will seize opportunities to convene country-level public–private partnerships that will ultimately benefit targeted communities and population groups through the leveraging of joint resources and strengths.
37. *Debt swaps:* WFP will continue to advocate the use of debt relief measures, including by brokering debt-for-development swaps, to reduce the external debt of countries while investing in development activities in those countries. Leveraging its extensive operational presence, WFP will support governments in implementing such projects, which will generate additional and multi-year funding for WFP operations.
38. *Changing Lives Transformation Fund:* The Changing Lives Transformation Fund has the aim of strengthening WFP's support for governments in achieving the 2030 Agenda for Sustainable Development by providing country offices with new tools for mobilizing resources and working with governments to generate greater impact on the lives of vulnerable people. As of June 2023, seven country offices have been selected to receive support from the fund to help them attract sustainable funding for programmes that increase the self-sufficiency of vulnerable groups. In the second part of 2023, more country offices will be supported in their work on systems strengthening and climate adaptation. Successful proposals are funded with up to USD 7 million each over a period of three to five years. A key selection criterion is that the investment proposal presents a convincing case that the funds would enable the government and the WFP country office to unlock additional funds during that three- to five-year timeframe.
39. *Thematic funds:* WFP will continue to explore funding opportunities for scaling up thematic programmes, such as those on social protection, climate change adaptation, resilience building and school feeding. WFP will strive to secure additional, multi-year contributions from new funding streams by identifying opportunities, articulating evidence-driven proposals and actively engaging in key international events, such as the Conference of the Parties to the United Nations Framework Convention on Climate Change (from 30 November to 12 December 2023) and the Nutrition for Growth Summit (to be held in 2024 or 2025).

40. WFP is committed to scaling up anticipatory action, including through the use of forecast-based financing, which reduces the cost of humanitarian action by enabling the implementation of actions before an extreme weather event has occurred. WFP will continue to scale up its support for governments in strengthening their national early warning systems and empowering communities to anticipate, prepare for and recover from climate shocks, while mobilizing predictable and prearranged financing to implement anticipatory action programmes in Africa, Asia and Latin America. WFP will also advocate more adaptation funding to be directed to actions in fragile settings.
41. *United Nations partnerships:* Through joint advocacy, partnerships, fundraising and increased coordination with other United Nations entities, WFP will continue to contribute to system-wide initiatives and global policy dialogues while improving operational efficiency. WFP will continue to issue joint appeals, contribute to high-level pledging events and support its country offices in their fundraising efforts.
42. Funding from the United Nations Central Emergency Response Fund (CERF) increased from USD 115 million in 2021 to USD 177 million in 2022, in line with escalating humanitarian needs. WFP expects a stable funding trend in 2023 and 2024 given the unprecedented increase in global humanitarian needs and the heightened focus of the United Nations Secretary-General on famine prevention and food security.
43. In addition, in 2022, WFP received USD 260 million from key pooled funds such as the United Nations Peacebuilding Fund, country-based pooled funds and other United Nations funds. Pooled funds serve as an important instrument for promoting collaboration and efficient coordination among United Nations entities while allowing WFP to scale up humanitarian and development interventions with greater flexibility. WFP will continue to strengthen its engagement in key pooled funds so as to maintain similar levels of funding in 2023 and 2024.
44. *Private sector:* Contributing USD 540 million, the private sector was WFP's fourth largest donor in 2022, with growth in all private sector fundraising categories. Of that total, USD 127 million was directed to WFP's Ukraine response, illustrating the power of the private sector in fuelling WFP's vital operations. At the close of 2022, private donors ranked second in terms of support for WFP's Ukraine response.
45. Total income raised from the private sector in 2022 was increased considerably by the signing of a five-year partnership with the Mastercard Foundation for a value of USD 130 million, of which only USD 40 million was received in 2022; the remaining amounts will be received in future years.
46. As of mid-2023, income from the private sector (corporations, foundations and individuals) is projected to reach USD 350 million in both 2023 and 2024. Of that total, more than USD 130 million is projected 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.
47. Individual fundraising is the largest private sector contributor to flexible funding, with an estimated 30 to 35 percent of all individual contributions being flexible. In 2023, it is expected that levels will remain similar to those of 2022, with the exception of extraordinary contributions such as the ones received for the Ukraine response. The share of donations retained to fund the operations of the individual fundraising activity, set out in the private sector partnerships and fundraising strategy and approved by the Executive Board at its 2019 second regular session, will remain at 29 percent in 2024.

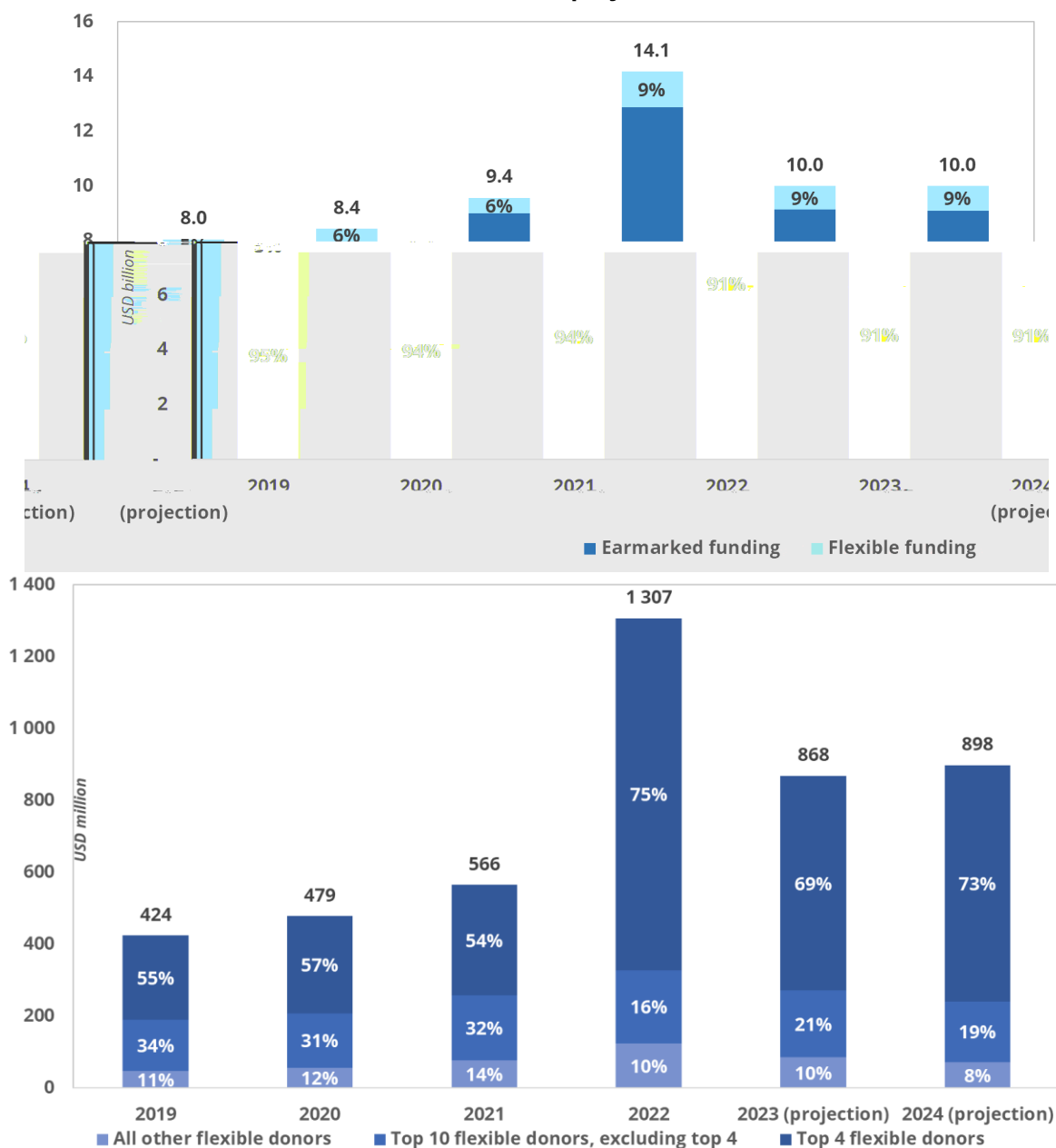
48. In line with the private sector partnerships and fundraising strategy, WFP projects that foundation partnerships will continue to grow and a significant proportion of income will be generated through engagement with foundations, despite the volatility in the foundations segment of the market.

2.3 Funding flexibility and predictability

49. Flexible funding provides a lifeline for WFP's efforts to reach the most vulnerable people, particularly in underfunded, forgotten crises. Flexible funds help WFP to be more agile and effective in providing managers with maximum flexibility and predictability for launching operations, funding neglected crises, responding rapidly to evolving situations and promoting effective cooperation, thereby enhancing WFP's response to the people most in need.
50. In 2022, WFP received a record USD 1.3 billion in flexible funding – 9.2 percent of total contributions – from 34 government donors and the private sector. The total included unearmarked multilateral contributions of USD 530 million, contributions to the Immediate Response Account (IRA) totalling USD 98 million, and softly earmarked funding of USD 679 million.⁴²
51. WFP expects that in 2023 and 2024, flexible funding as a share of total revenue will remain stable at approximately 9 percent. In 2023, WFP expects USD 868 million in flexible funding, which represents 8.7 percent of the USD 10 billion in projected revenue. In 2024, the level of flexible funding is expected to remain similar to that of 2023.
52. WFP was able to maintain the proportion of contributions earmarked at the country level at 11 percent in 2022, the same proportion reached in 2021. However, most confirmed contributions to WFP continue to be earmarked at the activity level. WFP will continue to advocate reduced earmarking or earmarking at higher levels of the results chain.
53. Predictable funds from multi-year and timely contributions are fundamental to ensuring the continuity of WFP operations by allowing WFP to avoid critical funding gaps and pipeline breaks, improve planning, and establish more stable, strategic relationships with its partners, including national governments and cooperating partners. In 2022, WFP received USD 1.4 billion, or 10 percent of its contributions, as multi-year funding from 31 donors, a decrease of 5 percent compared with 2021.
54. To encourage donors to provide more flexible, predictable funding, WFP will continue to engage in advocacy, bilaterally with partners and through global frameworks such as the Grand Bargain and the Funding Compact. WFP will expand its engagement with partners at its annual consultations and Executive Board sessions, such as the briefing on the IRA held for Member States on 27 June 2023. WFP will also continue to foster long-term relationships aimed at obtaining increased, flexible and regular income from the private sector, including businesses, foundations and individual supporters, particularly those individuals who together represent the largest contributor of flexible funding from the private sector. WFP will also continue its efforts to enhance accountability, reporting and visibility related to such funding at the global and country levels.

⁴² Flexible contributions to WFP consist of three types of funding: unearmarked multilateral contributions; contributions to life-saving activities through the IRA; and softly earmarked contributions allowing flexibility beyond the country level, such as regional and thematic contributions. In 2022, WFP began to report on "softly earmarked" funding, which includes contributions that are earmarked at the regional or thematic level. Funding statistics reported prior to 2022 exclude softly earmarked funds.

Figure 2.3 Flexible funding by type and percentage of total contributions, 2019–2024 (confirmed and projected)



2.4 Immediate Response Account resourcing target

55. Operated under the principle that it is better to act decisively to save lives than regret not having done so afterwards, the IRA is a flexible funding facility that WFP uses to initiate emergency activities or, as a last resort, to sustain critical life-saving activities while additional funding is sought.
56. The IRA is WFP’s mechanism for immediately allocating funding to critical, life-saving activities. It is replenished by directed contributions that are designated by their donors as being to replenish the IRA, other discretionary and fully flexible donor contributions and, subject to Board approval, transfers from reserves. As a revolving multilateral funding mechanism, funds allocated from the IRA to an operation should subsequently be reimbursed by the recipient operation through the assignment of the first eligible cash contributions to expenses covered by the IRA allocation, unless that would cause a

disruption to ongoing life-saving operations. Contributions that are used to reimburse the IRA are reported under the operations to which they were directed by the donor. The IRA is WFP's last-resort financing mechanism for emergency liquidity. It is intended to be a temporary resource for emergencies, not a substitute for contributions received from the CERF or other directed contributions to WFP.

57. As of mid-2023, the current average monthly allocation from the IRA is USD 38 million, suggesting that allocations are on track to exceed the record levels of 2022. Given the projected funding gap between expected operational requirements of USD 22.7 billion in 2024 and the global contribution forecast of USD 10 billion, the demands on the IRA will increase and the need for sustainable replenishment through donor contributions to the IRA will intensify.
58. Under Financial Regulation 4.3, the Board establishes an IRA target level for a financial period. The annual IRA target does not represent a commitment by Member States but serves as a signal for resource mobilization. The target level should be maintained by direct contributions from donors and, when possible, by the repayment of advances made for eligible operations or activities. 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. In the management plan for 2023–2025, the Board approved an IRA target level of USD 400 million. WFP recommends maintaining that target level in 2024.
59. 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.

