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منظمة
الغذية والزراعة
للأمم المتحدة

FINANCE COMMITTEE

Hundred and Eighty-seventh Session

28-29 October 2021

WFP management plan (2022-2024)

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NH014/e

EXECUTIVE SUMMARY

- The “WFP management plan (2022–2024)” is submitted to the Board for approval.
- The executive summary of the “WFP management plan (2022–2024)” 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 (2022–2024)” 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 (2022-2024)”.**



World Food Programme
Programme Alimentaire Mondial
Programa Mundial de Alimentos
برنامج الأغذية العالمي

Executive Board
Second regular session
Rome, 15–18 November 2021

Distribution: General

Agenda item 5

Date: 14 October 2021

WFP/EB.2/2021/5-A/1

Original: English

Resource, financial and budgetary matters

For approval

Executive Board documents are available on WFP's website (<https://executiveboard.wfp.org>).

WFP management plan (2022–2024)

Executive summary

Less than a decade remains to achieve the Sustainable Development Goal (SDG) of zero hunger, yet chronic hunger has grown considerably since 2015. Recent projections indicate that 660 million people could still face hunger in 2030, 30 million more people than expected if COVID-19 had not occurred in 2020.¹ In more than 80 countries where WFP operates, it is estimated that up to 270 million are acutely food insecure or at high risk in 2021. The unprecedented economic crisis precipitated by the COVID-19 pandemic also contributed to the world's first increase in global extreme poverty in two decades. Projections by the World Bank suggest that the recovery in 2022 from the adverse economic downturn is likely to be constrained and uneven, particularly in low-income countries.

The increasing food insecurity is largely due to the multiplier effect of the rising number of conflicts around the world, the global climate crisis and economic shocks. Conflict continues to be the primary driver of acute food insecurity. The Global Report on Food Crises estimated that in 2020, conflict or insecurity was the leading cause of acute food insecurity for nearly two-thirds of the people affected. In addition, the climate crisis has compounded the severity of food insecurity and malnutrition; in 2020, climate extremes were the main drivers of acute hunger affecting 16 million people in 15 countries. The estimated number of internally displaced persons reached

¹ Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), United Nations Children's Fund (UNICEF), WFP and World Health Organization (WHO). *The State of Food Security and Nutrition in the World 2021: Transforming food systems for food security, improved nutrition and affordable healthy diets for all*. Chronic hunger is measured by the prevalence of undernourishment.

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a record 82.4 million by the end of 2020. Furthermore, the pandemic has widened the gender gap; in 2020 the prevalence of moderate or severe food insecurity was 10 percent higher among women than men compared with 6 percent in 2019.

In 2022, WFP will implement a new Strategic Plan (2022–2026) and corporate results framework (CRF) which have not been finalized at the time of writing this management plan. A new budget governance system will be established in 2022 which strengthens the links between resource allocations and performance through implementation of the line of sight and CRF in the new strategic plan.²

In 2020–2021, WFP implemented a bottom up strategic budgeting exercise (BUSBE) to determine the baseline budget for essential activities required to support WFP's programme of work, and to identify the most appropriate funding sources for meeting these requirements. The management plan (2022–2024) thus presents, for the first time, the results of this new approach and the proposed resource allocation from the programme support and administrative (PSA) budget required to support WFP's operations at the 2022 projected funding level of USD 8.4 billion. It also sets out proposals for funding from the PSA equalization account (PSAEA). WFP will make further efforts in the coming years to improve its approach to determine the optimal budget to support WFP's programme of work, building on lessons learned from the 2022 budget planning exercise.

WFP operational requirements and provisional implementation plan for 2022

WFP's projected operational requirements for 2022 are estimated at USD 13.9 billion. These needs reflect the impact of the COVID-19 pandemic on top of the rising number of conflicts and the climate crisis, including the likely return of La Niña conditions in late 2021 or early 2022. The plan anticipates reaching 124 million people in 85 operations, representing a 23 percent increase from the previous management plan and is WFP's largest management plan to date.

Following the record contribution revenue of USD 8.4 billion in 2020, the organization expects to receive a similar level of funding in 2021 and 2022, at USD 8.6 billion and 8.4 billion respectively. This realistic forecast is based on extensive trend analysis, systematic engagement with donors, and WFP's recent achievements in building strong partnerships and expanding and diversifying its donor base. With funding falling well short of operational requirements, WFP will continue to explore innovative financing mechanisms, increase advocacy for predictable and flexible funding; and collaborate with the private sector, United Nations entities and national governments to implement strategies for working with international financial institutions (IFIs). In addition, new trust funds or special accounts will be established as appropriate to enhance WFP's ability to work in specific thematic areas such as gender, protection and disability mainstreaming across country strategic plans (CSPs), emergency preparedness and anticipatory actions, climate change, and environmental and social sustainability.

Crisis response will continue to account for the largest share (77 percent) of the total requirements in 2022, in line with WFP's unique humanitarian delivery capacity and its overarching priority of saving lives when necessary. The need for life-saving interventions will persist in many areas unless lives are changed through prevention and by building resilience and addressing the root causes of hunger and malnutrition. Resilience building will account for 19 percent and root causes 4 percent of the requirements.

The projected increase in the operational requirements translates into increases of 11 percent in food transfers and 9 percent in cash-based transfers (CBTs), which together account for the majority of total food assistance transfer modalities. While smaller in terms of dollar value, the increases of 106 percent in service delivery and 25 percent in capacity strengthening reflect

² The 2022 targets provided in this management plan are provisional, as the new strategic plan and CRF may include revised indicators and targets.

the growing demand for WFP's service provision activities and the move towards capacity strengthening for governments and communities.

The WFP provisional implementation plan for 2022 of USD 8.5 billion derives from the global funding forecast for 2022 and the net use of estimated carry-over contribution balances. This level constitutes 61 percent of the USD 13.9 billion in 2022 operational requirements. It would provide assistance to 115 million beneficiaries, prioritizing life-saving assistance, with WFP aiming to minimize the negative effects of funding shortfalls on targeted population groups and on performance targets and objectives. Each country office will create a 2022 implementation plan in the fourth quarter of 2021 to be made available on the CSP portal and will be used as the original implementation plan figures for 2022 in the financial statement V and in annual country reports.

Bottom up strategic budgeting exercise process and baseline prioritization

The Executive Director launched the BUSBE in 2020 to determine the most appropriate programme support and business operations requirements. The BUSBE sought to ensure that WFP's internal resource allocation processes result in allocations that align with WFP's corporate priorities, are sufficient to support programme needs through the most appropriate funding sources and are used in accordance with the organization's rules and regulations. The main benefit of the BUSBE will be the use of a budget process that optimizes funding to support WFP operations across WFP's organizational structure. This will strengthen WFP's budgeting capabilities and increase the transparency of the implementation of the approved 2022 budget, and encourages WFP to continue to identify opportunities to achieve further efficiency gains.

This in-depth exercise represents a profound shift to preparation of a holistic "baseline" budget, to be funded from the PSA budget and other sources, including the PSAEA, directed contributions and management cost recovery fees. "Baseline activities" are defined as essential activities that contribute to the efficient and effective delivery of the annual implementation plan but that cannot be readily traced to individual CSPs. In contrast to previous management plans, which presented the PSA budget alone, this management plan also presents the baseline budget, which encompasses all essential indirect costs regardless of funding source.

The classification of the most appropriate funding sources identified some specific activities that can be funded from direct charges to CSPs from 2022 onwards, as they can be tied to specific country operations. These activities, which are excluded from the baseline budget, include headquarters and regional bureau costs for procurement, shipping and beneficiary management.

Recommendations related to the prioritization, allocation of funding source and a revised work breakdown structure were provided to the Executive Director, who approved the total baseline budget for 2022 for headquarters and regional bureaux – split by recurring and one-time costs – in the amount of USD 648.3 million. This amount, which WFP commits to funding, covers all necessary business processes and activities against USD 8.4 billion of projected contribution income critical to maintaining operations.

In the new baseline budget, the PSA funding source is complemented by trust funds and special accounts that strengthen WFP's organizational capacity, effectiveness and ability to work in specific thematic areas. In 2022, the trust funds will support activities in areas that include climate change and disaster risk reduction, critical services and supply chain activities for the pandemic response; health supply chains, school feeding and integrated resilience operations in the Sahel. Other special accounts provide support services for WFP and its partners, including those for the United Nations Humanitarian Response Depot network, aviation services, humanitarian logistics and emergency telecommunications service.

The introduction of key performance indicators for activities as part of the 2022 budget enables improved measurement of performance. When setting the direction of the 2023 budget planning exercise, further enhancements will include improved corporate prioritization,

better harmonization of activities through application of a revised prioritization framework, and greater standardization to reduce remaining horizontal overlaps among headquarters divisions and vertical overlaps between the regional bureaux and headquarters divisions. These will enhance WFP's ability to achieve its strategic goals by reducing possible duplicative costs and achieving greater efficiencies.

2022 programme support and administrative budget

The funding for the PSA budget is derived from amounts that are recovered from contributions to cover indirect support costs (ISC), in accordance with WFP's policy on full cost recovery. The ISC rate is approved by the Board each year. The Secretariat proposes that for 2022 the standard rate be maintained at 6.5 percent with a lower rate of 4 percent for government contributions to programmes in their own countries and contributions made by developing countries or countries with economies in transition. Based on the forecast income level of USD 8.4 billion for 2022, the projected ISC income is expected to be USD 501 million.

The PSA budget proposal considers the need to mainstream critical functions, respond to requests for enhanced oversight and address structural deficits while adopting more efficient ways of working in the light of COVID-19.

For 2022, the Secretariat proposes a PSA budget of USD 496.1 million, a level that is less than the projected indirect support cost income for 2022. This increase of 12 percent compared with the PSA budget of USD 443.5 million in 2021 takes into consideration the realignment of the programme support and business operations funding arising from the BUSBE, the increasing complexity of WFP's work and its continued commitment to implement high quality, efficient innovative programmes. The proposed 12 percent increase in PSA is lower than the increase in operational requirements (of 13 percent) and increase in contribution income (of 13.5 percent) compared with the management plan 2021–2023.

The increase in the PSA budget will support corporate priority areas such as establishing new business continuity management, beneficiary data management and data protection functions; strengthening oversight and evaluation activities, employee security and supply chain capacity; fulfilling WFP's commitments to gender, disability inclusion and environmental and social sustainability; enhancing resources in enterprise risk management, performance management and management services activities; mainstreaming the strategic partnerships function, and implementing the WFP people policy.

Critical corporate initiatives funded from the PSA equalization account

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

The Secretariat is proposing the utilization of USD 42.4 million from the PSAEA to support two key initiatives: the adoption of a new critical corporate initiative (CCI) "investing in WFP people"; and the third and final tranche of the CCI private sector strategy, in accordance with the multi-year plan endorsed by the Board in 2019.