Section III: Programmatic context

3.1 Overview

60. WFP's projected operational requirements for 2024 reflect the impact of the continued increase in global hunger and malnutrition driven by conflict, economic turmoil and the climate crisis. As of June 2023, WFP's operational requirements for 2024 are estimated at USD 22.7 billion. In 2024, WFP plans to reach 157 million people through 88 operations in more than 120 countries and territories, representing a 15 percent increase in operational requirements compared with the management plan for 2023–2025. Those figures reflect foreseen needs for WFP food assistance; unforeseen needs will inevitably arise, pushing the operational requirements even higher.

Main operations influencing operational requirements

61. As in the two previous management plans, three regional bureaux – Asia and the Pacific, Middle East, Northern Africa and Eastern Europe, and Eastern Africa – account for almost 70 percent of total beneficiaries.
62. In 2024, WFP's five largest operations – Yemen, Afghanistan, the Democratic Republic of the Congo, Lebanon and the Syrian Arab Republic – will collectively account for 43 percent of total operational requirements, compared with 50 percent in 2023. The largest absolute increases in country-level operational requirements are in Chad, Ethiopia, the Democratic Republic of the Congo, Kenya, Myanmar and Somalia.

Corporate high-level targets

63. The corporate high-level targets identified in the [corporate results framework \(CRF\)](#) for 2022–2025 define WFP's level of ambition under the five strategic outcomes of the strategic plan for 2022–2025. Each strategic outcome has between three and five high-level indicator targets. Each year WFP sets targets for the upcoming year. The high-level targets for 2024 are listed in annex VI.

Summary of the provisional implementation plan

64. The provisional implementation plan outlines how WFP plans to prioritize and most effectively use the projected available resources to assist beneficiaries. The plan for 2024 has been formulated at the global level and its total value of USD 11 billion comprises the 2024 global contribution forecast of USD 10 billion, the estimated use of net carry-over contribution balances of USD 500 million and the projected revenue of USD 500 million from on-demand service provision. The provisional implementation plan is derived from several key inputs, including the severity of global needs, projected funding availability, expected earmarking of contributions, and the historical relationship between planned and actual expenditures.
65. When funding is projected to be insufficient to fully cover the operational requirements, WFP must make difficult decisions to prioritize beneficiaries based on their vulnerability, beneficiary group or geographic area, reduce ration sizes or reduce the duration of assistance. The process of prioritization aims to safeguard assistance for the most vulnerable people within the targeted population. Targeting and prioritization decisions are based on needs assessments, programme objectives and the participation of affected communities; the outcomes and feedback from assisted and non-assisted populations are continuously monitored to inform the refinement of programmes as appropriate and minimize the negative effects on food security, nutrition and access to essential resources.

66. Each country office team will create a 2024 implementation plan which will be made available on the CSP portal in early 2024. The CSP-specific plans will form the basis for reporting in financial statement V (the comparison of budget and actual amounts for the year) and annual country reports.
67. Table 3.1 compares the operational requirements with the provisional implementation plans for 2023 and 2024 and highlights the gap between the identified requirements for people in need and the projected availability of resources. The global 2024 provisional implementation plan is estimated at USD 11 billion to assist 120 million beneficiaries; those figures represent 48 percent of the USD 22.7 billion and 76 percent of the 157.3 million beneficiaries in the 2024 operational requirements.

TABLE 3.1: PROVISIONAL IMPLEMENTATION PLAN FIGURES VERSUS OPERATIONAL REQUIREMENTS, 2023 AND 2024			
	Operational requirements	Provisional implementation plan	Provisional implementation plan versus operational requirements
	<i>(million)</i>	<i>(million)</i>	<i>(%)</i>
2024 requirements	USD 22 748	USD 11 000	48
2024 beneficiaries	157	120	76
2023 requirements	USD 19 689	USD 12 000	61
2023 beneficiaries	150	140	93

3.2 Analysis of the provisional implementation plan

Analysis by focus area

68. In line with previous years, crisis response accounts for the highest share of the provisional implementation plan for 2024 at 80 percent, reflecting the growth in global humanitarian needs and WFP's priority of saving lives in emergencies. In accordance with the strategic plan, WFP will also continue to focus on life changing objectives through activities for resilience building and root causes, which account for 17 percent and 3 percent of the plan, respectively. These proportions are similar to those in the 2023 provisional implementation plan and to actual expenditures as of mid-2023.

Focus area	2024 operational requirements		2024 provisional implementation plan	
	2024	Proportion of total 2024 operational requirements	2024	Proportion of total 2024 provisional implementation plan
	<i>(USD million)</i>	<i>(%)</i>	<i>(USD million)</i>	<i>(%)</i>
Crisis response	17 469	77	8 805	80
Resilience building	4 617	20	1 826	17
Root causes	662	3	369	3
Total	22 748	100	11 000	100

Regional bureau	2023 provisional implementation plan		2024 provisional implementation plan	
	<i>(USD million)</i>	<i>(%)</i>	<i>(USD million)</i>	<i>(%)</i>
Asia and the Pacific	1 926	16	1 583	14
Middle East, Northern Africa and Eastern Europe	4 663	39	3 395	31
Western Africa	1 342	11	1 480	14
Southern Africa	1 019	9	1 245	11
Eastern Africa	2 425	20	2 719	25
Latin America and the Caribbean	625	5	578	5
Total	12 000	100	11 000	100

Analysis by Sustainable Development Goal, strategic outcome and output

69. WFP's strategic plan is anchored on helping governments to achieve SDG 2 by ending hunger, achieving food security, improving nutrition and promoting sustainable agriculture. That aim is reflected in WFP's prioritization of activities under strategic outcomes 1, 2 and 3, which together account for 90 percent of the 2024 provisional implementation plan.
70. SDG 17 accounts for 10 percent of the 2024 provisional implementation plan, with WFP leveraging its expertise in providing support to governments and humanitarian and development actors.
71. The CRF for 2022–2025 defines 12 outputs under WFP's five strategic outcomes that reflect the products and services that WFP delivers in implementing its programmes. Details of the analysis by output for the operational requirements and the provisional implementation plan can be found in annex VI.

TABLE 3.4: REQUIREMENTS BY SUSTAINABLE DEVELOPMENT GOAL AND STRATEGIC OUTCOME, 2024					
SDG	Strategic outcome	2024 operational requirements		2024 provisional implementation plan	
		(USD million)	(%)	(USD million)	(%)
2	1. People are better able to meet their urgent food and nutrition needs	15 851	70	7 897	72
	2. People have better nutrition, health and education outcomes	2 683	12	1 235	11
	3. People have improved and sustainable livelihoods	2 094	9	733	7
17	4. National programmes and systems are strengthened	674	3	287	2
	5. Humanitarian and development actors are more efficient and effective	1 446	6	848	8
Total		22 748	100	11 000	100

Analysis by activity category

72. Table 3.5, which shows the operational requirements and provisional implementation plan by activity category, demonstrates that life-saving activities will remain central in 2024, with overall priority being given to unconditional resource transfers for highly vulnerable people, which account for 63 percent of the total provisional implementation plan and 62 percent of operational requirements. WFP continues to invest in nutrition activities, which account for 12 percent of the provisional implementation plan. Requirements for nutrition in 2024 have increased owing to the impact of climate shocks, conflict and the global food crisis, which have led to higher numbers of women and children in need of nutrition assistance and increased the prices of nutrition products. In addition, challenges related to supply chains have made it necessary for some countries to implement alternative programmes to prevent malnutrition, for example cash for prevention programmes, which can be more costly in some contexts than interventions that use specialized nutritious foods.

TABLE 3.5: REQUIREMENTS BY ACTIVITY CATEGORY, 2024				
Activity category	Operational requirements		Provisional implementation plan	
	2024		2024	
	<i>(USD million)</i>	<i>(%)</i>	<i>(USD million)</i>	<i>(%)</i>
WFP programmes				
Unconditional resource transfers	14 052	62	6 919	63
Nutrition activities	2 520	11	1 319	12
Community and household asset creation	1 730	8	525	5
School-based programmes	1 479	6	707	6
Social protection sector support	571	3	249	2
Actions to protect against climate shocks	413	2	205	2
Household and individual skill and livelihood creation	201	1	98	1
Smallholder agricultural market support programmes	272	1	100	1
Emergency preparedness and early action	61	0	30	0
WFP advisory solutions and service delivery				
On-demand services	912	4	500	5
United Nations Humanitarian Air Service	455	2	297	3
Logistics cluster	65	0	42	0
Emergency telecommunications cluster	17	0	9	0
Total	22 748	100	11 000	100

Analysis by transfer modality and cost category

73. WFP continues to provide assistance to beneficiaries through four transfer modalities: food, CBTs, capacity strengthening and service delivery. As shown in table 3.6, food and CBTs continue to be the main transfer modalities, accounting for 53 percent and 30 percent of the 2024 provisional implementation plan, respectively – percentage shares that are similar to the actual expenditures in 2021 and 2022. WFP uses its various transfer modalities in the most appropriate way to improve the effectiveness and efficiency of its transfer programmes, better meet the needs of beneficiaries and optimize the use of available resources according to market performance.

TABLE 3.6: REQUIREMENTS BY TRANSFER MODALITY, 2023 AND 2024

Transfer and associated costs	Operational requirements			Provisional implementation plan		
	2023	2024	% of total transfer costs	2023	2024	% of total transfer costs
	(USD million)	(USD million)	(%)	(USD million)	(USD million)	(%)
Food	8 114	9 322	48	5 046	4 939	53
CBTs	6 219	7 054	36	3 444	2 831	30
<i>Cash</i>	4 613	5 219	27	2 564	2 082	22
<i>Value vouchers</i>	1 606	1 835	9	880	749	8
Commodity vouchers	571	757	4	371	260	3
Capacity strengthening	894	1 011	5	552	489	5
Service delivery	1 107	1 334	7	797	770	8
Total transfer costs	16 905	19 478	100	10 210	9 289	100
Implementation costs	1 024	1 213		634	659	
Direct support costs	601	725		440	442	
Total direct costs	18 530	21 416		11 284	10 390	
Indirect support costs	1 159	1 332		716	610	
Total	19 689	22 748		12 000	11 000	

Food transfers

74. In 2024, in-kind food assistance will remain the primary transfer method, accounting for more than half of the total transfer costs of the provisional implementation plan as a result of the persistent food shortfalls that are expected in many areas where WFP works. The operational requirements for 2024 include 7.9 million mt of in-kind food valued at USD 9.3 billion. Almost 50 percent of the planned tonnage is to be procured on local and regional markets. Since 2022, the supply base for specialized nutritious foods has been significantly expanded, including through the use of local and regional suppliers, as in Ghana and Pakistan. This will allow WFP to diversify its sourcing options, buy closer to distribution areas where possible, and reduce delivery lead times.
75. To increase the efficiency of its in-kind food operations and its resilience to changes in the operating environment, WFP will adopt best practices in supply chain management, in accordance with industry standards. This will include developing long-term sourcing and delivery plans and establishing strategic stocks to facilitate more efficient responses to sudden shocks in demand or major supply disruption. The model will be piloted in the Regional Bureau for Western Africa and extended to other regions based on successful results from the pilot.

76. In addition, WFP is implementing its track and trace project, which involves the development of an enhanced and adequately automated system for the management of procured foods along the supply chain. Using dedicated funding from a critical corporate initiative, WFP aims to achieve a simplified end-to-end process by leveraging technology to provide the key inputs for programme monitoring, evaluation and reporting.

Cash-based transfers

77. WFP's CBT modality offers people flexible assistance in the form of cash and value vouchers for addressing their food, nutrition and other essential needs and will remain central to WFP's operations. In the 2024 provisional implementation plan, CBTs and commodity vouchers account for 33 percent of total transfer costs, which is comparable to the 34 percent of actual expenditures that they represented in 2022. Although value vouchers will continue to represent a significant portion of CBTs, WFP will actively promote the use of unrestricted cash transfers whenever possible, to provide people with greater flexibility and choice.
78. The new cash policy approved by the Executive Board at its 2023 annual session clarified WFP's approach to unlocking the full potential of the CBT modality, including the additional impact that can be achieved by directing cash transfers to women as recipients for their households. The policy reconfirms WFP's commitment to using the modality or combination of modalities that best helps people to meet their food, nutrition and other essential needs according to the specific circumstances. WFP will simplify and strengthen the processes used to contract financial services providers with a view to providing people with improved options for receiving assistance and promoting their digital financial inclusion. Furthermore, WFP will apply the lessons learned from its cash assurance framework, which provides end-to-end assurance that transfers reach intended recipients, to its in-kind food transfers. As WFP's CBT operations are already largely digitized, the same processes and technology solutions can also be used to increase the level of digitization of in-kind food operations so as to achieve greater efficiencies.