The proposed CCI on **the first year of investing in WFP people (USD 25.3 million)** aims to achieve WFP's vision of delivering excellence in people management to enable the organization to continue to save and change the lives of food-insecure people. The investment covers one-time activities in 2022 with future funding in 2023 and 2024 subject to Board approval based on the achievement of positive results against planned milestones and key performance indicators. Activities will support WFP's efforts to shape the workforce required to fulfil the organization's mandate, support employee health and well-being and build improved, respectful and inclusive workplaces. In line with audit recommendations to provide enhanced oversight and

accountability of CCIs, a detailed budget and KPIs for each of the five deliverables are outlined in this management plan.

The second CCI covers the **third, and final tranche, of the multi-year private sector strategy initiative (USD 17.1 million)** and seeks to increase individual giving from the private sector for WFP's operations. An allocation of USD 35.3 million was approved and released in the first two years (2020 and 2021).

Corporate services financing

The corporate services financing mechanism enables WFP to provide services efficiently through three mechanisms: the Fleet Centre, the Capital Budgeting Facility (CBF) and fee-for-service activities. The Secretariat proposes increasing the overall ceiling for corporate services to USD 147 million from the current ceiling of USD 82 million established in 2016. The mechanism serves as an internal tool for flexibly managing operations and does not require contributions from donors.

The requested increase in the ceiling has the aim of keeping pace with the projected 102 percent growth in implementation plans between 2014, when the financing facility was initially approved with a ceiling of USD 70 million, and 2022. An increase is proposed to respond to the demand for investments in the field that strengthen WFP's duty of care towards its employees and the environment, create administrative and operational efficiencies and lead to a more appropriate resource allocation. Upgrades to country office facilities and an investment in a human capital management system from 2021 will benefit from long-term loans from the CBF, while the fee-for-service facility will be expanded to provide short-term advances for procurement, shipping and beneficiary management costs to be repaid from the budgets of CSPs.

Use of the General Fund

Interest income from investments is credited to the General Fund. To ensure optimal management of WFP's growing cash and investment levels in a climate of rising business complexity, and enhance the monitoring of financial risks including currency risks, WFP's Investment Committee has highlighted the need to increase staff and other support costs for the Treasury Branch. The Secretariat proposes to increase the annual allocation from the General Fund for support to the Treasury Branch from USD 1.55 million to USD 2.35 million.

Draft decision*

Having considered WFP's management plan (2022–2024) (WFP/EB.2/2021/5-A/1), the Board:

- i. notes that the 2022 programme support and administrative appropriation assumes a funding level of USD 8.4 billion in 2022;
- ii. takes note of the projected operational requirements of USD 13.9 billion for 2022, and the provisional implementation plan of USD 8.5 billion for 2022 to align the activities of WFP with anticipated funding, as outlined in section III of the management plan (2022-2024);
- iii. approves a 2022 programme support and administrative appropriation of USD 496.1 million, to be allocated as follows:

| | |
|---|--------------------------|
| strategy and direction | USD 111.1 million |
| services to operations | USD 241.4 million |
| governance, independent oversight and fundraising | USD 143.6 million |
| Total | USD 496.1 million |
- iv. approves an allocation of USD 17.1 million from the programme support and administrative equalization account for the third year of the critical corporate initiative private sector strategy, in accordance with the multi-year plan endorsed by the Board in 2019. This third, and final year, of the multi-year private sector strategy initiative seeks to increase individual giving from the private sector noting the presentation of the work plan as described in section VII and annex VII.
- v. approves an allocation of USD 25.3 million from the programme support and administrative equalization account for the first year of a three-year initiative for the adoption of a new one-time critical corporate initiative “investing in WFP people”. The allocation covers one-time activities as described in section VII and annex VII and will support WFP's efforts to shape the workforce required to fulfil the organization's mandate, support employee health and well-being and build improved, respectful and inclusive workplaces.
- vi. notes the bottom up strategic budgeting exercise will strengthen WFP's budgeting capabilities and increase the transparency of the implementation of the approved 2022 budget and encourages WFP to continue to identify opportunities to achieve further efficiency gains.
- vii. approves a standard indirect support cost recovery rate of 6.5 percent for 2022 for all contributions except for governments' contributions to programmes in their own countries and contributions made by developing countries or countries with economies in transition, as determined by the Executive Board, for which an indirect support cost recovery rate of 4 percent shall apply in 2022;
- viii. approves use of the General Fund to charge treasury management costs up to USD 2.35 million per annum from interest income accrued to the General Fund;
- ix. approves a ceiling of USD 147 million for corporate services advances from 2022 and looks forward to reviewing this as part of future management plans; and
- 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 forecasted income for the year, at a rate not to exceed 2 percent of the anticipated change in income.

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

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Web Annexes:

[Annex I: The 2022 programme support and administrative budget proposal](#)

Table A.I.1: PSA budget by organizational level, 2020-2022

Table A.I.2: Distribution of PSA positions and costs by regional bureau, 2020-2022

Table A.I.3: Distribution of PSA posts and costs by global office, 2020-2022

[Annex II:](#)

Table A.II.1: Analysis of PSA budget by organizational unit and pillar

Table A.II.2: Analysis of PSA posts by organizational unit and pillar

Table A.II.3: Analysis of PSA costs by organizational unit and pillar

Table A.II.4: PSA staffing by organizational unit

Table A.II.5: PSA budget by organizational unit, staff and non staff costs

[Annex III: Review of the management plan \(2021-2023\)](#)

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

[Annex VI: Update on the budget governance, cost recovery analysis and country office budget analysis workstreams of the bottom up strategic budgeting exercise](#)

[Annex VII: Concept notes on proposed critical corporate initiatives for 2022](#)

Section I: Introduction

Reader's guide

1. The WFP management plan (2022–2024) presents a summary of WFP's planned programme of work for 2022–2024 and the budgetary support required to implement it in 2022. The figures include projected operational needs and forecasts of the resources available to meet those needs. The "baseline" budget presents the programme support and business operations resources required to implement the global programme of work. The programme support and administrative (PSA) budget – approved annually by the Executive Board – is a subset of the baseline budget and is funded from the indirect support costs (ISC) recovered from contributions in accordance with the full cost recovery policy.
2. The executive summary and draft decision and the introduction to each section explain the logic of the management plan and highlight the main figures. The body of each section provides more detail.

Structure of the document

3. The management plan for 2022–2024 comprises an executive summary, a draft decision, eight sections and seven annexes.
4. The eight sections are as follows:
 - *Section I: Introduction.* This section outlines WFP's planning given the global economic and political situation and the continuing effects of the coronavirus disease 2019 (COVID-19) pandemic in already fragile settings.
 - *Section II: Funding context and resourcing assumptions.* This section sets out the current funding situation and provides details on projected contributions for 2022 and 2023 and an overview of resourcing trends. It also outlines WFP's plans for diversifying its funding base while pursuing innovative funding modalities for greater efficiency.
 - *Section III: Operational requirements and provisional implementation plan for 2022.* This section provides an overview and analysis of the operational requirements for 2022 and discusses a provisional implementation plan based on projected available resources. It also provides details on services provided by WFP to the humanitarian community in accordance with its mandate, policies, activities and comparative advantages.
 - *Section IV: Bottom up strategic budgeting exercise process and baseline prioritization.* This new section describes the objectives of the bottom up strategic budgeting exercise (BUSBE) launched in 2020 and its impact on preparation of the management plan for 2022–2024. In particular, the section will discuss the shift to preparation of a holistic "baseline" budget, to be funded from the PSA budget and other sources.
 - *Section V: Programme support and administrative budget.* This section presents the proposed PSA budget for 2022 and the proposed indirect support cost rate. The PSA budget is presented in terms of the appropriation lines approved by the Board in 2017.³

³ WFP/EB.2/2017/5-A/1/Rev.1.

- *Section VI: Corporate services financing mechanism.* This section describes the revolving financing mechanism that enables WFP to provide internal services to headquarters divisions and country offices economically and efficiently. A proposed increase in the financing mechanism is also explained.
 - *Section VII: Status of reserves.* This section provides an overview of reserves, including the PSA equalization account and the unearmarked portion of the General Fund. A proposed drawdown of the PSA equalization account to support a new multi-year initiative and continuation of a previously approved multi-year initiative is presented to the Board for approval. The proposal takes into account the need to mainstream critical functions and to respond to requests for enhanced oversight and accountability.
 - *Section VIII: Management performance measurement.* This section presents the management key performance indicators (KPIs) and their components, with baselines and targets for measuring progress in a number of areas.
5. The annexes include details of the amounts in the PSA budget, a review of the management plan for 2021–2023 and the evaluation workplan for 2022–2024.

Organizational context

6. In 2022, WFP will start to implement a new strategic plan and corporate results framework (CRF) for 2022–2026, which have not been finalized at the time of writing of this management plan.⁴ WFP's management plans over the next five years will be oriented to the guiding principles outlined in the strategic plan, which call for interventions that are people-centred, based on humanitarian principles, context-specific, country-owned, characterized by the integration of programmes across the humanitarian–development–peace nexus, risk-informed and evidence-driven.
7. The new strategic plan will emphasize that as countries experience more intense and frequent shocks and stresses WFP will continue to prioritize saving lives in emergencies in line with humanitarian principles. WFP's expertise, agility, operational presence and scale of response make it a leader in responding to emergencies. The organization is reaching an increasing number of people with a portfolio of diverse modalities, including in-kind food transfers, cash-based transfers, capacity strengthening activities and services, allowing WFP and its partners to deliver and facilitate food assistance while saving and changing people's lives.
8. WFP continues to engage actively in the reform of the United Nations development system at all levels, promoting coordinated efforts to achieve humanitarian and development outcomes through its second-generation country strategic plans (CSPs) and work with United Nations partners. Where possible, WFP will support governments by leading reform processes, including through improved business operations at the global and country levels and the development of a revised common country analysis and the new sustainable development cooperation frameworks.
9. WFP is committed to saving lives and changing lives at the humanitarian–development–peace nexus through its corporate priority of programme excellence. Attaining zero hunger requires coordinated action by development and peace actors, governments and the private sector to address emergency needs while tackling structural vulnerabilities and strengthening capacities and systems where possible.

⁴The WFP strategic plan (2022–2026) will be submitted to the Board for approval at the 2021 second regular session, at which this management plan will also be presented.