Commodity vouchers

79. WFP uses commodity vouchers where they are the most effective transfer modality, such as in unstable environments or hard-to-reach areas, during emergencies with urgent needs, when swift delivery is essential or when collaboration with market operators represents the best option for assisting beneficiaries. For 2024, the operational requirements for commodity vouchers are USD 757 million, accounting for 4 percent of total transfers. The use of commodity vouchers has increased compared with 2023 owing to operations in Colombia, Iraq, Lesotho, Ukraine, Venezuela (Bolivarian Republic of) and Yemen and their use in emergency preparedness activities and nutrition programmes to enhance access to fresh produce and other nutritious foods.

Capacity strengthening

80. Capacity strengthening transfers encompass the provision of materials, equipment, knowledge, skills and other resources directly to individuals, communities, government counterparts or national stakeholders. Such transfers complement food and cash-based assistance by enhancing the long-term capacity of stakeholders to address food security and humanitarian challenges. The provisional implementation plan for 2024 reflects WFP's sustained commitment to investing in capacity strengthening, which accounts for 5 percent of the total transfer costs, consistent with the proportion in 2023.

Service delivery

81. In the provisional implementation plan, the costs of service delivery transfers – the provision of on-demand services and mandated services that respond to the needs of humanitarian partners – are estimated at USD 770 million, representing 8 percent of total transfer costs. The 2024 operational requirements for service delivery transfers are expected to reach USD 1.3 billion, an increase of approximately USD 230 million compared with 2023. WFP will continue to contribute to the reform of the United Nations development system and the cohesion of the United Nations system through the provision of mandated services – those provided through the United Nations Humanitarian Air Service, 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 and fuel.
82. In 2024, the upwards trend in on-demand service provision activities is expected to continue as governments request WFP's assistance in procuring and transporting food and fertilizer. On-demand service activities account for the largest share of the increase in service delivery transfer costs and reflect the expected demand for WFP's expertise.

Implementation costs

83. The estimated implementation costs of the 2024 provisional implementation plan are USD 659 million compared with USD 1.2 billion in operational requirements. The greater share of the implementation costs relative to total direct costs in the 2024 provisional implementation plan compared with the share in the 2024 operational requirements may be attributed to reduced economies of scale. Implementation costs cover the activities conducted in field offices, including suboffices and area offices, and include expenses related to staffing, security, information technology, monitoring, assessments, evaluations and other operational aspects.

Direct support costs

84. In the 2024 provisional implementation plan, direct support costs (DSC) are estimated at USD 442 million, representing 4 percent of the total direct costs. Owing to the high proportion of fixed costs within DSC, DSC as a percentage of total direct costs have decreased since 2021 as transfer values have increased.
85. DSC encompass country-level expenditures that are directly associated with implementing the CSP but that cannot be attributed to specific activities; they cover mainly the costs related to country office management, rental expenses, staff, security and CSP evaluations.

	2021 actual*	2022 actual*	2023 planned	2024 planned
Total direct cost (USD billion)	8.8	11.8	18.5	21.4
DSC rate	4.3	4.1	3.2	3.4

* Actual data for 2021 and 2022 are based on statement V of the 2021 and 2022 audited accounts.

3.3 Cost per beneficiary analysis

86. The average daily cost per beneficiary represents the estimated budget that can be attributed to the daily in-kind food ration or CBTs provided to each beneficiary in order to achieve WFP's programme objectives. The main component of the daily cost per beneficiary is the transfer itself, comprising the sum of the monetary value of the food items, cash or service provided and the related delivery costs. In 2024, the cost of providing the transfer is expected to account for an average of 85 percent of the total cost per beneficiary. The ration size and types of commodity used in food transfers, and the value of CBTs are the main factors driving the daily cost per beneficiary. WFP expects that rising global food prices will cause the cost per beneficiary to increase under all transfer modalities in 2024. WFP's projected operational requirements for 2024 also take into account price volatility. Food prices per metric ton are on average 7 percent higher in the 2024 operational requirements than in the projected operational requirements for 2023. 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. For 2024, the average daily cost per beneficiary is estimated at USD 0.49, an 8 percent increase over the USD 0.45 daily cost per beneficiary projected in the management plan for 2023–2025. The average annual cost per beneficiary is estimated at USD 127. Further details on the daily cost per beneficiary are available in annex VI.

Modality	Number of daily transfers (million)	Average daily cost per beneficiary, including indirect support costs (USD)
Food	25 824	0.42
CBT	13 103	0.63
Commodity voucher	2 033	0.43
Total	40 960	0.49

87. As shown in table 3.8, WFP's operational requirements for 2024 represent 25.8 billion in-kind food rations, 13.1 billion daily CBT entitlements and 2.0 billion daily food ration equivalents provided as 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 items. In addition, multipurpose cash transfers and related standardized rates agreed upon at the inter-agency level for individual operations may cover more than food needs alone. On average, the transfer value represents 79 percent of the cost per beneficiary of CBTs and commodity vouchers. Efficiency gains can be made in implementation and other costs under all 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. More information on transfer values by modality can be found in annex VI.

3.4 Cross-cutting priorities

Gender equality and women's empowerment

88. Food crises disproportionately affect women, partly as a result of persistent structural inequalities and normative barriers. Climate, conflict and economic shocks further worsen the food security gender gap. Considering the essential role of women in food production and preparation, activities that reduce gender inequalities are crucial for achieving zero hunger. WFP will empower women and girls by providing them with the information and resources they need to improve their economic and decision-making opportunities, for example, by ensuring that women receive CBTs with the aim of enhancing their digital financial inclusion so as to close the gender gap in that inclusion.
89. In 2024, WFP will focus on efforts to more fully incorporate gender equality measures into its emergency response so as to address the specific challenges faced by women and men.⁴³ This will involve building the capacity of staff and partners on gender issues, including gender-based violence, with a view to strengthening risk mitigation activities and the ability to understand and address the complex linkages between food insecurity and gender issues. New CRF indicators on gender equality and women's empowerment will be implemented in 2024 to better measure the results of those activities, along with a process for improving and streamlining other performance management approaches and increasing the efficiency of corporate tools. Gender-responsive budgeting processes and methods will be revamped to enhance resource allocation and accountability. Concurrently, WFP will strengthen its gender data collection and analysis, including by consistently disaggregating data by sex and age, improving the collection and use of intrahousehold food security and qualitative data, and using gender-responsive monitoring systems to enhance programming and improve the evidence base.

Protection and accountability to affected populations

90. WFP is committed to improving its 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.
91. WFP will focus on analysing and addressing the risks facing 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. WFP will seek to form alliances with organizations that have specialized expertise in protection monitoring, conflict analysis, conflict-sensitive programming and access negotiation on which country offices can draw when seeking to make informed choices on the design and implementation of food assistance programmes.
92. Following the finalization of a corporate strategy for the mainstreaming of conflict sensitivity in 2023, WFP will focus on implementing the strategy in 2024, ensuring that diverse units integrate conflict sensitivity into corporate programmatic and operational processes and systems. The work will include the rollout of tools for building capacity in conflict sensitivity and, where necessary, the delivery of context-specific conflict sensitivity support in corporate priority countries. WFP plans to significantly increase its investments in the strengthening and standardization of community feedback mechanisms in all operational settings, such as

⁴³ Those challenges are identified in WFP. 2023. *Unequal Access: Gender barriers to humanitarian assistance*.

at the onset of emergencies, including by implementing activities funded through existing and proposed critical corporate initiatives.⁴⁴ WFP has developed a cross-functional global community feedback mechanism business case that, if fully resourced and implemented, would ensure the standardization and digitization of all WFP community feedback mechanisms within three years.

Environmental sustainability

93. In 2024, WFP will continue to proactively assess the potential environmental and social impacts of its country-level operations while fostering environmental and social sustainability in line with the commitments made in the environmental policy and the strategic plan. In 2023, WFP launched an evaluation of its 2017 environmental policy aimed at assessing the relevance and effectiveness of the policy, its associated environmental and social sustainability framework and the governance of environmental and social standards, safeguards and management systems across the organization.
94. In 2023, WFP established a structure in regional bureaux and headquarters that supports country offices' implementation of environmental and social safeguards. In 2024, that structure will be aligned with other cross-cutting priorities in order to enhance the tracking of environmental and social risks and the corresponding risk mitigation measures throughout WFP's portfolio and to facilitate reporting on a designated set of indicators.

Nutrition integration

95. WFP aims to reduce malnutrition by integrating nutrition objectives and activities throughout its portfolio in ways that improve the nutrient adequacy of its assistance and reach the most vulnerable people. WFP will extend and adjust its activities to ensure that they support improved nutrition outcomes and maximize their impact in support of governments and global efforts to achieve SDG 2.
96. CSPs will be designed to include integrated activities to address and reduce malnutrition. This will include taking steps to achieve nutritional adequacy in emergency operations; the prevention of acute malnutrition, stunting and micronutrient deficiencies; the management of moderate acute malnutrition; and the facilitation of access to healthy diets by using diverse paths of action to strengthen food systems.
97. In 2024, WFP will embark on the implementation of the new nutrition strategy that is being developed in 2023. In line with the recommendations of the strategic evaluation of WFP's work on nutrition and HIV/AIDS, the strategy will articulate the organization's contribution to ending malnutrition and provide concrete steps and guidance on how to integrate nutrition throughout its portfolio. The strategy will set out WFP's ambition regarding the prevention and treatment of malnutrition while ensuring access to healthier diets for vulnerable people and households, including by supporting the long-term resilience of families and communities.
98. The systematic integration of nutrition will continue to be supported by monitoring and reporting systems that track whether WFP is reaching its targets in addressing malnutrition and improving diets. Fill the Nutrient Gap analyses will be a key tool in identifying cost-effective interventions that better integrate nutrition activities into national food, health, social protection and education systems. Continued investment in the strengthening of corporate monitoring systems that bridge the gaps in data sources and staff capacities in the nutrition monitoring function will allow WFP to track progress.

⁴⁴ More details on the objectives and activities of these critical corporate initiatives can be found in section IV and annex III.

Section IV: Programme support and business operations

4.1 Overview

99. WFP's programme support and business operations budget for 2024 of USD 983 million is based on the objectives and methodology introduced by the bottom up strategic budgeting exercise and reflects the planned budget required to support and complement the organization's USD 11 billion provisional implementation plan. The budget, which covers the activities managed by headquarters divisions, regional bureaux and country offices, reflects increasingly complex operational settings and unpredictable external factors, and WFP's commitment to achieving greater efficiency, effectiveness and accountability amid the outlook of a flat funding forecast.

WFP's 2024 comprehensive budget

PROGRAMME SUPPORT AND BUSINESS OPERATIONS										
	Baseline				Other services	Direct	Total		CSPs	Comprehensive budget
	PSA (ISC)	CCIs (PSAEA)	TFs, SAs and others	Total baseline	TFs and SAs	CSPs, TFs and SAs				
2024	568.0	97.9	145.6	811.4	39.7	131.9	983.0		10 159	11 142
2023*	576.3	58.2	121.0	755.5	52.0	127.4	934.9		11 093	12 028
Increase (decrease)	(8.3)	39.7	24.6	55.9	(12.3)	4.5	48.1		(934)	(886)
% change	(1%)	68%	20%	7%	(24%)	4%	5%		(8%)	(7%)

Abbreviations: CCI = critical corporate initiative; ISC = indirect support costs; PSA = programme support and administrative; PSAEA = PSA equalization account; SA = special account; TF = trust fund, CSP = country strategic plan.

* Minor changes to the 2023 baseline and other services budgets are due to reclassification in trust funds and special accounts.

100. All activities included in the programme support and business operations budget are classified according to whether they are baseline activities, other services or direct activities.
101. "Baseline activities" are essential activities that contribute to the efficient and effective delivery of WFP's annual implementation plan and the fulfilment of WFP's institutional obligations. Baseline activities cover both recurring activities, required on a daily basis to keep WFP's operations running, and one-time investments that are key to addressing systemic corporate risks and building efficiencies through the adoption of new technologies, processes and approaches. The increase in the 2024 baseline budget is driven by one-time investments funded through critical corporate initiatives (CCIs), trust funds and increases in business operations support for mandated services funded through special accounts.
102. Activities in the "other services" category are incidental, supplementary or discretionary activities that complement baseline activities or provide administrative and management services to non-WFP entities. Compared with 2023, the design and delivery of programmes by the WFP Innovation Accelerator accounts for the largest share of the "other services" budget in 2024, while the budget for WFP's administration of the African Risk Capacity group will decline.

103. "Direct activities" are activities that are planned and managed by headquarters but that can be traced to country operations. Most of the cost recovery for direct activities comes from country strategic plan (CSP) budgets because the cost drivers, such as the number of staff required or the tonnage of commodities purchased, are concentrated in country operations. Examples of existing direct activities include the provision of information technology infrastructure, the sourcing of food, beneficiary data management services and the processing of United Nations Humanitarian Air Service transactions.
104. As part of the direct activities budget, as a complement to the fee charged on vehicles leased through WFP's Global Vehicle Leasing Programme, WFP will introduce a new decarbonization fund. The new initiative will help WFP to meet its decarbonization targets by funding projects in regional bureaux and country offices that increase energy efficiency and reduce the use of fossil fuels. The funds of USD 1.5 million that are expected to be raised in 2024 will be managed through WFP's energy efficiency programme.