10. In response to this complex organizational context, the management plan for 2022–2024 builds on the management plan for 2021–2023 and implementation of that plan to date. In particular, it reflects the results of the BUSBE to determine the funding requirements for WFP's programme support and business operations and the optimal sources for meeting those requirements at the 2022 projected funding level of USD 8.4 billion. These efforts ensure that WFP's internal resource allocation processes align with its corporate priorities, are sufficient to support programme needs and are used efficiently. Moreover, support requirements take into account the budget implications of new policies approved in 2021, expected improvements in efficiency resulting from advances in digital transformation and WFP's continued focus on its six corporate priorities:
- leadership in emergencies;
 - funding and partnerships for zero hunger;
 - excellence in programming;
 - digital transformation;
 - unlocking WFP's potential: simplification and efficiency; and
 - people management.
11. In June 2020, WFP reorganized its senior leadership structure, notably by elevating the position of the Senior Advisor for Workplace Culture to the level of Assistant Secretary-General. The change underscores the importance that WFP places on implementing the recently approved people policy, including its emphasis on WFP's duty of care to its employees and on strengthening its workplace culture to create an environment in which action is taken to prevent all forms of abuse and where no form of harassment, abuse of power and discrimination is tolerated.

Global economic and political context

12. Less than a decade remains in which to achieve Sustainable Development Goal (SDG) 2, zero hunger, but hunger continues to rise around the world. Following an initial drop at the beginning of the millennium, the number of people who are chronically hungry has grown since 2015.⁵ According to *The State of Food Security and Nutrition in the World 2021*, an estimated 720 to 811 million people were undernourished in 2020, representing an estimated increase of between 118 and 161 million people since 2019.⁶
13. Recent estimates indicate that 270 million people in more than 80 countries where WFP operates are acutely food-insecure or at high risk of food insecurity in 2021.⁷ Furthermore, in 2021 41 million people in 43 countries were at risk of famine.⁸ Conflict, economic shocks – including those resulting from the COVID-19 pandemic – and weather extremes are the main drivers of acute food insecurity.

⁵ Chronic hunger is measured by the prevalence of undernourishment.

⁶ Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), United Nations Children's Fund (UNICEF), WFP and World Health Organization (WHO). 2021. *The State of Food Security and Nutrition in the World 2021: Transforming food systems for food security, improved nutrition and affordable healthy diets for all*.

⁷ Food Security Information Network (FSIN) and Global Network Against Food Crises. 2021. *Global Report on Food Crises – 2021*. Acute food insecurity is defined as phase 3 or above in the Integrated Food Security Phase Classification (IPC)/cadre harmonisé (CH) analysis or comparable sources. Famine is defined as phase 5 of the IPC/CH scale.

⁸ WFP. 2021. *WFP Global Operational Response Plan 2021. Update #2*. June 2021.

14. Recent projections indicate that 660 million people could still be facing hunger in 2030, 30 million more people than were expected before COVID-19 broke out in 2020.⁹ In addition, the pandemic has widened the gender gap: the prevalence of moderate or severe food insecurity was 10 percent higher among women than men in 2020, a rise from 6 percent in 2019.¹⁰

Economic outlook

15. Although the global economy contracted by 3.5 percent in 2020, growth of 5.6 percent is forecast for 2021, the strongest post-recession growth rate in 80 years.¹¹ However, global output is still expected to be 2 percent below pre-pandemic projections by the end of 2021. While recovery is expected to continue into 2022 at a more moderate global growth rate of 4.3 percent, global output is still expected to remain at 1.8 percent below pre-pandemic projections. This reduced growth will disproportionately affect people with low incomes as they tend to use large portions of their income to buy food.
16. Compared with recoveries from previous global recessions, the current recovery is notably uneven. In two-thirds of developing and emerging economies, pandemic-induced income losses will not be recovered by 2022; in low-income countries the slowest growth of the past two decades is expected, partly reflecting the slow pace of vaccination against COVID-19, and 2022 output is projected to be 4.9 percent below pre-pandemic projections.¹²
17. Across the globe, the pandemic severely disrupted labour markets, and working hours equivalent to 255 million full-time jobs were lost in 2020. The International Labour Organization (ILO) predicts that the projected employment growth for 2021 to 2022 will be insufficient to close the gaps created by the crisis. Global unemployment is projected to be 5.7 percent in 2022, a level last seen in 2013.¹³
18. The unprecedented international economic crisis precipitated the first increase in global extreme poverty in two decades. The World Bank estimates that the pandemic pushed an additional 97 million people into extreme poverty in 2020, bringing the total to 732 million people.¹⁴ For 2021 the number of people living in extreme poverty is projected to decrease slightly, to 711 million people. This outlook, which is subject to significant uncertainty, is somewhat more optimistic than earlier forecasts made during the pandemic as it reflects a poverty reduction rate for 2020–2021 that is close to pre-pandemic rates; however, global poverty is still much higher than it was before the pandemic.

⁹ FAO, IFAD, UNICEF, WFP and WHO. 2021 *The State of Food Security and Nutrition in the World 2021: Transforming food systems for food security, improved nutrition and affordable healthy diets for all*.

¹⁰ Idem.

¹¹ World Bank 2021. *Global Economic Prospects, June 2021*.

¹² World Bank 2021. *Global Economic Prospects, June 2021*.

¹³ ILO. 2021. *World Employment and Social Outlook: Trends 2021*.

¹⁴ World Bank. 2021. *Updated estimates of the impact of COVID-19 on global poverty: Turning the corner on the pandemic in 2021?*

19. The world has taken extraordinary measures to safeguard lives and livelihoods during the COVID-19 crisis, at unprecedented cost. Fiscal support and monetary measures in response to the economic crisis totalled USD 26 trillion, or nearly 30 percent of global gross domestic product (GDP).¹⁵ Advanced economies bore the majority of the cost, placing their budgets under pressure. In developing economies, a lack of access to vaccines, combined with a large debt burden, is expected to severely constrain economic recovery. Globally, public debt now stands at 100 percent of GDP, while 56 percent of low-income countries are currently in or at high risk of debt distress.¹⁶ Currencies in many countries have come under pressure, with several countries experiencing rapid currency depreciation, adding to domestic inflationary pressures.
20. In 2021, there has been a gradual but persistent increase in international food prices. In May 2021, the Food and Agriculture Organization of the United Nations (FAO) Food Price Index rose for the twelfth consecutive month to its highest level since September 2011.¹⁷ By August 2021, despite dropping somewhat since May 2021, the index remained 33 percent higher than its level in the same period of 2020. In June 2021, 14 countries experienced year-on-year food price inflation of more than 15 percent.¹⁸ Should the upward trend in international food prices continue, food security, particularly in food-importing countries, will decline as local food prices are pushed up, reducing people's purchasing power and threatening their economic access to food. As of July 2021, energy commodity prices had also risen in nine of the ten previous months, although the World Bank projects that crude oil prices in 2022 will be on average lower than the 2019 average.¹⁹

Insecurity, conflict and displacement

21. Conflict and violence are among the main drivers of food insecurity around the world. Global peace, as measured by the 2021 Global Peace Index, has deteriorated in nine of the last 13 years.²⁰ The Global Report on Food Crises estimated that of the 155 million people in 55 countries experiencing acute food insecurity in 2020, nearly one third – 99 million people in 23 countries – were driven into food insecurity primarily by conflict or insecurity. Conflict worsened in several countries, driving displacement, depriving people of their livelihoods, disrupting markets, trade and crop production and contributing to local food price increases. Insecurity also constrained humanitarian access. Protracted conflict was the main cause of six of the ten worst food crises in 2020. In countries where conflict was identified as the main driver of acute food insecurity in 2019, it continued to be the main driver in 2020.²¹
22. Population displacement has risen steadily for nearly a decade; by the end of 2020, the number of forcibly displaced people reached a record high of 82.4 million, double the number in 2010. This includes 48 million internally displaced persons, 26.4 million refugees, 4.1 million asylum seekers and 3.9 million Venezuelans displaced abroad.²² Developing countries bear the brunt of displacement, hosting 86 percent of people displaced across borders.²³

¹⁵ International Monetary Fund (IMF). 2021. [Questions and Answers: The IMF's Response to COVID-19](#).

¹⁶ IMF. 2021. [IMF Seminar: Averting a COVID-19 Debt Trap](#).

¹⁷ FAO. 2021. [World Food Situation. FAO Food Price Index](#).

¹⁸ WFP. 2021. Global Market Monitor: Food Prices. <https://dataviz.vam.wfp.org/global-coverage-global-market-monitor-apr-2021>.

¹⁹ World Bank. 2021. [Commodity Markets Outlook](#). Accessed July 2021.

²⁰ Institute for Economics & Peace. 2021. [Global Peace Index 2021: Measuring peace in a complex world](#).

²¹ FSIN and Global Network Against Food Crises. 2021. [Global Report on Food Crises – 2021](#).

²² Venezuelans displaced abroad refers to persons of Venezuelan origin who are likely to be in need of international protection under the criteria contained in the Cartagena Declaration on Refugees but who have not applied for asylum in the country in which they are present.

²³ Office of the United Nations High Commissioner for Refugees (UNHCR). 2021. [Global trends. Forced displacement in 2020](#).

Climate

23. The world is experiencing a rising number of climate-related disasters. Since the early 1990s, the number of weather-related disasters such as storms, floods and droughts has doubled in low- and middle-income countries, reaching an average of 334 events annually between 2000 and 2019.²⁴ In 2020, 30 million people – the highest number since 2011 – were internally displaced owing to weather-related disasters.
24. The systems that produce, process and deliver food for people can be damaged by extreme weather events and weakened by climatic stressors such as changing seasons or water scarcity. Fifty percent of the world's population is expected to live in water-stressed regions by 2050.²⁵ Climate shocks and variability can also exacerbate natural resource constraints, which can increase social tensions and conflict and cause forced displacement, thereby intensifying hunger. Of the 20 countries most vulnerable to climate change, 12 are affected by conflict.
25. From late 2020 to mid-2021, a La Niña event caused drought conditions in the Horn of Africa and parts of the Middle East and Central Asia. Below average rainfall in the Horn of Africa during the last two growing seasons has exacerbated food insecurity. Intense drought has affected Angola and Madagascar in 2021; the obliteration of croplands by large sandstorms in southern Madagascar has made the region extremely vulnerable to further natural hazards and is likely to have long-lasting consequences.
26. La Niña conditions are likely to return in late 2021 or early 2022. In the Horn of Africa, the result may be a third consecutive below average short-rains season in late 2021 and a drier than average Gu season in March–May 2022, which would contribute to the further deterioration of food security until late 2022 or early 2023. In Southern Africa La Niña conditions typically enhance seasonal rainfall and lead to improved crop and pasture yields, but they can also increase the risk of floods and tropical storms and cause the development of critical drought hot spots. In the Middle East and Central Asia, increased water deficits and reduced snow cover may result in reduced cereal production for the second year in a row. The implications of a new La Niña event will vary among WFP operations.