4.2 Baseline budget

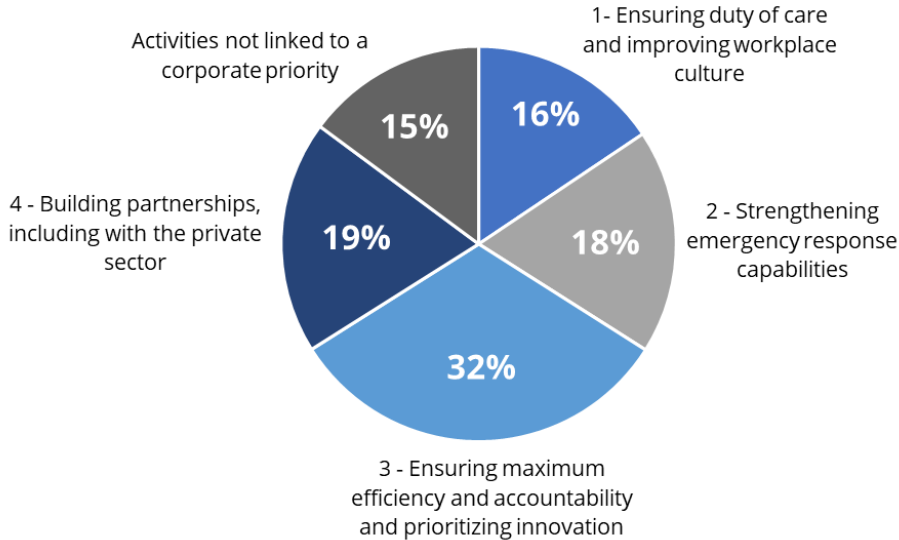
Baseline funding sources

105. In line with the objectives and methodology introduced through the bottom up strategic budgeting exercise and aimed at increasing the transparency of the budget and optimizing the funding sources for WFP's activities, the baseline budget presented in table 4.1 amounts to USD 811.4 million.
106. The programme support and administrative (PSA) budget, which covers activities that provide indirect support for WFP's operations, accounts for the largest share of the baseline budget. With a contribution forecast of USD 10 billion in 2024, the proposed PSA budget for 2024 of USD 568 million is set at the level of the projected indirect support cost income, calculated at the standard indirect support cost rate of 6.5 percent, or 4 percent when specific conditions are met. The proposed budget for 2024 is USD 8.3 million less than the approved PSA budget for 2023.
107. Funded from the PSA equalization account (PSAEA), estimated expenditures for proposed new and existing CCIs amount to USD 97.9 million in 2024. CCIs are focused on organizational or transformative initiatives, are aligned with corporate management priorities and are one-off in nature.
108. Trust funds are used for directed contributions, the purpose, scope and reporting procedures of which have been agreed with their donors; special accounts are used for the financial management of services provided by WFP to its own offices and to other United Nations entities and may be funded by directed contributions or through cost recovery.
109. The budget for trust funds and special accounts within the baseline budget includes the cost of managing and administering those funds and accounts. The total amounts to USD 145.6 million, or 20 percent more than the 2023 budget, with the largest specific increase being attributed to a trust fund managed by the Emergency Operations Division and focused on strengthening WFP's response capacity through improved preparedness. Annex IV provides a comprehensive overview and analysis of the 2024 trust fund and special account activities.
110. The "other funding sources" category 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.

Corporate management priorities and management results

- 111. The 2024 baseline budget is driven by three financial planning principles: reducing the administrative and financial burden on country operations, aligning the PSA budget with indirect support cost (ISC) income, and using reserves and fund balances judiciously.
- 112. In line with the Executive Director's strategic vision, WFP's leadership group established four corporate management priorities to drive the planning process for the 2024 budget. These corporate management priorities guided the development of strategies, activities, results and budget planning by WFP's leadership at the division, regional bureau and department levels. The proposed allocation of the 2024 baseline budget to the corporate management priorities is shown in figure 4.1.

Figure 4.1: Corporate management priorities as a percentage of the 2024 baseline budget⁴⁵



- 113. The baseline activities and budget allocations developed are also categorized in terms of WFP's seven corporate management results which are defined in the corporate results framework for 2022–2025. Three of the corporate management priorities – workplace culture, emergency response capabilities and partnership – are closely aligned with three of the seven corporate management results while the remaining priority – efficiency, accountability and innovation – cuts across all of the management results.

⁴⁵ Excluding central appropriations.

	2024	2023	USD value difference	% change
1 – Effectiveness in emergencies	139.4	121.9	17.5	14
2 – People management	110.7	92.5	18.2	20
3 – Engage in effective partnerships	167.8	137.9	29.9	22
4 – Effective funding for zero hunger	101.3	99.7	1.6	2
5 – Evidence and learning	113.8	104.9	8.9	8
6 – Leverage technology	78.5	66.0	12.5	19
7 – Leverage innovation	28.2	18.7	9.5	51
Not directly tied to a management result	71.7	113.9	(42.2)	(37)
Total	811.4	755.5	55.9	7

114. As can be seen in table 4.2, in 2024, 91 percent of the activities in the baseline budget are linked to a management result compared with 85 percent in 2023. The increase is due in part to the implementation of a new approach, which allows for the inclusion of activities that contribute to more than one management result. A description of each management result and its related key performance indicators, along with cross-cutting enablers, can be found in annex I.

Risks

115. The development process for the management plan for 2024–2026 included linking activities to audit and evaluation recommendations due for completion in 2024. This new step in the budget preparation exercise enabled WFP's leadership to make strategic budgetary allocation decisions to ensure funding for those vital activities.
116. The [Annual report of the Inspector General](#)⁴⁶ and the Management review of significant risk and control issues, 2022⁴⁷ highlighted persistent issues associated with monitoring, identity management, cooperating partners, cash-based transfers (CBTs) and supply chains as current or emerging areas for improvement. The report also drew on feedback provided by global management during the 2022 Executive Director assurance exercise which identified issues relating to people management and workplace culture.
117. Plans for addressing these persistent issues will draw on funds from the 2024 baseline budget (PSA, CCIs, special accounts and trust funds) and the resources in the country portfolio budgets. Each set of issues has been developed further in a costed work plan (annex V), which includes actions and key indicators. A summary of how the main risk areas will be addressed is provided in the following paragraphs.

⁴⁶ WFP/EB.A/2023/6-D/1.

⁴⁷ WFP/EB.A/2023/6-E/1. This document provides further description and analysis of four risk and control matters identified as significant in the 2021 Statement on Internal Control and progress achieved on these matters in 2022.

Risks pertaining to monitoring, identity management, cooperating partners, CBTs and supply chains

118. WFP's top priority is ensuring that the people who need its assistance receive that assistance safely, in full and without interference. As many of the environments in which WFP operates are high-risk, an array of measures is deployed at each stage of an operation to reduce the opportunities for WFP assistance to be misused and to ensure that any incidents are promptly identified, reported and addressed.
119. In 2023, WFP embarked on a whole-of-organization plan, the reassurance action plan, to reinforce its ability to manage and communicate operational risks more effectively. Implementation of the plan is led by the Deputy Executive Director, with participation from all regional bureaux and headquarters departments, and advisory services provided by the internal auditors. This broad level of participation is intended to reinforce the connections among teams, processes and systems, strengthen current measures and ensure that issues of concern are addressed in an integrated manner.
120. Within the baseline budget, USD 58.8 million is proposed to be allocated to activities that are linked to this risk area. This includes USD 31.5 million of recurring PSA activities, USD 22.8 million of one-time CCIs and USD 4.5 million from trust funds and special accounts. Achievements in targeting, monitoring and identity management will allow for more agile operations that make more timely adjustment of programmes, generate evidence and prevent fraud. Furthermore, such activities will support WFP in fulfilling its commitments to improving cooperating partners' digital literacy and its management of these vital partnerships.

Risks pertaining to people management and workplace culture

121. WFP management is committed to the continued mitigation of "people and culture" risks to ensure the most sustainable, efficient and effective use of WFP's resources and the safeguarding of its assets. Two categories of issue will be addressed:
- *talent management and workforce planning issues*, which include difficulties in attracting local and international talent, which were attributed to limited national capacity, hardship conditions, duty station incentives, the complex career growth pathway, non-competitive United Nations salaries, short-term contracts owing to funding constraints, and WFP's long and cumbersome recruitment process; and
 - *workplace culture and conduct issues*, which recognize that despite the existence of safe and appropriate channels for employees to report misconduct, further work is needed to bolster accountability, communications and transparency.
122. The management plan for 2024 includes activities related to people and workplace culture that are conducted at headquarters and in regional bureaux and the support provided by those offices to country offices, where it is required. Across all funding sources in the baseline budget, USD 100.9 million is budgeted for both recurring and one-time activities in 2024. In particular, the CCI in support of this work is an investment aimed at accelerating the drive towards excellence in people management and inclusive and respectful workplace culture while an allocation from the PSA budget provides the funds for WFP's recurring commitment to the achievement of those goals. The planned activities, if successfully implemented, will enable the completion of workforce planning, organizational alignment and expanded talent acquisition and relevant recruitment responsibilities in addition to other achievements detailed in annex III.

Positions funded by the baseline budget in 2024

The planned number of positions in the proposed 2024 baseline budget is increasing by 272 to reach 4,537 planned full-time equivalent positions. Reflecting management's commitment to the implementation of the staffing framework, which calls for more stable contractual conditions for employees performing long-term work, 67 percent of the new planned positions are fixed-term.

Efficiencies

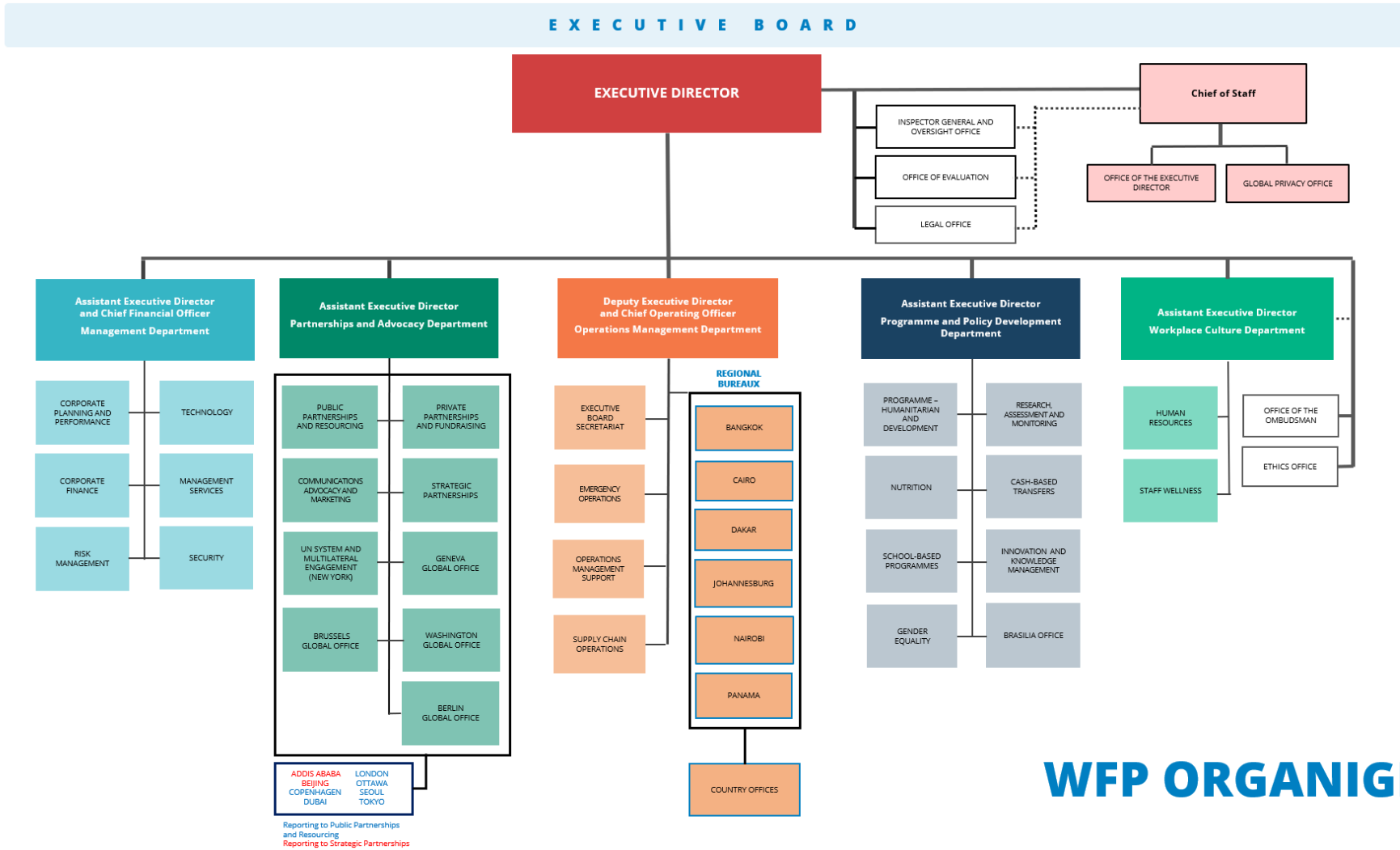
123. WFP promotes efficiency through internal and inter-agency initiatives and through the measurement of and reporting on efficiency gains. All efficiency gains are generated by, and linked to, programmes and projects that are related to WFP activities and/or support the wider United Nations system. As a result of the gains, more resources are made available for programme and project implementation at the local level.
124. Sufficient planning and investment are required from WFP to identify new efficiencies and ensure that adequate attention is given to measuring, tracking and reporting on the results achieved. The projected efficiencies range from well-established initiatives such as the Global Commodity Management Facility, which is estimated to account for more than USD 80 million in cost avoidance related to food procurement, to newer initiatives such as the human capital management system, which is expected to deliver substantial time savings starting in 2024. In addition, WFP continues to be a leader in driving United Nations system-wide efficiencies that generate benefits for other United Nations entities, as demonstrated through the adoption of the United Nations booking hub, which generated USD 9.5 million in efficiencies in 2022, and the United Nations fleet, which is becoming fully operational in 2023 and will be scaled up in 2024.
125. During 2024, WFP will identify, promote and prioritize new initiatives to generate additional efficiency and effectiveness gains. WFP will continue to report to the Board on each year's top ten efficiency gain initiatives in the annual performance report.