International humanitarian assistance

27. In countries with advanced economies the measures that governments adopt to avoid economic collapse have increased the pressure on budgets. Recovery has been uneven: in poorer countries, vaccine roll-out has been slow and measures to stimulate the economy have been limited. Growing operational requirements in the wake of the pandemic have put more pressure on governments and humanitarian actors to mobilize resources, with an estimated 270 million people in the countries where WFP operates needing urgent food assistance in 2021. This could lead to a large disparity between the funds needed to assist food-insecure people in the coming years and the funding available.
28. While conflict and extreme weather events continue to be the main drivers of acute food insecurity worldwide, the COVID-19 pandemic is still putting significant pressure on food security and shaping WFP's operating environment. As new variants of the COVID-19 virus have emerged, the evolution of the pandemic is unknown, further adding to the uncertainty faced by WFP.

²⁴ United Nations Office for Disaster Risk Reduction (UNDRR) and Centre for Research on the Epidemiology of Disasters (CRED). 2020. *Human cost of disasters. An overview of the last 20 years 2000–2019*.

²⁵ International Committee of the Red Cross (ICRC). 2020. *When rain turns to dust. Understanding and responding to the combined impact of armed conflicts and the climate and environment crisis on people's lives*.

Section II: Funding context and resourcing assumptions

Overview

29. The global economic impact of the COVID-19 pandemic has placed increased pressure on WFP to mobilize resources for meeting escalating operational requirements. In 2021, given increased demand for WFP food assistance, WFP estimates that USD 14.3 billion²⁶ is required to tackle food insecurity. Following the record contribution revenue of USD 8.4 billion in 2020, the organization expects to receive a similar level of funding in 2021 and 2022, at USD 8.6 billion and 8.4 billion respectively. This forecast is based on extensive trend analysis, systematic engagement with a wide range of donors, and WFP's achievements in 2020 and 2021 in building strong partnerships and expanding and diversifying its donor base.
30. The positive forecast for 2021 and 2022 reflects sustained engagement and trust from most international partners, which continue to prioritize response to food insecurity during the gradual recovery of the global economy. As of 31 August, 67 percent of forecasted contributions, or USD 5.9 billion, was already confirmed, compared with 64 percent of the 2020 forecast confirmed by the same date last year. This is a strong indication that the estimate for 2021 is achievable. Although the domestic economies of some government donors will continue to experience fiscal constraints, thereby limiting growth in official development assistance, increasing efforts from other partners, private sector contributions, engagement with international financial institutions (IFIs), and stronger engagement in thematic funding opportunities (including climate financing) are expected to compensate for the shortfall.
31. Government donors account for 87 percent of WFP's forecasted contribution revenue for 2022. To maintain the strong commitment and expand WFP's portfolio of more than 90 government donors, the organization will continue to focus on its role as a trusted partner, engaging with governments to present its programmatic offering and needs. Bilateral, high-level consultations between WFP and donors will continue to be essential for obtaining strategic feedback, aligning priorities and actions, developing common advocacy objectives, and strengthening mutual understanding of needs and partnership prospects.
32. The pandemic continues to rage in many countries, threatening development gains and underscoring the relevance of the humanitarian–development–peace nexus. To contribute to the broader multilateral response, WFP will seek to implement its responses in synergy with governments and other partners, including through the promotion of complementary, innovative financing and funding modalities.

New dynamics for diversification of the funding base

33. The strategic evaluation of funding WFP's work²⁷ provided timely recommendations for WFP to maintain, strengthen and diversify its funding base. In 2022, WFP will continue to explore innovative financing mechanisms such as debt swaps, increased South–South and triangular cooperation and access to pooled funds; increase advocacy for predictable and flexible funding; and collaborate with the private sector, United Nations entities and national governments to implement strategies for working with IFIs.²⁸
34. Historically WFP has relied on its top donors for the majority of contributions (figure II.1). The top four donors in 2020 accounted for 70 percent of total contributions – a trend that started before implementation of the current strategic plan began. Ongoing efforts to diversify

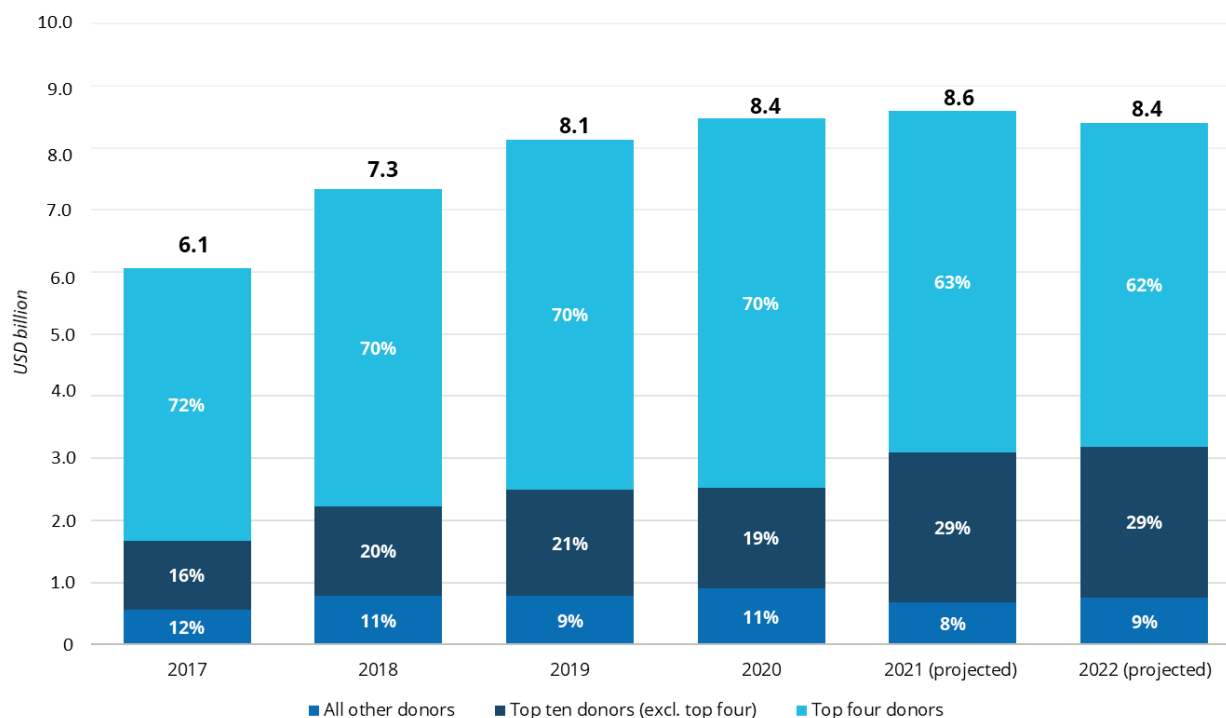
²⁶ Based on project plans approved or submitted for approval by end of August 2021.

²⁷ [WFP/EB.A/2020/7-C](#) and [WFP/EB.A/2020/7-C/Add.1](#).

²⁸ In addition, the USD 2.5 million critical corporate initiative in programme and partnership support approved in 2020 enables WFP to mobilize additional expertise and resources and enhance its fundraising mechanisms for its changing lives agenda.

the donor base in 2021 and beyond will aim to increase the share of contributions from other donors through a combination of enlisting new partners and funding sources and promoting increased support from existing ones. While global growth is foreseen beyond 2022, the return to pre-pandemic levels of economic activity could face setbacks, and domestic priorities might contribute to uncertainty for WFP's resourcing. A degree of uncertainty therefore continues to affect contribution income forecasts beyond 2022, although the amount received is expected to remain stable at more than USD 8 billion.

Figure II.1: Donors to WFP by value of contributions and percentage of total contributions, 2017–2022 (confirmed and projected)



35. *International financial institutions (IFIs)*: WFP's joint work with the World Bank and the International Monetary Fund (IMF) complements the United Nations system's COVID-19 response plan and is unlocking new, effective partnerships that are central to helping communities "build back better" after the pandemic. As many governments face reduced fiscal space and mounting spending needs, it has become increasingly important to leverage multilateral and bilateral public finance in order to achieve the SDGs.
36. The strong commitment that IFIs have demonstrated to mitigating the socioeconomic impacts of the pandemic, and their provision of significant levels of financing to governments have created new entry points for WFP. The resulting exchange of data and analysis has enhanced WFP's partnerships with the IFIs and maximized the organization's operational impact. Contributions from national governments, including those contributions sourced through IFIs, increased from USD 130 million in 2019 to USD 348 million in 2020. In 2021–2022, WFP expects to further expand its agreements with national governments, global platforms such as the Global Agriculture and Food Security Program and IFIs, and increase its service provision activities in support of United Nations entities and national governments. The 2021 forecast for agreements with national governments, including IFI resources, is USD 500 million, with continued growth expected in 2022.

37. WFP will continue to pursue partnerships and work at the humanitarian–development–peace nexus thereby strengthening its contribution to the changing lives mandate. To secure future funding for development programming, WFP’s second-generation CSPs will be tailored to align with national government priority areas identified in countries’ United Nations sustainable development cooperation frameworks (UNSDCFs). Through the UNSDCFs, in 2021 and 2022 WFP expects to implement aspects of IFI loans and grants on behalf of national governments.
38. *Private sector partnerships:* The private sector partnerships and fundraising strategy for 2020-2025²⁹ was implemented successfully in 2020; all established key performance indicators (KPIs) were achieved. Private sector funding from companies, individuals and foundations reached USD 161 million in 2020, exceeding the target of USD 128 million.
39. Individual giving was prioritized by the Private Partnerships and Fundraising Division’s individual giving and ShareTheMeal teams and through activities with the Japan Association for WFP and World Food Program USA. Sector research has demonstrated that individual giving is resilient to shocks and economic downturns: funding from individuals for 17 United Nations agencies and international non-governmental organizations grew to USD 11.1 billion in 2020, the highest level in five years. In addition, there was no marked increase in the cancellation of regular donations compared with previous years. WFP’s experience with individual giving has followed a similar positive trend.
40. In early 2021, the ShareTheMeal team was moved from the Innovation and Knowledge Management Division in recognition of the need to mainstream its innovative, award-winning approach to individual giving into WFP’s Private Partnerships and Fundraising Division. The mainstreaming will enable the ShareTheMeal team to engage holistically with individual supporters and harness opportunities to share expertise and insights with the individual giving team. Both teams will continue to drive growth in individual giving in 2021 and beyond.
41. Overall, strong progress was made in 2021; all private sector revenue-generating activities were on track to exceed the original 2021 full-year goal of USD 147.5 million. Building on WFP’s annual Ramadan giving campaigns, a joint initiative with the Islamic Development Bank was launched in early 2021 aimed at ensuring that WFP complies with *zakat*, Muslim alms-giving rules. WFP will analyse the results of this pilot to inform its engagement in *zakat* in future Ramadan campaigns. In addition, 2021 is expected to be an exceptional year as close to USD 290 million was secured from a famine relief fund for Yemen during the first quarter. As a result, the 2021 forecast for private sector contributions has been increased to USD 450 million.
42. Based on the results of the first full year of implementation of the private sector partnerships and fundraising strategy, WFP expects to deliver significant annual growth in revenue, achieving long-term returns on the exceptional investments made in individual giving, with demonstrable impacts from partnerships at the country, regional and international levels. The forecast for individual giving in 2022 is USD 230 million, an increase of USD 70 million compared with 2021 when the one-off contribution from the famine relief fund for Yemen is excluded.
43. *United Nations partnerships:* To leverage the growth in funding from United Nations agencies and pooled funds, WFP will further strengthen its engagement with United Nations entities. Strategies that better enable the organization to achieve its saving lives and changing lives mandate through these funding streams will be pursued at the corporate, country and regional levels. Continued guidance and support will be provided to country offices and regional bureaux informing them of potential partnerships, funding opportunities and entry points in their local settings.