Organizational structure

126. As shown in figure 4.2, WFP's organizational structure is headed by the Executive Director and includes a senior management structure with one Deputy Executive Director and four Assistant Executive Directors, all serving as heads of departments.
127. The 2024 organizational structure is divided into six interrelated areas: the Executive Director and Chief of Staff; the Operations Management Department led by the Deputy Executive Director and Chief Operating Officer, the Management Department; the Partnerships and Advocacy Department; the Programme and Policy Development Department; and the Workplace Culture Department. This organizational structure ensures clear roles and responsibilities and adds clarity, transparency and accountability to the senior management structure with the main objective of ensuring that WFP is equipped to efficiently and effectively meet the challenges that lie ahead.

128. The following structural changes to divisions are introduced in the current management plan; they reflect the arrangements implemented in accordance with the organigram of 25 May 2023 as conveyed by the Deputy Executive Director during the Executive Board Bureau meeting:
- The Operations Management Support Office, formerly in the Chief of Staff Office, and the Executive Board Secretariat Division, formerly in the Programme and Policy Development Department, are moved to the Operations Management Department.
 - The Security Division, formerly in the Supply Chain and Emergencies Department, is moved to the Management Department.
 - The Executive Director and Chief of Staff directly oversee the Office of the Executive Director, the Global Privacy Office, the Ethics Office, the Office of the Ombudsman, the Inspector General and Oversight Office, the Office of Evaluation and the Legal Office.
129. These structural changes are reflected in the 2024 budget tables and have been retroactively applied to the 2023 budget tables presented in this management plan.
130. Executive management continues to review the organizational structure. Proposed changes will be presented to the Board for endorsement before implementation. Due to the timing of the finalization of the management plan for 2024–2026, subsequent changes to the organigram and their budgetary impacts will be presented in a separate document or as an addendum to the management plan.

Figure 4.2: Organizational structure of the Secretariat



WFP ORGANIGRAM

4.3 Programme support and administrative budget

Overview

131. The proposed PSA budget for 2024, which represents the largest portion of the baseline budget, will provide essential and prioritized programme and administrative support for WFP's operations and ensure compliance with the organization's governance and fiduciary responsibilities.
132. The funding for the PSA budget is derived from the application of an indirect support costs (ISC) rate on contributions to WFP. The ISC rate is approved by the Board each year. Management proposes that the rate be maintained at 6.5 percent in 2024, with specific exceptions for a reduced 4 percent rate subject to conditions that have previously been approved by the Board.
133. In line with the projected ISC income generated from USD 10 billion in forecasted contributions, the proposed PSA budget for 2024 is USD 568 million and represents an overall 1 percent reduction – of USD 8.3 million – compared with the 2023 budget. As a guiding principle, in recognition of the funding outlook, activities have been prioritized to focus on the most critical needs and activities where past investments could be leveraged to realize efficiency gains. Efforts are geared towards innovative processes such as operational re-engineering, digitization, the identification of synergies and the streamlining and consolidation of activities across services.
134. Table 4.3 presents an overview of the proposed PSA budget by appropriation line and pillar. The Board is asked to approve the PSA budget at the level of the appropriation lines.

Appropriation line and pillar	2024	2023	USD value difference	% change
Strategy and direction	121.3	113.7	7.6	7
A – Strategy and direction	121.3	113.7	7.6	7
Services	295.8	293.3	2.5	1
B – Business services	193.2	196.6	-3.4	-2
C – Policy, guidance and quality assurance	102.6	96.7	5.9	6
Governance, independent oversight and fundraising	150.9	169.3	-18.4	-11
D – Advocacy, partnerships, fundraising and United Nations coordination	105.5	123.2	-17.7	-14
E – Governance and independent oversight	45.4	46.1	-0.7	-2
Total	568.0	576.3	-8.3	-1

135. The most prominent variations are in the Strategy and direction appropriation line, which shows a 7 percent increase in PSA funding compared with 2023, and the Governance, independent oversight and fundraising appropriation line, with a reduction of 11 percent. This shift is almost entirely related to a reclassification of activities in the Partnerships and Advocacy Department (PA), strategic decisions and management within its divisions. Those activities, previously planned under pillar D, Advocacy, partnerships, fundraising and United Nations coordination, owing to their association with PA, are now planned under pillar A, Strategy and direction, consistent with similar activities in other departments.

136. The increase of USD 5.9 million for pillar C, Policy, guidance and quality assurance, is mainly attributable to the increase in the PSA funding for country offices. The increase is aimed at ensuring that country offices have sufficient resources to comply with accountability and assurance standards and for policy implementation.

PSA budget by object of expenditure and organizational level

	2024	2023	USD value difference	% change
Fixed-term staff	391.6	381.1	10.5	3
Other employees	63.3	75.2	-11.9	-16
Non-employee costs	113.1	120.0	-6.9	-6
Total	568.0	576.3	-8.3	-1

137. Fixed-term staff costs include the cost of international professional staff and general service staff based in Rome and in global offices and local staff in regional bureaux. The increase in this cost category recognizes that the PSA budget is the primary source of funding for core, recurring activities performed by fixed-term staff, and reflects a small increase in the number of fixed-term positions, despite an overall decrease in the PSA budget allocation, along with a small increase for inflation.
138. International short-term professional staff, consultants and temporary assistance are included in the "other employees" category. Reflecting the phasing out of the short-term professional contract category, the reduction in the number of full-time-equivalent short-term professionals is proportionally larger than the reduction in the other contract types, and accounts for more than half of the budget reduction in this cost category.
139. Reductions in non-employee costs are seen in all departments and regional bureaux and are mainly related to travel, training and commercial consultancy services costs.

Organizational level	2024 PSA budget allocation	2023 PSA budget allocation	USD value difference	% change
Country offices	60.2	48.4	11.8	24
Regional bureaux	115.7	116.4	-0.7	-1
Offices of the Executive Director and Chief of Staff	56.2	57.2	-1.0	-2
Management Department	95.2	101.3	-6.1	-6
Operations Management Department	53.6	61.6	-8.0	-13
Partnerships and Advocacy Department	63.8	65.7	-1.9	-3
Programme and Policy Development Department	52.4	56.9	-4.5	-8
Workplace Culture Department	35.3	36.8	-1.5	-4
Central appropriations	35.6	32.0	3.6	11
Total	568.0	576.3	-8.3	-1

140. In line with the guiding principles and planning assumptions described above, the development of the PSA budget has emphasized the alleviation of financial stress on country offices so as to ensure that the offices can maintain their basic structures and comply with minimum normative standards, even when facing challenges such as inflation and declining resources. The 2024 PSA budget proposes an increase of USD 11.8 million (24 percent) in the funding for country offices. Because the regional bureaux provide the first line of support to country offices, their proposed PSA allocations will decrease by only 1 percent. Overall, the headquarters department budgets will decrease by 6 percent to absorb the overall decrease in PSA funding and to enable the increase in the country office PSA allocation.

Country offices

141. The country office PSA allocation is designed to support core functions that are not directly attributable to operations. Following the restructuring of country office funding in 2022, the country office PSA allocation funds the country director, a national staff assistant, a driver and basic office running costs. The increase in the PSA allocation to country offices in 2024 includes USD 1.8 million for inflation and USD 10 million to fund costs related to the priority of managing risks, in particular to address funding challenges that undermine compliance with accountability, assurance standards and policy implementation. The specific type of cost covered by this targeted allocation in 2024 will vary based on the specific challenges faced but may include costs associated with analysing and monitoring risks, identifying and addressing internal control weaknesses, developing standard operating procedures, and training. The activities to be funded will be key to establishing and managing a country office, regardless of the size of the operation.

Regional bureaux

142. To cope with the PSA funding reduction and optimize the use of available resources, regional bureaux will adopt strategies for containing expenses and enhancing the existing strategic direction, guidance and support provided to country offices. The aim is to ensure effective oversight of field operations and the monitoring of country performance. The allocation to each regional bureau takes into account various factors, including the number of beneficiaries assisted in the region, the budget amount for each country portfolio, the employee headcount at the regional bureau and the number of country offices under the bureau's responsibility. To increase efficiency and support the adoption of innovative approaches, particularly while coping with the reduction in PSA funding, the regional bureaux have access to extrabudgetary resources in certain cases, and all regional bureaux benefit from the one-time CCI investments.

143. PSA allocations to individual regional bureaux range from 96 to 104 percent of the 2023 allocations. At the upper end of the allocation range, the Regional Bureau for the Middle East, Northern Africa and Eastern Europe, whose PSA allocation in 2024 is equivalent to 104 percent of its 2023 allocation, has significantly increased its workload over the past two years owing to the opening of country offices in the Republic of Moldova and Ukraine. At the lower end of the allocation range, the Regional Bureau for Western Africa will mitigate the effects of a 4 percent reduction in PSA funding by implementing PSA cost containment measures that reduce the costs related to consultancy, travel and training.

Offices of the Executive Director and the Chief of Staff, and divisions reporting to them

144. The 2024 PSA funding of the offices of the Executive Director and the Chief of Staff and the offices and divisions that report to them show a slight reduction of 2 percent compared with 2023, as the mandated oversight responsibilities and the related level of activity of those offices and divisions are not expected to decrease along with the reduction in operational activity.

145. The work of the five divisions reporting directly to the Executive Director is cross-cutting in nature and covers investigations and audit, evaluations and legal services for the entire organization. The PSA budget allocation for the Office of the Inspector General remains at the same level as the 2023 allocation in the context of an increasing workload. During 2024, the office will expand its use of technology to further strengthen its effectiveness and productivity, within the bounds of available resources. As outlined in the detailed workplan in annex VII, the budget allocation for the Office of Evaluation remains relatively stable to allow for the implementation of the evaluation policy; however, to contribute to PSA savings, it has been agreed to reduce the planned number of strategic evaluations in 2024 from three to two; the third evaluation will be postponed to 2025.
146. During 2024, the Office of the Executive Director will have a strong focus on management and accountability and will provide the necessary organizational structure to enable the Executive Director to focus on expanding the funding base and applying the expertise of WFP's partners. The Global Privacy Office, established in 2021, has matured and increased in size with a more defined structure for 2024; the office is providing advice and assistance throughout WFP, while also engaging with external entities with a view to furthering the objectives of the office.

Management Department

147. In light of a 6 percent PSA budget reduction in 2024, the Management Department will prioritize activities that enable the department to provide financial, budget and risk management and deliver foundational technology, connectivity and facilities management services. The department will focus on harnessing innovation and best practices to drive enhanced performance, safeguard resources and enable frontline operations.
148. Within the department, the Management Services Division has a 15 percent PSA budget reduction, which amounts to USD 3.4 million. When the 2023 PSA budget was developed in mid-2022, the cost of utilities was expected to increase by several times due to high energy prices stemming from the conflict in Ukraine. Since then, the market has stabilized. A large share of the budget reduction is due to the lower cost of utilities at headquarters expected in 2024.
149. The budget of the department's largest division, the Technology Division, remains stable compared with its 2023 PSA budget. With the new information and technology strategy in place, the division has embarked on a comprehensive review of its organizational structure and will explore innovative solutions that integrate advanced analytics technology and will consider piloting artificial intelligence.
150. The other divisions within the department have also undergone thorough reviews of their activities and prioritized areas that are most important for the organization; they have found efficiencies, leading to an overall 6 percent PSA budget reduction for the department.