²⁹ [WFP/EB.2/2019/4-A/Rev.1](#). For additional details on specific funding mechanisms, refer to annex II: Individual giving: detailed information on planned revenue growth.

44. Funding through the United Nations and other agencies rose from USD 307 million in 2019 to USD 447 million in 2020 (including USD 243.5 million from the United Nations Central Emergency Response Fund). The high level of funding received from United Nations and other agencies in 2020 compared with previous years reflects the response to the pandemic. WFP expects similar funding levels in 2021 and 2022 to meet escalating food security and nutrition needs, particularly for people facing famine.
45. As part of the reform of the United Nations development system, WFP engages in financing for development work in line with the funding compact, which has the aim of enhancing the efficiency, effectiveness and transparency of the development system through flexible, softly earmarked and multi-year funding.³⁰ Pooled funds promote collective action by United Nations agencies in support of national priorities. WFP will continue to strengthen its engagement in key pooled funds such as the joint SDG fund and to participate in system-wide efforts to revamp joint programme guidance. Overall, funding from the United Nations (excluding the Central Emergency Response Fund) continued to grow over the past three years, reaching its highest figure yet at USD 203 million in 2020. While advocacy efforts continue, funding from the United Nations is expected to remain at about USD 200 million in 2021 and 2022.
46. *Thematic approaches and funds:* In 2021, WFP will strengthen its advocacy on key thematic approaches and solutions to achieving zero hunger, including by engaging actively in preparatory work for international events such as the United Nations Food Systems Summit, the Nutrition for Growth Summit and the United Nations Climate Change Conference (COP26) and by forging technical partnerships. For the 2021 Food Systems Summit, WFP is the anchor agency for action track 5 on resilience building and has played a leading role in establishing the global school meals coalition, which will advocate a broader scope for school feeding based on national needs and programmes with related resource mobilization strategies. In addition, WFP strengthened its partnerships with multilateral funds for education and joined the governance boards of Education Cannot Wait in 2020 and the Global Partnership for Education in 2021, receiving more than USD 27 million in contributions from these initiatives in 11 countries by the end of June 2021.
47. During the preparations for COP26, the Secretary-General has urged donors and multilateral development banks to provide at least 50 percent of climate finance for adaptation and resilience activities. In line with this request, WFP is committed to strengthening its advocacy and partnerships in order to better assist governments and communities in adapting to the impacts of climate change on food security and nutrition.
48. In 2021, the Green Climate Fund (GCF) approved a climate change adaptation project in the Sahel region that will be jointly implemented by IFAD, WFP, the African Development Bank and African Risk Capacity. Between 2022 and 2027, WFP will allocate USD 30 million through this project to support the integration of micro-insurance solutions into the risk financing strategies of seven Sahelian countries. In 2022, WFP will strengthen its partnership with the other Rome-based agencies and the United Nations Development Programme (UNDP) on jointly designing and implementing climate adaptation projects through the GCF. In 2021, WFP's engagement with the GCF and the Adaptation Fund progressed from the design to the implementation of projects, for which it received contributions of USD 23 million. WFP has applied to increase the level of its accreditation to the GCF, which is currently set at a maximum of USD 10 million per project (including co-financing). The ability to submit proposals for larger amounts of funding from 2022 onwards would enable the organization to implement larger-scale projects allowing for an overall increase in funding availability from the GCF in the future.

³⁰ See [WFP/EB.A/2021/5-H](#) for the latest report on WFP's achievement of funding compact indicators.

49. WFP will continue to explore multi-sector and multi-donor partnerships that strengthen thematic approaches at the humanitarian–development–peace nexus by providing governments with technical assistance on, and implementation of, changing lives programmes. These efforts have been key in securing multi-year, multi-country support for integrated resilience building programmes in the Sahel and for scaling up essential early-warning systems and mobilizing advance financing to implement anticipatory actions in Africa, Asia and Latin America.
50. In the future, thematic approaches and funds will enable WFP to diversify its resources and further scale up innovative and long-term activities for the achievement of zero hunger. Building on ongoing efforts, WFP will strengthen its advocacy and resource mobilization approaches in key thematic areas such as social protection, climate change, school meals, nutrition, gender equality and innovation.
51. *Mobilization of domestic resources:* WFP began to use the revitalized Emerging Donor Matching Fund (EDMF) in 2019, which provides the resources for “twinning” to cover the associated costs of a wide range of contributions from national governments. In 2021 and beyond, WFP will leverage its experience with the fund to promote the mobilization of domestic resources for food assistance activities and provide national governments with technical cooperation and capacity strengthening services.

Pursuing innovative modalities and greater impact from funding

52. *Innovative finances:* Innovative financing solutions complement the continued, essential support provided by donors and include helping developing countries to obtain access to a range of financial resources for development investment and contributing to financing solutions in low-income countries and emerging economies. WFP will also promote debt relief and investment in social safety nets and will advocate for more predictable and flexible funding approaches in the international community, including in fragile and conflict- and violence-affected countries.
53. As the pandemic has exacerbated the gap in the funding available for the achievement of SDGs 2 and 17 by 2030, WFP aims to combine its existing (mainly grant-based) funding model with a new strategic financing model. This will involve exploring several innovative financing approaches that raise additional private and public funds and channel them towards the solution of humanitarian and development challenges in new, collaborative ways, with a focus on long-term results. To this end, WFP is focusing on priority mechanisms such as debt swaps, blended finance and co-financing. The objectives are to attract funding from untapped sources at the global, regional and country levels by optimizing multi-sectoral partnerships and following a more holistic approach; nurture existing partnerships with traditional donors while motivating them to increase their contributions through non-traditional financing mechanisms and dedicated trust funds; and optimize WFP’s visibility as a key player in innovative financing in order to foster mutually beneficial partnerships and attract new funding.
54. After many stakeholders called for debt relief to recover from the pandemic’s economic impacts, the IFIs and regional organizations pledged to explore fiscal solutions. In 2021, this led to debt swap agreements in Egypt, Guinea-Bissau and Mauritania. WFP will apply the lessons from these experiences to help other countries seeking debt swaps in 2022. WFP’s food security and social protection interventions – which are implemented at scale and use large amounts of local currency – make it particularly well placed to partner with national governments in supporting beneficiaries via such financing mechanisms, in accordance with debt relief agreements between debtors and creditors.

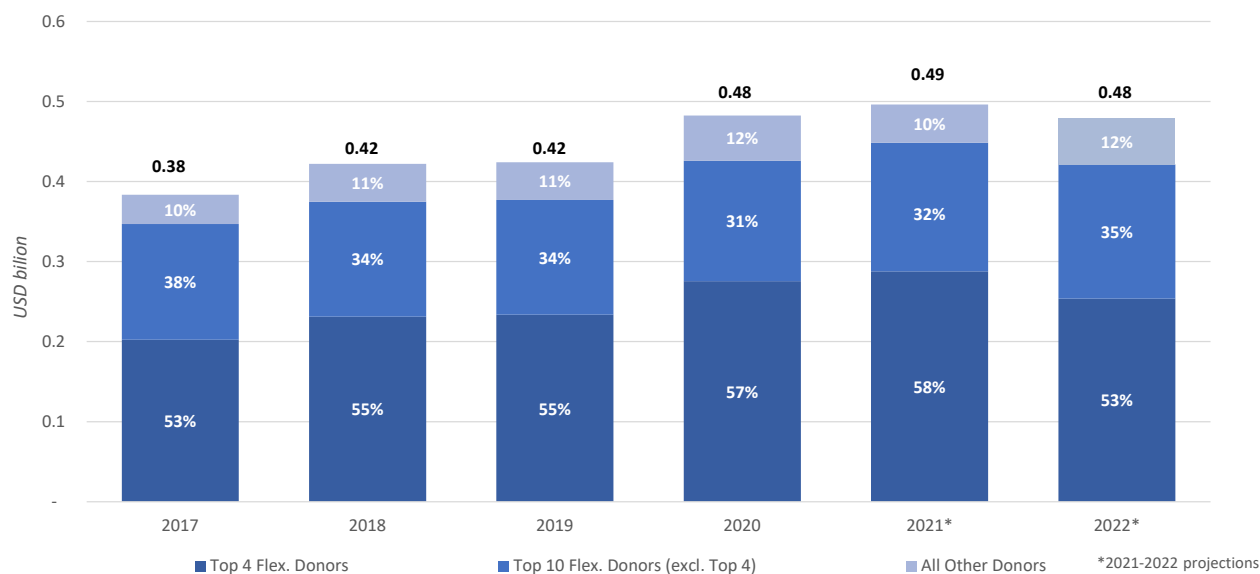
55. Anticipatory action for greater efficiency is a key corporate priority, and every dollar saved enables WFP to assist more hungry people. To achieve efficiency gains, WFP is exploring options such as anticipatory actions that enable more rapid, predictable and effective responses before a shock has become a humanitarian emergency, and climate risk insurance, which provides financial protection for people's livelihoods and triggers pay-outs that arrive more rapidly than traditional humanitarian responses. Such approaches have optimized WFP's financial resources and impact by improving the ability of vulnerable people to prepare for extreme weather events, mitigating the impact of those events on people's lives and livelihoods and reducing humanitarian needs. For example, in 2020, an analysis of forecast-based financing implemented in Bangladesh prior to floods found that WFP was able to reach more people at half the cost of its traditional response to the 2019 floods.³¹
56. In 2021 and 2022, WFP will continue to partner with government donors on strengthening awareness and providing evidence of the benefits of anticipatory actions and the need to bring them to scale using well-articulated national disaster risk financing strategies. Specifically, WFP will continue to help governments to scale up and strengthen their national early warning systems and will mobilize pre-positioned finance to implement anticipatory actions in Africa, Asia and Latin America.
57. WFP will also work closely with national governments to jointly explore country financing instruments, plans, initiatives and partnerships that best position WFP to assist the most vulnerable people. By supporting the implementation of social safety nets and social protection programmes, WFP aims to deliver the necessary services together with, or on behalf of, national governments, at their request.