Operations Management Department

151. The Operations Management Department is responsible for overseeing essential elements of global operations and has the largest departmental percentage reduction in PSA funding, at 13 percent below the 2023 level. The department received one-time PSA allocations in 2023 for strengthening its workforce capacity and surge deployment management. In the context of the baseline budget – i.e., when those one-time allocations are excluded – its resources are increasing by 27 percent from 2023 to 2024.
152. The department will prioritize field-focused investments and core capacities that support leadership in emergencies and the provision of augmented services and delivery solutions. The PSA funding reduction affects mainly the Supply Chain Operations Division and the Emergency Operations Division. Alternative sources of baseline funding for the Supply Chain

Operations Division include two new CCIs and increases in the special accounts for Humanitarian Logistics, the United Nations Humanitarian Air Service and the United Nations Humanitarian Response Depot. The Emergency Operations Division's PSA allocation will be complemented with contributions directed to the trust fund dedicated to strengthening the emergency response capacity of WFP through better preparedness. The divisions will partially mitigate the reduction in PSA funding by continuing to adopt field-oriented and context-specific approaches. This includes coordinated and streamlined support for country offices during corporate scale-up phases; the maintenance of a pool of rapid response emergency officers; and tailored analysis that integrates contextual and operational information in order to inform operational decisions. As sustainability becomes a higher priority for WFP, its partners and its stakeholders, the Supply Chain Operations Division is focusing on changing WFP's procurement practice while maintaining excellence in logistics, particularly in emergency operations. To achieve this, the division will build strategic partnerships, leverage market research and intelligence and tap into the cutting-edge technologies used by WFP partners.

153. Departmental efforts to increase efficiency and adopt innovative approaches in 2024 are evident, with the Emergency Operations Division exploring innovative tools such as artificial intelligence, machine learning, predictive analytics and other technologies for improving early warning systems and preparedness. The Supply Chain Operations Division is focusing on redesigning its business and processing tools to increase efficiency and provide centralized services to country offices effectively.

Partnerships and Advocacy Department

154. The PSA-funded activities of the Partnerships and Advocacy Department are fully aligned with the Executive Director's priorities of raising more resources by expanding WFP's funding base and scaling up its partnerships, including with the private sector. In 2024, despite experiencing a PSA funding reduction of 3 percent, the department will seek to further solidify and diversify WFP's donor base. This will be achieved through targeted engagement with the private sector and philanthropic foundations; improved ability to sustainably attract and negotiate effectively with resource partners so as to position WFP as a partner of choice, including for thematic funding and international financial institutions; shaping of the global narrative related to global food insecurity; continued professionalization of the partnerships function throughout WFP; and the provision of support to the external communication and advocacy functions of the Executive Director and senior management. In 2024, the department will be able to leverage resources for the implementation of the "Fit-for-future in a changed funding landscape" CCI, resulting in an increase in its baseline budget of 4 percent.

Programme and Policy Development Department

155. In 2024, the Programme and Policy Development Department will continue to lead corporate efforts to develop and implement WFP's strategic plan for 2022–2025 and ensure the quality of WFP's programming in all settings. The department's commitment to programme excellence strongly underpins all four corporate management priorities, especially those related to strengthening emergency response capabilities, ensuring maximum efficiency and accountability, and prioritizing innovation. Improved efficiencies have been achieved in part through a review and prioritization of non-employee costs.
156. The departmental PSA funding reductions affect mainly the Programme – Humanitarian and Development Division (PRO) and the Research, Assessment and Monitoring Division (RAM). PRO will mitigate a USD 1.7 million reduction in its PSA funding primarily through reductions in training and travel, while activities related to the Food Systems Summit, guidance on the strategic plan for 2022–2025 and guidelines on food assistance for assets and food assistance for training have also been scaled down. In 2023, RAM received a PSA allocation

of USD 2.4 million for strengthening field monitoring activities; similar activities aimed at strengthening monitoring will be funded by a CCI in 2024. Other divisions in the Programme and Policy Development Department had small reductions in their PSA allocations, with the exception of the Gender Equality Office and the Innovation and Knowledge Management Division, whose budgets will remain stable.

157. The impact of the 8 percent reduction in the Programme and Policy Development Department's 2024 PSA allocation compared with 2023 will be partly mitigated by resources available through CCIs, trust funds and special accounts. Leveraging baseline funding sources, in 2024 the department will focus on designing and delivering innovative programmes that address and reduce levels of humanitarian needs generated by conflict and climate and economic shocks, while seizing opportunities to strengthen relevant national safety nets and systems.

Workplace Culture Department

158. Given the importance of ensuring duty of care and improving workplace culture throughout WFP, the Workplace Culture Department (WP) maintains a fairly stable level of PSA, with only a slight reduction of 2 percent compared with the 2023 budget. The department will manage this reduction by moderating the budget for ongoing activities, mostly in the People and Culture Coordination Unit, which also receives funding through the CCI on investing in WFP people. The PSA has been ringfenced to ensure that strategic workforce planning efforts continue to inform CSPs. The PSA has also been reprioritized to support a standalone unit for diversity, equity and inclusion in order to strengthen work on inclusion and activities that shape the behaviour that helps embody WFP's values for a respectful and productive workplace environment. WP will also continue to use the PSA to support the mental health and well-being of all employees, particularly in emergencies.
159. Departmental efforts to increase efficiency and adopt innovative approaches are evident with the upcoming implementation of the new Human Capital Management system, Workday HCM, which is expected to achieve efficiencies in people management, realizing annual savings in excess of USD 3 million for field offices and an estimated 40 percent reduction in people management processing time after the system goes live in 2024. This activity is managed through a special account. While the new ways of working project will not feature as an activity in 2024, efficiencies derived from the project, including improved technologies, will be applied throughout WFP. The Staff Wellness Division will continue to work with the Management Services Division on the implementation of online booking through the United Nations booking hub for all field clinical services worldwide, standardizing and streamlining the process globally. This activity is funded from the wellness special account.

Central appropriations

160. Central appropriations fund the costs of meeting statutory requirements, particularly WFP's funding commitments to the United Nations jointly financed activities and other centrally managed activities. The proposed central appropriation budget for 2024 is USD 35.6 million, or 11 percent more than the 2023 budget.
161. The largest increase in central appropriations is for WFP's share of the budget for the United Nations Department of Safety and Security (UNDSS). The 14 percent increase for UNDSS is attributed to a combination of the increase in the UNDSS budget and WFP's higher share of the budget owing to its growth relative to other United Nations entities.
162. Insurance and legal fees increase by USD 1.3 million to account for a new global property insurance policy that covers WFP's global assets, buildings and contents, and an increase in malicious acts insurance due to WFP's claim history.

163. In the partnership activities (United Nations/non-United Nations) budget line, a decrease of USD 0.9 million, is planned for 2024 owing to the termination of staff secondments to the Secretariat of the Scaling Up Nutrition movement hosted by the United Nations Office for Project Services and the United Nations Educational, Scientific and Cultural Organization in 2023.

164. Table 4.6 provides a comprehensive list of 2024 central appropriations compared with 2023.

TABLE 4.6: CENTRAL APPROPRIATIONS FOR STATUTORY REQUIREMENTS AND OTHER CENTRALLY MANAGED COSTS (USD million)*			
	2024	2023	Difference
Pillar A: Strategy and direction	2.3	1.8	0.5
Chief Executives Board	0.7	0.7	0.0
Global management meeting	0.6	0.6	0.0
Global staff survey	0.5	0.0	0.5
Recruitment costs	0.4	0.4	0.0
Senior management and alumni network	0.1	0.1	0.0
Pillar B: Business services to operations	23.4	19.6	3.8
Emergency medical evacuation	0.2	0.2	0.0
International Civil Service Commission	1.1	1.1	0.0
Insurance and legal fees	4.0	2.7	1.3
Programme criticality and Standing Committee on Nutrition	0.5	0.4	0.1
Services from other agencies	0.8	0.7	0.1
Staff awards, settlements and surveys	0.4	0.4	0.0
WFP UNDSS share	15.7	13.7	1.9
Disability inclusion	0.7	0.4	0.3
Pillar D: Advocacy, partnerships, fundraising and United Nations coordination	7.4	8.2	-0.8
Partnership activities (United Nations and non-United Nations)	3.5	4.4	-0.9
Resident coordinator system cost-sharing and assessment centre	2.8	2.7	0.1
United Nations entities' legal fees	0.2	0.2	0.0
Other United Nations fees	0.5	0.5	0.0
United Nations staff unions	0.4	0.4	0.0
Pillar E: Governance and independent oversight	2.5	2.4	0.1
Independent Oversight Advisory Committee	0.2	0.2	0.0
External Auditor	0.4	0.4	0.0
International Aid Transparency Initiative membership fee	0.2	0.2	0.0
Advisory services	0.1	0.1	0.0
Joint Inspection Unit	1.6	1.5	0.1
Total	35.6	32.0	3.6

* Figures in the table are rounded.

TABLE 4.7: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET POSITION COUNT								
	2024				2023			
	Country offices	Regional bureaux	Head-quarters	Total	Country offices	Regional bureaux	Head-quarters	Total
International professional and higher	84	268	1 075	1 427	83	260	1 054	1 397
General service			510	510			499	499
Local staff (national officers and general service)	180	406	153	739	171	366	126	663
Fixed-term subtotal	264	674	1 738	2 676	254	626	1 679	2 559
Professional and higher (short-term)		0	22	22		3	74	77
General service (short-term) and temporary assistance		51	112	163		62	112	174
Consultants		101	521	622		118	545	663
Short-term subtotal	0	152	655	807	0	183	731	914
Total	264	826	2 393	3 483	254	809	2 410	3 473

165. Table 4.7 shows the number of positions covered by the PSA budget by organizational level – country offices, regional bureaux and headquarters – and category, as approved in 2023 and planned in 2024. The employee position count is calculated on a full-time-equivalent basis.

166. 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. The pace of conversion in 2024 will slow considerably compared with 2022 and 2023, when significant levels of funding were allocated to accelerate the conversions. Despite the funding constraints in 2024, the proportion of fixed-term to short-term staff will increase by three percentage points. Compared with the PSA in 2021, the year before the staffing framework was launched, the number of fixed-term PSA-funded positions has grown by 30 percent.

Standard position cost rates

167. The international professional positions and general service staff positions in headquarters are costed using standard rates. The 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.

168. The standard position costs for 2024 are based on the actual costs in 2022, adjusted for inflation, actuarial estimates of after-service costs, and other projected changes. For the euro component of costs incurred, WFP makes a forward purchase of the euro amounts required as a way of providing certainty regarding the United States dollar value of euro-denominated expenditures.
169. 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 aimed at achieving fully funded status in 2025. An assets-to-liabilities study completed in 2023 confirmed that there are sufficient assets to cover long-term employee benefits and that the funding ratio is expected to remain above the 100 percent level. The fully funded position is expected to be sustainable over the long term, so the incremental annual funding of USD 7.5 million is no longer required and has been removed from the standard position costs, starting in 2024. Management will continue to report to the Board on the actual funding status of the long-term employee benefit liabilities through the WFP annual audited financial statements.
170. The impact of inflation on the employee costs is expected to be lower than the projected inflation in 2024, as most of the employee benefits are not due for inflation-related adjustments in 2024. The impact of the potentially weaker United States dollar and increases in the salary scale for Rome-based general service staff will be largely offset by the reduction in long-term employee benefits.
171. A comparison of the total costs for staff in the 2024 PSA budget based on the 2023 standard position costs and the same total costs based on the 2024 standard position costs indicated an increase of USD 1.2 million.

4.4 Indirect support cost rate

172. WFP's ISC rate is calculated to ensure that the cost of the activities defined in the PSA budget can be fully funded from projected contribution revenue. At the same time, the rate established should not generate excess income that could otherwise be used for direct programme implementation.
173. A The derived standard ISC rate for 2024 has been calculated, as shown in table 4.8, using the methodology established in 2006.⁴⁸

2022 baseline	4.80
Increase for higher indirect expenditures (from 2022 to 2024)	0.80
Increase for lower funding forecast (from 2022 to 2024)	1.18
Derived ISC rate for 2024	6.78

174. The calculated ISC rate of 6.78 would cover the costs of the PSA budget and would allow for funding CCIs in 2024 and 2025 while maintaining a PSAEA balance within the range of the PSAEA target.

⁴⁸ "Review of Indirect Support Costs Rate" (WFP/EB.A/2006/6-C/1).

175. For 2024, 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 the governments of developing countries and countries with economies in transition, as determined by the Board; governments contributing to programmes in their own countries; and international financial institutions under such conditions as shall be determined by the Board. 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.

4.5 Reserves and fund balances

Overview

176. This section provides an overview of the PSAEA and the unearmarked portion of the General Fund. Subject to approval by the Board, the PSAEA and the unearmarked portion of the General Fund are potential funding sources for the programme support and business operations budget and, in the case of the latter, may fund operational costs.

177. The PSAEA and the unearmarked portion of the General Fund are projected to have a healthy, combined balance of USD 720 million on 1 January 2024, exceeding the target ceiling and prudent balance by more than USD 300 million. Considering the projected reduction in contributions amid the growth in operational requirements, management proposes to use a portion of those healthy balances for strategic investments in corporate initiatives and to provide financial relief to country offices while they align their country presence and structure when faced with declining resources.