Trends in funding flexibility and predictability

58. WFP is a voluntarily funded organization and relies primarily on government and public sector contributions to implement its programme of work. As every dollar received by WFP is essential for the continuity of its operations and programmes, the full range of support provided in varying forms by partners is highly appreciated. Although WFP received a 14 percent increase in flexible funding in 2020 compared with 2019, flexible funding accounted for only 5.7 percent of total 2020 contribution revenues, a similar level to that of previous years (figure II.2). WFP will intensify its efforts to increase the share of flexible contributions and, where possible, reduce earmarking of and restrictions on all funding sources, including by identifying the value proposition of such funding and enhancing the visibility, transparency and reporting related to flexible contributions in order to create incentives for donors. In addition, more data on the use of flexible funding will be incorporated into the annual performance report.

³¹ Similar efficiency gains have been demonstrated in a 2018 study by the United States Agency for International Development on investments in early response and resilience in Ethiopia, Kenya and Somalia, which found that proactive approaches could have saved approximately USD 287 million per year over 15 years; and an analysis of the African Risk Capacity facility, which indicated that early action can reduce the costs of procuring relief goods by up to 45 percent and reduce household losses substantially compared with late responses.

Figure II.2: Flexible donors to WFP by value of contributions and percentage of total unearmarked contributions, 2017–2022 (confirmed and projected)



59. The amounts and proportions of unearmarked funding from the private sector and individuals grew steadily in 2020, the first year of implementation of the private sector partnerships and fundraising strategy with Board-approved investment. This positive direction is expected to continue in 2021 and 2022 as WFP progressively implements the strategy.
60. WFP will advocate with government donors with a view to reducing earmarking and restrictions and increasing predictable, flexible and multi-year funding wherever possible. Such funding enhances the organization's operational capacity, agility, planning horizon and ability to manage funding gaps.
61. Compared with levels at the end of 2020, the first half of 2021 saw an increase in the flexibility of funding, with a higher share of contributions earmarked at the CSP level (13 versus 2 percent) and the strategic outcome level (22 percent versus 19 percent). Activity level earmarking decreased from 73 to 64 percent, indicating a positive trend towards greater flexibility in donors' earmarking, which is expected to continue in 2022. Contributions eligible for use in internal project lending have also increased, tripling from USD 474 million in 2016 to USD 1.41 billion in 2020. The trends in reduced earmarking and restrictions are expected to continue in 2022.
62. Multi-year funding increased by 4 percent between 2019 and 2020, reaching USD 1.41 billion. The increase maintains an upwards trend in multi-year funding, which rose from 8 percent of overall funding in 2016 to 17 percent in 2020. By mid-2021, WFP had already received more than USD 1 billion in multi-year contributions and therefore expects to reach or exceed the 2020 level in 2021 and 2022.
63. WFP advocates with a wide range of partners to establish strategic partnership agreements, which normally cover between three and five years. The number of donors interested in the agreements increased from six in 2020 to 13 in 2021 and may reach 17 by 2022. As part of WFP's efforts to increase efficiency and expediency in fundraising, the use of strategic partnership agreements strengthens dialogue with individual donors on common priorities and information needs, reduces the human and financial resources used on grant-specific administration (including reporting), and minimizes transactional costs. To this end, WFP will continue to highlight the benefits of multi-year framework agreements for its existing and potential partners, including by engaging in dialogue with decision-makers in partner countries and

drawing on global discourse related to the Good Humanitarian Donorship principles, the funding compact and other initiatives when negotiating agreements with partners.

64. *Immediate Response Account (IRA)*: The IRA, which was established as a flexible resource facility to enable WFP to respond quickly to emergency needs, will continue to play a critical role in providing flexible humanitarian funding for timely action. In 2020, USD 188 million was allocated on a revolving basis through the IRA in order to provide life-saving food assistance in the absence of forecasted funds; the top four recipient countries for IRA advances were Yemen, Burkina Faso, Mozambique and Lebanon. Owing to an increasing need for emergency response, the demand for funding from the IRA is growing and the account would benefit from a capital infusion. The number of donors contributing directly to the IRA is expected to increase from five in 2020 to eight in 2021. The total value of contributions earmarked for the IRA is expected to increase by 92 percent, from USD 24 million in 2020 to USD 46 million in 2021, and that level is expected to be maintained in 2022.
65. The new strategic plan for 2022–2026 will outline WFP's plans for strengthening its funding base and pursuing new funding sources – including through expanded partnerships with IFIs, foundations and the private sector – by demonstrating its value proposition in the achievement and facilitation of zero hunger. Flexible multi-year funding will continue to be necessary for better responses to rapidly changing situations and for meeting immediate food security, nutrition and other essential needs while contributing to more sustainable, long-term outcomes for people and their communities.

Section III: Operational requirements and provisional implementation plan for 2022

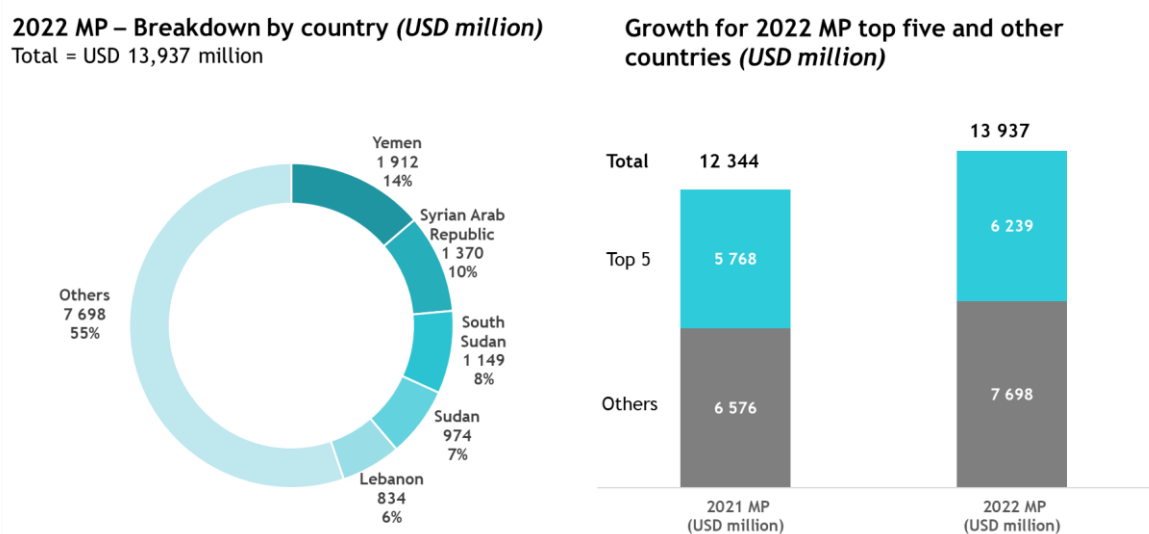
Overview

66. WFP's projected needs for 2022 reflect the impact of the COVID-19 pandemic on top of increased hunger, a rising number of conflicts and the climate crisis. Based on the dramatic growth in worldwide hunger and malnutrition described in section I, operational requirements for 2022, an estimate of aggregated needs as expressed in country strategic plans approved by the Board, are estimated at USD 13.9 billion. The management plan anticipates that WFP will reach 124 million people through 85 operations, representing a 23 percent increase from the previous management plan and making this WFP's most ambitious management plan to date. While these figures reflect foreseen needs for WFP food assistance throughout its programme of work, sudden or unforeseen challenges require flexibility in the organization's approach. To meet increased needs in a more complex environment, WFP will leverage its ability to work across the humanitarian and development spheres, strengthen its contribution to peace outcomes and invest in strategic and operational partnerships with the aim of ensuring that no one is left behind.

Situation analysis

67. As of August 2021, WFP and its partners were responding to emergencies in 22 countries, and the five largest country operations – those in Yemen, the Syrian Arab Republic, South Sudan, the Sudan and Lebanon – account for almost half of WFP's 2022 operational requirements. Operations in Yemen alone account for 14 percent, and requirements in the Syrian Arab Republic and Lebanon are projected to increase in 2022, driven by the deteriorating economic situation in both countries. Increases in beneficiaries and in the value of cash-based transfers (CBTs) in South Sudan and the Sudan are reflected in the increased budgets of WFP's country offices in those two countries. The growth in the Sudan country portfolio budget also reflects WFP's provision of technical support to the Government in its implementation of its national family support programme.

Figure III.1: Growth in top five operations



68. Nonetheless, the budgets for the top five countries, which together will increase by 8 percent, are projected to grow less than the overall growth in WFP operations, at 13 percent,

demonstrating that needs are accelerating throughout WFP's portfolio (see figure III.1). WFP is scaling up life-saving food and nutrition assistance in crises to meet the essential needs of the most vulnerable people, overcoming access challenges, expanding CBTs and treating acute malnutrition. Beyond emergency response, WFP is working increasingly with partners on strengthening the prevention of hunger by investing in human capital and livelihoods and strengthening food, emergency preparedness, supply chain and social protection systems in order to reduce hunger and support vulnerable people who are subject to recurring shocks.

Response to COVID-19

69. By the end of 2021 WFP's socioeconomic response and recovery programme framework for the COVID-19 crisis will be fully incorporated into CSPs. Designed to complement WFP's emergency response planning, the framework has helped to catalyse and coordinate the organization's long-term COVID-19 programming, resourcing and partnership efforts aimed at helping countries to build back better. To support WFP's saving lives and changing lives mandate, the framework is focused on three programme pillars – social protection, basic services and food systems.
70. The COVID-19 pandemic highlighted the vulnerability of food systems to shocks and the need to ensure that they have the capacity to withstand disruptions in the short term while enabling economies and societies to build back better in the medium to long term. As highlighted during preparations for the 2021 United Nations food systems summit, building resilient, inclusive and equitable supply chains that deliver benefits for all stakeholders is fundamental to the transformation of food systems. To help build such improved supply chains, WFP will pursue an increasingly localized approach to procurement, such as by scaling up purchases from smallholder farmers; map existing tools and initiatives and test industry-standard methods for mitigating the risk of post-harvest losses; improve its vendor management system and continue to ensure the safety and quality of staple commodities and processed foods; and reduce the environmental and social impacts of its procurement actions. These activities will require stakeholders from various sectors to collaborate on the creation of productive, equitable, inclusive and sustainable food systems.