Programme support and administrative equalization account

PSAEA balance at 1 January 2024		390.0
ISC projected revenue (based on global contribution forecast income of USD 10.0 billion)		568.0
Proposed PSA budget		-568.0
Proposed PSAEA drawdowns		-138.4
- <i>Repurposing of the staff wellness fund</i>	0.0	
- <i>Immediate Response Account replenishment</i>	-50.0	
- <i>CCIs</i>	-88.4	
PSAEA balance at 31 December 2024		251.6
PSAEA target (equivalent to 5 months of 2024 PSA expenditures)		236.7
PSAEA floor (equivalent to 2 months of 2024 PSA expenditures)		94.7

178. Established in 2002, the PSAEA reflects 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 the ISC income needed for PSA expenditure. In 2015, the Board endorsed the use of the PSAEA for CCIs,⁴⁹ which enable WFP to invest in sustainable initiatives that

⁴⁹ "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.

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.

179. Following a review of the optimal balance of the PSAEA,⁵⁰ 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 2024 are shown in table 4.9. Taking into consideration the global contribution forecast of USD 10 billion for 2024, and the proposed uses of the PSAEA in 2024, the projected 2024 closing balance will be USD 251.6 million, which is more than five months of PSA expenditure.
180. In light of the healthy PSAEA balance projected for the end of 2023, proposed uses include the following:
- *Repurposing of a 2022 PSAEA allocation to the staff wellness fund*
181. The staff wellness fund will have an unspent balance of approximately USD7 million remaining from the 2022 allocation which was approved as thematic funding for wellness programmes specifically intended for joint United Nations COVID-19 response activities related to the medical evacuation framework, the "first line of defence" and the vaccination campaign. Owing to the decline in the risks posed by the pandemic, those activities were completed earlier than expected.
182. In 2015, utilizing an initial allocation of USD 10 million from the PSAEA, WFP established a special account for wellness programmes to fund activities for improving staff wellness at duty stations when project funding was scarce. Two replenishments of USD 8 million each were approved in 2017 and 2020 to fund wellness programmes in line with WFP's wellness strategy. In addition, in 2022, the Board approved a transfer of USD 8 million from the PSAEA to the special account for wellness programmes to fund WFP's share of joint United Nations COVID-19 response activities.
183. As the balance in the wellness fund for other activities will be almost fully exhausted by the end of 2023, a repurposing of the unspent balance from COVID-19 response activities, estimated at USD 7 million, can finance new wellness projects and recommendations stemming from the fund's 2022 global health survey. The available funding will be used to strengthen the network of WFP field medical clinics in highly underserved duty stations. In addition, the resources will support the complete rollout of the WFP occupational safety management system and the provision of psycho-social support to WFP employees and their families through the expansion of the Wellbeing mobile application and the family liaison outreach community services.
- *Replenishment of the Immediate Response Account (IRA) to the amount of USD 50 million*
184. The IRA is indispensable to WFP's ability to continue to save lives, ensuring the account's sustainability is therefore critical. A yearly resourcing target for the IRA has been established. The target is met 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. The target may also be met by allocations of multilateral contributions or transfers from WFP's reserves and fund balances as approved by the Board. Approved transfers to the IRA were USD 130 million in 2022 and USD 150 million in 2023, as shown in table 4.10.

⁵⁰ "Update on the Financial Framework Review" (WFP/EB.2/2015/5-C/1).

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Directed IRA contributions	52.1	53.1	50.2	33.9	33.2	29.6	22.6	24.7	64.0	101.1	44.8
Revolved funds	88.6	132.6	95.3	125.2	114.5	68.3	150	82.5	70.4	220.4	108.0
WFP funds	-	-	57.1	13.7	28.7	67.1	23.1	77.5	53.8	180.0	152.7
<i>Multilateral contributions</i>	-	-	-	13.7	13.7	23.1	23.1	25.0	30.6	50.0	
<i>PSAEA</i>	-	-	50.0	-	15	44	-	52.5	-	30.0	150.0
<i>Others</i>	-	-	7.1	-	-	-	-		23.2 ^a	100.0 ^b	2.7
Total revenue	140.7	185.7	202.6	172.8	176.4	165.0	195.7	184.7	188.2	501.5	305.5
Allocations	165.3	182.0	164.2	215.2	154.2	144.2	161.0	188.5	220.0	385.2	256.4

^a This amount includes a transfer from the insurance special account surplus.

^b This amount includes a transfer from the unearmarked general fund balances.

185. Considering the unprecedented humanitarian needs arising from the global food crisis, and the projected funding gap, the demand for use of the IRA has increased dramatically. In the first six months of 2023, IRA allocations averaged USD 38 million per month, which means that WFP will likely reach USD 500 million in allocations for life-saving activities by the end of 2023. Given the projected funding gap between expected operational requirements of USD 22.7 billion in 2024 and the global contribution forecast of USD 10 billion, the demands on the IRA are expected to increase further in 2024.
186. In the management plan for 2023–2025, the Board approved the transfer of USD 50 million to the IRA; this timely injection at the beginning of 2023 was instrumental in WFP's ability to respond rapidly after the earthquake in Türkiye and the Syrian Arab Republic. Management proposes to transfer USD 50 million from the PSAEA to the IRA. This proposed transfer will improve the availability of funds in the first quarter of 2024 while WFP continues to engage with donors to replenish the IRA.
- *Investment of USD 88.4 million in CCIs (see following subsection).*

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

187. CCIs are fully aligned with WFP's corporate priorities and are designed to lead to sustained gains in efficiency or effectiveness after they are completed. The development of CCI proposals involves collaboration among headquarters, regional bureaux and country offices to ensure that the planned results meet the needs of WFP's field operations.⁵¹
188. Management proposes to allocate USD 88.4 million of the PSAEA to fund the 2024 and 2025 budgets of six CCIs.⁵² Approval of funding in both years is important as these "one-time" activities normally require more than one year for completion and need the assurance of multi-year funding. The approval of funding through 2025 will align the implementation of these CCIs with the current strategic plan.

⁵¹ "Report of the External Auditor on critical corporate initiatives" (WFP/EB.A/2021/6-F/1).

⁵² This amount does not include two CCIs – on implementation of the strategic plan and the corporate results framework, and the termination indemnity fund – that do not require additional funding for 2024, as they will utilize carryover funds from remaining balances in 2023.

189. When assessing CCI proposals, WFP considered the attributes described in the corporate management priorities and grouped the CCIs under one of the following priorities: efficiency, monitoring, partnerships, and people. Table 4.11 shows the multi-year budget and net funding request of USD 88.4 million, taking into account any projected carryover funds from 2023. Forty percent of the requested amount is expected to support the final year of implementation of three existing CCIs, while the remaining 60 percent will be used to launch three new, multi-year CCIs.
190. Each CCI is briefly described in the following paragraphs. More details on their expected results, essential activities, proposed budgets, implementation plans and key performance indicators are presented in annex III. WFP's annual performance reports include a review of the achievements of each CCI and the use of their approved budgets each year.

CCI name	2024	2025	Multi-year total	Less: carry-over from 2023	Total requested funding
People Investing in WFP people	32.4	-	32.4	5.4	27.0
Monitoring <i>New</i> – Monitoring, Identity Management and Traceability	20.8	2.9	23.7	-	23.7
Partnerships <i>New</i> – Fit for future in a changed funding landscape	6.9	1.0	7.9	-	7.9
Efficiency	37.8	8.6	46.4	16.6	29.8
<i>New</i> – Corporate process optimization	12.4	8.6	21.0	-	21.0
UNSDG efficiency road map	5.8	-	5.8	-	5.8
COSMOS	3.0	-	3.0	-	3.0
Strategic plan/corporate results framework implementation	12.8	-	12.8	12.8	-
Termination indemnity fund	3.8	-	3.8	3.8	-
Total	97.9	12.5	110.4	22.0	88.4

Abbreviations: COSMOS = country office support model optimization and simplification; UNSDF = United Nations Sustainable Development Group.

Investing in WFP people – third year of the multi-year initiative

Primary corporate management priority: Ensuring duty of care and improving workplace culture.

Primary risk area to be addressed: WFP's talent management and workforce planning, and workplace culture and conduct (see annex V).

191. The management plans for 2022–2024 and 2023–2025 allocated a total of USD 52.3 million for the first two years of the CCI on investing in WFP people in order to support an ambitious change management process. Planned activities for 2024 are based on the same five deliverables established for 2022–2023 and focus on supporting excellence in people management. The 2024 activities build on the progress made since the CCI's inception. For example, one of the several achievements realized through the CCI is a reduction in the percentage of WFP's workforce employed on short-term contracts. In 2024, additional activities are aimed at stabilizing the workforce, providing the required skills and reducing the risk of workforce misalignment, which was identified as a priority risk in the 2022 corporate risk exercise.

192. The third and final year of the CCI will focus on mainstreaming or closing activities and aligning requirements and expected outcomes with changes in WFP's operating environment, such as those introduced by the strategic plan for 2022–2025, the accountabilities under the WFP people policy, the implementation of the staffing framework and the human capital management platform, and strategic workforce planning at the function level. During the 2024 planning process, all 22 WFP offices at headquarters and all regional bureaux and country offices have shared drafts of their respective exit strategies for closing the CCI.
193. An overall budget of USD 32.4 million is planned for 2024. With an estimated carry-over of USD 5.4 million from 2023, the approval of an additional USD 27.0 million is requested.

Deliverable	2024 total budget
1 Proactive management of structures and positions	5.3
2 Acquisition and retention of diverse talent	4.0
3 Capability and capacity development	10.8
4 Development of respectful and inclusive workplaces	7.7
5 Employee safety, security, health and well-being	4.6
Total	32.4
Less: carryover from 2023	(5.4)
2024 requested funding	27.0

Monitoring, identity management and traceability – first year of the new, multi-year initiative

Primary corporate management priority: Ensuring maximum efficiency and accountability and prioritizing innovation.

Primary risk area to be addressed: Non-governmental organization management, identity management, and monitoring (annex V).

194. WFP's operational environment continues to evolve, in terms of both complexity and needs. WFP's ability to effectively and efficiently procure and distribute food commodities for beneficiaries and implement appropriate reporting and monitoring mechanisms remains crucial. A cross-departmental taskforce has therefore been established by the Office of the Executive Director to develop an action plan for comprehensively addressing recurrent issues related to monitoring and identity management. This CCI is incorporated into the overall action plan.
195. The CCI will lead to seamless, end-to-end tracking of WFP-purchased in-kind food, from the farm or loading point to the household, while piloting remote processes for output and outcome monitoring activities in emergency operations. Systematic remote surveys will enable beneficiaries to provide post-distribution feedback on the adequacy of the assistance received or the difficulties that they experience that may negatively affect the desired outcomes of the programme.

196. In addition, strong identity management practices are critical to preventing beneficiaries from losing their entitlements. New approaches to identity management have been developed in several recent emergency responses and include leveraging an operational framework with minimum assurance standards for CBTs and making registration and verification fast, easy and inexpensive. This ensures that people receive assistance faster and that food and CBTs can be more accurately traced to the intended recipient.
197. The majority of activities are related to the setting up and piloting of remote processes and minimum assurance standards, which will be completed in 2024, while the rollout of a digital solution for enhanced commodity tracking will continue into 2025.

Deliverable	2024	2025	Total
1 Remote process and outcome monitoring	6.5	-	6.5
2 Feasibility study on integrated and interoperable ecosystem for programme monitoring	1.2	-	1.2
3 Minimum assurance standards for in-kind food operations including community feedback mechanism improvements	9.1	-	9.1
4 Traceability road map and enhancement of information flow and data standardization (road map and “first mile”)	2.8	1.8	4.6
5 Scanning technology for automated receipt and dispatch and improved warehouse management (“middle and last mile”)	1.2	1.1	2.3
Total	20.8	2.9	23.7

Fit for future in a changed funding landscape – first year of the new, multi-year initiative

Primary corporate management priority: Building partnerships, including with the private sector.

198. With funding requirements at historic highs, WFP must transform its Partnerships and Advocacy Department to more effectively secure and increase existing partnerships, diversify resourcing pathways and better support field and regional offices. The transformation requires a one-off initial corporate investment aimed at ensuring coherence and sustainability. The CCI is expected to drive additional efficiency and effectiveness gains at the function level by enabling the relevant functional units in country offices and regional bureaux to lead resource mobilization and advocacy initiatives and invest in the identification of new partnerships and resourcing opportunities.
199. Under this CCI, global partnership officers will be empowered with tools that enable them to be effective in their roles, in particular through the expansion of the Salesforce⁵³ platform to harmonize WFP’s core donor and contribution management processes. Efforts will also focus on obtaining access to innovative financing opportunities and developing a menu of mechanisms, such as debt swaps and blended finance, that can be readily applied in WFP operations.
200. Funds will be used primarily in 2024, while a small amount will be used in 2025 to roll out prioritized innovative financing projects and training.

⁵³ See: <https://docs.wfp.org/api/documents/WFP-0000149380/download/>.