Cross-cutting thematic areas

71. Cross-cutting thematic areas include environment and climate change, conflict and WFP's contribution to peace, protection and accountability to affected populations, gender equality, social protection, country capacity strengthening, South-South cooperation, food systems and smallholder farmer support, evidence-based programming and monitoring, reducing the vulnerabilities and strengthening the self-reliance of refugees, and school feeding. Corporate trust funds are generally the main funding source for the activities undertaken to support those thematic areas. Additional information on select thematic areas are described in detail below.
72. WFP's efforts to integrate gender equality and women's empowerment into all of its work will be framed by its gender policy for 2022–2026, which builds on the recommendations of an evaluation of the gender policy for 2015–2020.³² Accordingly, WFP will increase its efforts to promote gender-equitable practices and advance gender-transformative initiatives in delivering on its mandate. To implement its corporate policies and strategies, gender considerations will continue to be integrated into second-generation CSPs. Systemic gender mainstreaming will be supported by WFP's gender transformation programme, the WFP gender with age marker (applied at both the design and implementation phases of policy and strategy development)

³² [WFP/EB.A/2020/7-B](#) and [WFP/EB.A/2020/7-B/Add.1](#).

and the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN SWAP).

73. In 2022, WFP will invest in the management of knowledge on the production, analysis, use and tracking of gender data and strategic partnerships to achieve results in gender equality in moving efforts to attain zero hunger. Such efforts require an engaged, competent and equipped workforce and adequate financial resources. Investments in enhancing the knowledge and skills of employees and partners, including through the gender learning channel, the WFP gender toolkit and tailored capacity strengthening activities, will continue to be made. Gender initiatives are generally funded through corporate trust funds. Complementing the gender budgets required in all CSP documents, a corporate process aligned with the results framework will be implemented to track expenditures related to the pursuit of gender equality.
74. For governments around the world, effective and equitable social protection systems are a key instrument for reducing extreme poverty, hunger and inequality and are essential for achieving zero hunger. Governments are increasingly calling on WFP to help strengthen their national social protection systems by providing technical advice and delivering elements of national programmes on their behalf. The COVID-19 pandemic has increased this demand, as governments seek support for the rapid design and delivery of practical social protection responses that mitigate the impact of the crisis.
75. In July 2021, WFP released a new strategy for supporting social protection.³³ The strategy and accompanying framework articulate WFP's approach and outline how it will contribute to collective efforts to achieve long-term national social protection goals. WFP has two priorities in helping populations to increase substantially their access to national social protection systems: safeguarding and fostering people's ability to meet their food security, nutrition and associated essential needs; and enabling people to manage better the risks and shocks they face. These two priorities – which are aimed at reaching zero hunger and reducing and addressing risks of all kinds – are integral to WFP's overall mandate.
76. WFP subscribes to the recommendation on the humanitarian–development–peace nexus of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC), which highlights the need to pursue “prevention always, development wherever possible and humanitarian assistance whenever necessary”. WFP also seeks to link early warning to robust early action, undertake conflict-sensitive programming and leverage its operational strengths to address the underlying drivers of famine. That entails a focus on the most vulnerable people and those who are most difficult to reach, investment in the right partnerships and complementary work, and political engagement and humanitarian diplomacy on critical issues related to hunger and famine prevention, including operationalization of resolution 2417 of the United Nations Security Council³⁴ on access to food for all food-insecure populations in conflict settings. With its multidimensional mandate, WFP will employ a range of tools to foster the prosperity and self-sufficiency of people and communities, including by working closely with governments on strengthening their capacity to respond to citizens' needs.
77. By investing in long-term processes for strengthening education, nutrition, livelihood resilience and social protection systems, WFP will facilitate economic and social mobility, strengthen the link between citizens and the state and ensure that critical services reach the most vulnerable people and communities.

³³ WFP. 2021. *World Food Programme Strategy for Support to Social Protection*.

³⁴ Available at: [https://undocs.org/Home/Mobile?FinalSymbol=S%2FRES%2F2417\(2018\)&Language=E&DeviceType=Desktop](https://undocs.org/Home/Mobile?FinalSymbol=S%2FRES%2F2417(2018)&Language=E&DeviceType=Desktop).

Analysis of 2022 operational requirements

78. The increase in operational requirements in 2022 compared with 2021 reflects WFP's continued commitment to delivering life-saving interventions while improving the resilience of its beneficiaries, strengthening national systems and capacities and reducing the need for humanitarian assistance.

Analysis by focus area

| Focus area | 2021 operational requirements (USD million) | 2022 operational requirements (USD million) | Increase (%) |
|---------------------|--|--|---------------------|
| Crisis response | 9 545 | 10 770 | 13 |
| Resilience building | 2 252 | 2 614 | 16 |
| Root causes | 547 | 553 | 1 |
| Total | 12 344 | 13 937 | 13 |

79. In 2022, crisis response will account for the largest share of requirements, at 77 percent of the total, while resilience building will account for 19 percent and root causes 4 percent. These figures reflect growing humanitarian needs globally and WFP's overarching priority of saving lives in emergencies. However, the need for life-saving interventions will persist in many areas unless lives are changed by building resilience and addressing the root causes of hunger and malnutrition. The Sudan and the Syrian Arab Republic have the highest increases for crisis response interventions in 2022.
80. The projected 16 percent increase in resilience building reflects increases in several large and protracted operations, such as those in Burkina Faso, Haiti, Mali, South Sudan and the Sudan, and reflects WFP's use of integrated and sequenced humanitarian and development activities that meet people's urgent food security, nutrition and other essential needs while strengthening their long-term resilience to shocks and stressors. Almost 40 percent of the increase in resilience building is for asset creation and livelihood support activities. The enhanced focus on resilience building will be integrated with additional support in related activities, including investments in school feeding in Burkina Faso, nutrition activities in Mali and government capacity strengthening in South Sudan.

Analysis of beneficiary numbers

| TABLE III.2: BENEFICIARIES BY REGIONAL BUREAU, 2021-2022 | | | |
|---|---|---|------------------------------------|
| Regional bureau | 2021 (million beneficiaries) | 2022 (million beneficiaries) | Increase (decrease) (%) |
| Asia and the Pacific (RBB) | 10.8* | 20.4 | 89 |
| Middle East and Northern Africa (RBC) | 25.1* | 31.5 | 26 |
| Western Africa (RBD) | 12.7 | 16.2 | 27 |
| Southern Africa (RBJ) | 18.0 | 15.0 | (17) |
| Eastern Africa (RBN) | 29.2 | 32.1 | 10 |
| Latin America and the Caribbean (RBP) | 5.1 | 9.0 | 78 |
| Total | 100.8 | 124.1 | 23 |

* Figures reported in last year's management plan (WFP/EB.2/2020/5-A/1/Rev.1) reflected the proposed transfer of Armenia from RBC to RBB. Following a reassessment of the situation, however, Armenia has remained under RBC and the 2021 figures in this table have been revised to reflect that fact.

81. Three regional bureaux – those for Asia and the Pacific, the Middle East and Northern Africa and Eastern Africa – account for almost 70 percent of total beneficiaries. The intractable humanitarian crises in East Africa and the Middle East and North Africa continue to require large operational responses. In Afghanistan alone, beneficiary numbers will increase by more than 10 million, or 333 percent, as drought, rapidly deteriorating security and COVID-19 exacerbate hunger and malnutrition. Afghanistan represents the largest absolute increase in WFP operations between 2021 and 2022.
82. Large increases in the number of beneficiaries are projected in Burkina Faso and Nigeria owing to economic shocks and conflict, and in the Sahel as a result of protracted insecurity and climate stressors. The Regional Bureau for Latin America and the Caribbean is expecting a 78 percent increase in beneficiary numbers, mainly due to protracted crises in Haiti, Honduras and the Bolivarian Republic of Venezuela.
83. Meanwhile, needs and beneficiary numbers are expected to decline in countries in Southern Africa that have experienced adequate rains and good harvests. The notable exception is Madagascar, where the number of beneficiaries is projected to increase by almost half a million (44 percent) as the country continues to face its most severe drought and resulting humanitarian crisis since 1981.

Ability to contribute to the achievement of the Sustainable Development Goals

84. Meeting emergency needs and improving food security are WFP's core responsibilities, and the management plan for 2022–2024 reflects a continued commitment to assisting governments in achieving SDG 2 and supporting the achievement of SDG 17 through strengthened partnerships that leverage the contribution of food security and nutrition to the attainment of other SDGs. Table III.3 outlines WFP's operational requirements for each of its five strategic objectives and eight strategic results, corresponding to the targets for SDGs 2 and 17. Strategic Objectives 1 (end hunger), 3 (achieve food security) and 5 (partner for SDG results) account for 92 percent of total operational requirements for 2022.

| TABLE III.3: OPERATIONAL REQUIREMENTS BY STRATEGIC OBJECTIVE AND STRATEGIC RESULT, 2021 AND 2022 | | | | | | | |
|---|----------------------------|----------------------------|-------------------------|-------------------------------------|--|--|--------------------------------|
| SDG | Strategic Objective | | Strategic Result | | 2021 operational requirements (USD million) | 2022 operational requirements (USD million) | Increase (decrease) (%) |
| 2 | 1 | End hunger | 1 | Access to food | 10 034 | 10 826 | 8 |
| | 2 | Improve nutrition | 2 | End malnutrition | 943 | 914 | (3) |
| | 3 | Achieve food security | 3 | Smallholder productivity and income | 247 | 383 | 55 |
| | | | 4 | Sustainable food systems | 444 | 643 | 45 |
| 17 | 4 | Support SDG implementation | 5 | Capacity strengthening | 146 | 156 | 7 |
| | | | 6 | Policy coherence | 3.75 | 3.39 | (10) |
| | 5 | Partner for SDG results | 7 | Diversified resourcing | 0.80 | 1.03 | 28 |
| | | | 8 | Enhance global partnership | 525 | 1 010 | 92 |
| Total | | | | | 12 344 | 13 937 | 13 |

Sustainable Development Goal 2

85. Work towards Strategic Objective 1 will constitute approximately 78 percent (USD 10.8 billion) of WFP's overall operational requirements in 2022, an 8 percent increase over 2021 attributable primarily to large increases in the cost of crisis responses under Strategic Objective 1 in Afghanistan, Mozambique, the Sudan, the Syrian Arab Republic and the Bolivarian Republic of Venezuela as those countries face conflict, climate shocks and economic downturns.
86. While there is a slight decrease in requirements for Strategic Objective 2 (improve nutrition), most of that decrease is attributable to budgetary changes in Yemen and Chad, where nutrition interventions have become more integrated with crisis response interventions and will be incorporated into Strategic Objective 1 in 2022.
87. Strategic Objective 3, which encompasses Strategic Result 3 (smallholder productivity and incomes) and Strategic Result 4 (sustainable food systems) and accounts for 7 percent of 2022 operational requirements, will increase by 48 percent compared with 2021. This growth in Strategic Objective 3 is derived from large increases in several countries such as Somalia, where the second-generation CSP – implementation of which will begin in January 2022 – will introduce a long-term resilience and human capital development approach to complement responses to urgent needs.