TABLE 4.14: BUDGET FOR FIT FOR FUTURE IN A CHANGED FUNDING LANDSCAPE BY DELIVERABLE, 2024–2025 (USD million)			
Deliverable	2024	2025	Total
1 Cadre development and capabilities – including enhanced innovative finance capacity throughout WFP	3.1	-	3.1
2 Technology tools and systems (including databases)	1.2	-	1.2
3 Reorganization of functional areas – including establishment of a strategic coordination and business management function	1.1	0.7	1.8
4 Other deliverables, including a pipeline for climate funding proposals and prioritized innovative financing projects	1.5	0.3	1.8
Total	6.9	1.0	7.9

Corporate process optimization – First year of the new, multi-year initiative

Primary corporate management priority: Ensuring maximum efficiency and accountability and prioritizing innovation.

201. This new CCI has a proposed budget of USD 21 million over a two-year period and requires broad cross-functional collaboration from four WFP departments. The initiative aims to improve the efficiency and effectiveness of business processes through the integration, automation and streamlining of enabling processes that leverage global efficiencies. The CCI will also strengthen controls and reduce risks through greater standardization, automation and integration of corporate processes.
202. The leading deliverable of the CCI has the aim of improving the way in which procurement services are requested and met in WFP. The CCI would allow the organization to deploy a corporate end-to-end procurement solution that is responsive to current needs and scalable for the future. Despite increases in the value, volume and complexity of WFP's procurement function, there has been little investment in digital capabilities for that function. Owing to the manual nature of the operations, this has resulted in increased transactional workloads, process inefficiencies, lack of transparency and inadequate transaction monitoring.
203. Additional deliverables will focus on streamlining the process of requesting services through the global service management portfolio and streamlining the processing of global travel and trip documents. According to input provided by employees in country offices, both of those processes are very time-consuming and lead to multiple, informal communication flows with little data collection. A digital solution will allow WFP to achieve considerable time savings in regional bureaux and country offices, while improving user experience when submitting requests, and enhancing oversight and accountability.
204. The proposed CCI funding totals USD 21.0 million for 2024 and 2025. The majority of the funds will focus on the process of acquiring, implementing and deploying a new procurement solution throughout WFP.

Deliverable	2024	2025	Total
1 End-to-end procurement optimization	9.9	8.6	18.5
2 Global travel solution	1.1	-	1.1
3 Global service management	0.5	-	0.5
4 Enabling activities to support implementation	0.9	-	0.9
Total	12.4	8.6	21.0

United Nations Sustainable Development Group efficiency road map – second year of the multi-year initiative

Primary corporate management priority: Ensuring maximum efficiency and accountability and prioritizing innovation.

205. The purpose of the requested CCI funding is to ensure that WFP has the capacity to support the Secretary-General's reform of the United Nations development system. Major aspects of the reform are formulated in the efficiency road map of the United Nations Sustainable Development Group (UNSDG) with which WFP has aligned its own revised efficiency road map. The funds will provide capacity to develop WFP's positions and contributions related to the United Nations reform and its capability to respond to the requirements of the reform. The budget includes activities related to the key targets set by the Secretary-General for achieving USD 310 million in efficiency gains each year.
206. The 2024 budget is shared among the Management Services Division, the Corporate Finance Division and the Innovation and Knowledge Management Division, enabling them to jointly implement activities that generate efficiency gains through deliverables 1 to 3. Specifically, under deliverable 1, UNSDG activities, WFP will generate efficiencies by centralizing its global-level functional activities in global shared services, common back offices and common premises. In 2024, the United Nations booking hub will continue to expand to include more efficient carpooling. Under deliverable 3, the global payments solution, WFP is using the latest technology to consolidate its accounts payable function in a single location, removing routine transactional tasks from country offices, regional bureaux and headquarters. Drawing on the experience of other United Nations agencies and in collaboration with the United Nations Children's Fund and the Food and Agriculture Organization of the United Nations (FAO), the global payments solution was established in Budapest in late 2023, with plans to scale up its operations, which will provide improved efficiency and better service delivery to free up country office time and thereby allow greater focus on WFP's mission.

Deliverable	2024
1 UNSDG activities	2.0
2 United Nations booking hub	1.8
3 Global payment solution	1.3
4 DCO funding allocation	0.7
Total	5.8

Notes: DCO = United Nations Development Coordination Office.

207. In 2023, its first year of implementation, this CCI included a deliverable on the United Nations fleet, with a budget of USD 1.4 million to cover the administrative costs of establishing a service for procuring light vehicles and leasing them to other United Nations entities on a full cost recovery basis. The United Nations fleet is a joint activity of WFP and the Office of the United Nations High Commissioner for Refugees, with both organizations financing its activities. Operating in a similar way to WFP's Global Vehicle Leasing Programme, the United Nations fleet will generate cost savings for participating United Nations entities.
208. By the end of 2023, the United Nations fleet will be fully operational, with recurring costs funded through lease payments. In 2023, WFP's share of the upfront capital cost of purchasing vehicles, USD 4.4 million, is being funded by a loan through WFP's corporate services strategic financing facility. The loan is expected to increase to USD 10.0 million in 2024.

Country office support model optimization and simplification (COSMOS) – second year of the initiative

Primary corporate management priority: Ensuring maximum efficiency and accountability and prioritizing innovation.

209. The overall aim of the COSMOS CCI is to improve the effectiveness and efficiency of the support provided to country offices by global headquarters so that country offices can focus on delivering operations and meeting the growing needs of beneficiaries, particularly given the challenging global operating environment. This is achieved through the adoption of a simplified support structure, clarified accountabilities and improved planning of the support provided by the functional offices.
210. The first phase of COSMOS began in mid-2022 and included the design and development of new models for supporting country offices, and assessment of the impact of any proposed changes. During 2023, the COSMOS global support teams model was piloted in three functional areas – CBTs, technology and supply chains – in the Regional Bureau for the Middle East, Northern Africa and Eastern Europe. A final review of the pilot will be carried out in the fourth quarter of 2023, and a decision regarding the continuation of the approach will be made in early 2024, based on the results of that review. Provided the pilot model has a positive outcome and senior leadership support, WFP anticipates that it will be rolled out to additional regions and functions.
211. Five new deliverables have been identified relevant to the objectives for 2024. The proposed budget of USD 3.0 million will allow the global support teams to adapt and roll out the model to three additional functions and at least two regions. The Office of the Executive Director will oversee the budget and track performance against key performance indicators for inclusion in the annual performance report.

Deliverable	2024
1 Function-level rollout by global support teams	0.9
2 Regional bureaux's organizational alignment with global support teams	0.8
3 Performance and success measurement	0.1
4 Change management and communications	0.9
5 Governance, solution coherence and coordination of implementation (Secretariat)	0.3
Total	3.0

Strategic plan and corporate results framework implementation – third year of the multi-year initiative

Primary corporate management priority: Ensuring maximum efficiency and accountability and prioritizing innovation.

Primary risk area to be addressed: Non-governmental organization management, identity management and monitoring

212. The CCI on the implementation of the strategic plan and corporate results framework for 2022–2025, approved by the Board at its 2022 annual session, focuses WFP’s resolve to strengthen, modernize and improve its corporate performance planning and reporting systems and processes while providing enhanced programme support to country offices.
213. The initial phase, completed on 31 December 2022, focused on the most urgent, tactical modifications and changes needed to meet the immediate requirements for the implementation of CSPs and to align reporting with the corporate results framework in 2023. During 2024, WFP will focus on strengthening end-to-end analysis and reporting on its resources-to-results chain by revamping the budgeting and reporting processes and tools that are most frequently used by headquarters, regional bureaux and country offices. The CCI will also complete the work initiated in 2023 on delivering on the cross-cutting priorities and advancing thematic fundraising and will support critical initiatives aimed at enhancing evidence generation, field monitoring and cooperating partner management.
214. No additional funding is required in 2024 as the full budget planned for 2024 is expected to be covered from the balances remaining at the end of 2023.

TABLE 4.18: BUDGET FOR STRATEGIC PLAN AND CORPORATE RESULTS FRAMEWORK IMPLEMENTATION BY DELIVERABLE, 2024 (USD million)	
Deliverable	2024 total budget
1 Financial and donor reports, beneficiary counting systems and platform realignment	1.8
2 Planning, budgeting and reporting of all country offices fully aligned with the new strategic plan and /corporate results framework	1.5
3 Optimization of field budget processes to enhance resources-to-results reporting	3.0
4 Project support and change management	1.0
5 Mainstreaming of cross-cutting priorities within WFP operations	2.9
6 Strengthening of evidence generation, field monitoring and cooperating partner management	2.6
Total	12.8
Less: carryover from 2023	(12.8)
2024 requested funding	-

Termination indemnity fund – fourth year of the multi-year initiative

Primary corporate management priority: Ensuring duty of care and improving workplace culture.

Primary risk area to be addressed: WFP’s talent management and workforce planning, and workplace culture and conduct

215. The WFP management plan for 2021–2023 allocated USD 10 million for a termination indemnity fund to support WFP in achieving organizational change for the future. Initiated

in 2018, organizational alignment exercises in country offices continue to help ensure that those offices have the appropriate structure, workforce and skills to deliver on their current or upcoming CSPs. This CCI supports those country office efforts by funding exceptional employee separations stemming from alignment exercises aimed at stabilizing a country office's workforce.

216. Since 2021, the CCI has supported requests from six country offices⁵⁴ for termination indemnity funds; as of mid-2023, three additional country offices have indicated interest in using the fund's resources.
217. This CCI has only one deliverable, funding employee separations. No additional funding is required in 2024 as the full budget planned for 2024 is expected to be covered from the balances remaining at the end of 2023.

Use of the unearmarked portion of the General Fund

218. 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.

Projected balance at 1 January 2024	330.0
Projected earnings	125.0
Proposed uses	-102.8
- Treasury management	-2.4
- Human capital management	-15.4
- Country office safety net	-85.0
Projected balance at 31 December 2024	352.2
Prudent balance	150.0

219. In light of the healthy projected balance, management proposes to allocate USD 102.8 million of the unearmarked portion of the General Fund. The allocation of USD 2.4 million for treasury management is an ongoing annual cost approved by the Board in the management plan for 2022–2025. The allocation of USD 100.4 million is to cover two new funding requests that will directly benefit country offices. In a period of financial uncertainty and declining resource availability in many country offices, strategic use of the unearmarked portion of the General Fund to defray costs and provide financial support to ensure continuity of high quality programme implementation while a country office reduces its operational level is a fiscally responsible approach.
220. An allocation of USD 15.4 million is proposed to be used for the early repayment of a loan for establishing the human capital management platform. The platform, which is expected to be operational in 2024, will improve human resources services and decision making and reduce the currently outsourced costs of manually processing the local staff payroll of country offices by up to 70 percent; these costs are currently funded from CSP budgets. Development of the platform has been financed by the corporate services capital budgeting facility. Under the original repayment plan, in 2024 country offices would have begun using

⁵⁴ Bangladesh, Guinea, Liberia, Malawi, Pakistan and Uganda.

savings from reduced outsourced costs to repay the loan. By using the unearmarked portion of the General Fund to repay the capital budget loan instead, the savings on outsourcing costs will result in a reduction of CSP costs.

221. Recognizing the effects that the reductions in contribution revenue have on field operations, WFP aims to ensure that country offices are able to prioritize support for the most vulnerable beneficiaries, preserve operational integrity and maintain capacity for scaling up to respond to acute crises. Management therefore proposes to allocate USD 85 million from the unearmarked portion of the General Fund to support country offices in maintaining high standards of assistance, meeting established norms and assurance standards and targeting the right people while adjusting to lower resourcing levels.
222. Operational and financial monitoring tools will be used to select the countries most in need of support, considering factors such as the complexity of the operational environment, including the risks related to instability, migration and staff safety; the risks posed to operational integrity from a drastic and rapid scale-down; and the potential benefits that an injection of resources would bring.
223. The use of the allocation in specific country offices would be determined depending on the operational and financial situation of the office. Potential uses of the fund include the following:
 - transition or bridging costs for cooperating partners impacted by a lower level of implementation;
 - the cost of retargeting exercises including communicating the results, developing a revised implementation plan and sensitizing beneficiaries, communities, partners and other stakeholders;
 - costs of ensuring the capacity of community feedback mechanisms to receive and manage feedback from those affected by reductions in assistance;
 - discrete investments that have proven cost savings or strong potential to leverage additional support;
 - costs associated with the reduction in WFP's footprint, including warehouse and office closures and payment of termination indemnities to employees; and
 - coverage of fixed costs to temporarily alleviate financial stress while downsizing plans are implemented or until new funding is received, particularly in volatile operations when WFP's agility to scale up may be compromised.
224. The activities covered by these funds will complement the activities carried out through other CCIs, such as those on strengthened monitoring and risk assurance. The funds will be allocated to CSPs but will not be used for direct food or cash transfers to beneficiaries or programmatic activities such as capacity strengthening or service delivery.
225. All allocations to country offices will be subject to the approval of the Executive Director, drawing upon existing budget governance structures as appropriate.