Sustainable Development Goal 17³⁵

88. The 7 percent increase in operational requirements for Strategic Objective 4, which encompasses Strategic Result 5 (capacity strengthening) and Strategic Result 6 (policy coherence), is primarily linked to increases in institutional capacity strengthening in the Dominican Republic, Iraq, Lebanon, Nepal and the Sudan. In Nepal, for example, analysis, assessment and monitoring activities to support the launch of a forecast-based financing intervention will increase requirements by USD 4.7 million.
89. Strategic Objective 5 comprises Strategic Result 7 (diversified resourcing) and Strategic Result 8 (enhance global partnership), with the latter representing almost 100 percent of this strategic objective. Funding for Strategic Result 8 in 2022 has almost doubled compared with 2021, driven by an increased emphasis on service provision and platform activities in WFP's portfolio. In Lebanon, for example, an increase of USD 193 million in 2022 will support the Government with on-demand CBT services for the national emergency crisis and COVID-19 response social safety net project.

TABLE III.4: OPERATIONAL REQUIREMENTS BY STRATEGIC RESULT AND ACTIVITY CATEGORY, 2022 (USD million)

| Activity category | Strategic Result 1 | Strategic Result 2 | Strategic Result 3 | Strategic Result 4 | Strategic Result 5 | Strategic Result 6 | Strategic Result 7 | Strategic Result 8 | Total |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| Analysis, assessment and monitoring | 1 | < 1 | | < 1 | 9 | | | < 1 | 10 |
| Asset creation and livelihood support | 683 | 1 | 256 | 442 | | | | | 1 383 |
| Climate adaptation and risk management | | | 2 | 65 | 1 | | | | 67 |
| Common services and platforms | | | | | 4 | | | 1 006 | 1 010 |
| Capacity strengthening, - individual | 22 | | 6 | 7 | | | | | 36 |
| Capacity strengthening, - institutional | 103 | 27 | 21 | 58 | 132 | 3 | | 2 | 347 |
| Emergency preparedness | 18 | | | 7 | 3 | | | | 29 |
| Nutrition | 739 | 856 | | 3 | | | | | 1 598 |
| Other | | | | | | | 1 | 1 | 2 |
| School feeding | 969 | 28 | 6 | 1 | 8 | | | | 1 011 |
| Smallholder agricultural market support | | 2 | 58 | 35 | < 1 | | | | 96 |

³⁵ Strengthen the means of implementation and revitalize the global partnership for sustainable development.

| Activity category | Strategic Result 1 | Strategic Result 2 | Strategic Result 3 | Strategic Result 4 | Strategic Result 5 | Strategic Result 6 | Strategic Result 7 | Strategic Result 8 | Total |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------|
| Unconditional resource transfers to support access to food | 8 291 | < 1 | 33 | 24 | | | | | 8 347 |
| Total | 10 826 | 914 | 383 | 643 | 156 | 3 | 1 | 1 010 | 13 937 |

Analysis by transfer modality and cost category

90. WFP uses a variety of activities and modalities to deliver life-saving and life-changing transfers that reach people in urgent need of assistance, build resilience and help to address structural vulnerabilities. Food, CBT and commodity voucher assistance account for 87 percent of total transfer costs in the 2022 operational requirements. The remaining 13 percent supports capacity strengthening and service delivery aimed at strengthening the capacity of governments and partners to improve outcomes for millions of hungry and malnourished people not reached directly by WFP.
91. Table III.5 outlines the values of transfers and associated costs in WFP's operational requirements for 2021 and 2022. The projected increase in the management plan translates into increases of 11 percent in the requirements for food transfers and 9 percent in CBTs, which together account for the majority of total requirements. While small in terms of dollar value, the increases of 106 percent in service delivery and 25 percent in capacity strengthening reflect the growing demand for WFP's service provision activities and the move towards capacity strengthening for governments and communities.

| Transfer and associated costs | 2021 Operational requirements (USD million) | % of total transfer costs | 2022 Operational requirements (USD million) | % of total transfer costs | Increase (decrease) (%) |
|-------------------------------|---|---------------------------|---|---------------------------|-------------------------|
| Food | 5 204 | 50 | 5 771 | 50 | 11 |
| CBTs | 3 800 | 37 | 4 141 | 35 | 9 |
| <i>Cash</i> | 2 425 | 24 | 2 820 | 24 | 16 |
| <i>Value vouchers</i> | 1 374 | 13 | 1 321 | 11 | (4) |
| Commodity vouchers | 369 | 4 | 252 | 2 | (32) |
| Capacity strengthening | 531 | 5 | 664 | 6 | 25 |
| Service delivery | 416 | 4 | 859 | 7 | 106 |
| Total transfer costs | 10 320 | 100 | 11 686 | 100 | 13 |
| Implementation costs | 783 | | 908 | | |
| Direct support costs | 490 | | 525 | | |
| Total direct costs | 11 593 | | 13 119 | | |
| Indirect support costs | 751 | | 818 | | |
| Total | 12 344 | | 13 937 | | |

Food transfers

92. In a progressively complex operating environment, WFP's needs-based plan for 2022 totals 5.8 million mt of food, valued at an estimated USD 5.8 billion including food value and transfer costs; cereals (valued at USD 2.8 billion) account for approximately 63 percent of planned food requirements. Although the overall tonnage is similar to 2021 planning figures, the expected cost is higher owing to increasing prices for most food commodities, especially cereals (also due to increased local and regional procurement of rice), mixed and blended foods and vegetable oil (with increased planned purchases of sustainable palm oil). Almost 50 percent of the total 5.8 million mt is expected to be sourced from local and regional markets, including more than 65 percent of sorghum, maize and beans and 98 percent of non-fortified wheat flour. The trend in increasing local and regional purchases of lipid-based nutrient supplements will also continue.
93. The Regional Bureau for Eastern Africa is the main recipient of planned food transfers, accounting for USD 1.9 billion (34 percent of the total). Food requirements for the eight countries experiencing Level 3 emergencies³⁶ total 2.9 million mt, valued at USD 3.0 billion and accounting for 52 percent of the total. The top three recipient countries in terms of food needs are Yemen (USD 847 million), the Syrian Arab Republic (USD 834 million) and South Sudan (USD 712 million).
94. By taking a proactive approach to supply chain management, WFP optimizes the use of available resources and reaches beneficiaries more efficiently. The innovative solutions that it has adopted include the Global Commodity Management Facility (GCMF), long-term agreements with vendors, sourcing plans based on demand and resource forecasts, and improved market assessments and vendor evaluations.

Cash-based transfers

95. WFP's use of CBTs has increased consistently over the past 11 years, making it the global leader in this practice. In 2022, WFP plans to provide USD 4.1 billion in CBTs in 68 countries, representing an increase of 9 percent compared with 2021. In 2022, Bangladesh, Jordan, Lebanon, Somalia, the Sudan, the Syrian Arab Republic and Yemen will account for 50 percent of total CBT requirements. CBTs will account for 35 percent of total transfer costs.
96. Since early 2020, WFP has assisted national governments with their cash-based responses to COVID-19. This support for governments has since expanded beyond the COVID-19 response, and WFP expects that the provision of technical assistance and services for government-to-person payments will continue to grow in 2022, including in Lebanon, the Sudan and Yemen.
97. To strengthen data privacy and protection for beneficiaries receiving cash-based assistance, a management assurance framework for cash-based transfers is being developed. The framework establishes standards for its current cash transfer platforms related to beneficiary identities, transfer management, payments and strengthens internal controls aimed at reducing fraud and operational risks.

³⁶ Including three countries in the central Sahel – Burkina Faso, Mali and the Niger – the Democratic Republic of the Congo, Nigeria, South Sudan, the Syrian Arab Republic and Yemen.

Commodity vouchers

98. Commodity vouchers are a distinct transfer modality through which beneficiaries are provided with an amount of credit equivalent to a fixed quantity of specific foods. The vouchers have proved particularly useful in unstable environments and where market operators have better access to populations in need of food assistance than humanitarian agencies have. In 2022, commodity vouchers will account for USD 252 million, or less than 2 percent of total transfer costs, in line with the downward trend observed over recent years.

Capacity strengthening

99. Capacity strengthening transfers include materials, equipment, knowledge, skills and other resources that are transferred directly to individual beneficiaries, communities, partners or government counterparts to complement food and cash-based transfers. In 2022, operational requirements totalling USD 664 million are planned for capacity strengthening transfers in 85 operations, equivalent to 6 percent of total transfer costs. Compared with 2021, capacity strengthening transfers are expected to increase by 25 percent (see table III.5).
100. Operations in eight countries – Bangladesh, Colombia, Iraq, Mali, South Sudan, the Sudan, the Syrian Arab Republic and Yemen – account for 36 percent of total capacity strengthening transfers for 2022. Communities and households in these countries will be provided with capacity strengthening transfers alongside food and CBTs to help build their resilience in the face of food insecurity. WFP is planning to increase its capacity strengthening support for the governments of Bangladesh (by 17 percent), Colombia (by 197 percent) and the Sudan (by 122 percent). In all of these eight countries WFP has been requested to assist in improving social protection systems and shock-responsive safety nets, partly as a result of the economic effects of COVID-19, which have increased the need for assistance for new population groups, including informal urban dwellers.
101. In a few countries, capacity strengthening transfers constitute 100 percent of WFP's 2021 and 2022 programmes of work. In India, for example, planned capacity strengthening activities will be aimed at supporting increased expertise among government staff at the state level, investments in advanced analytics, the expansion of rice fortification into new states and the further expansion of private sector collaboration.

Service delivery

102. Total requirements for service delivery in 2022 are estimated at USD 859 million. This modality comprises a combination of mandated and on-demand services provided at the country level. When these activities are managed inside a country or on behalf of a host government they are included in the country's CSP.
103. WFP facilitates humanitarian response by providing critical support to governments and the humanitarian community. For example, the United Nations Humanitarian Air Service (UNHAS) provides safe and reliable transport for aid workers and security and medical evacuation services, and as the lead agency for the logistics cluster, WFP provides coordination, information management and facilitation of shared logistics services to the entire humanitarian community during emergency responses.
104. The emergency telecommunications cluster serves as a global network of organizations working together to provide shared communications services in humanitarian emergencies and is another example of a service that WFP is mandated to provide. The services provided include telephony, support for local broadcasters, internet connectivity for VHF and HF radio networks and the use of drones to enhance traditional humanitarian response solutions. The cluster's services are deployed in defined "common operational areas" that are approved by humanitarian country teams and are where the majority of United Nations agencies and non-governmental organizations are based.

105. WFP also provides on-demand logistics and procurement services through bilateral service provision. The provision of food on behalf of governments was scaled up substantially in 2020, with a record volume of 533,000 mt (valued at almost USD 200 million), more than double the previous record reached in 2019. The largest service agreements were implemented in the Sudan (242,000 mt), Ethiopia (200,000 mt) and Guatemala (90,000 mt). A further increase in service provision is foreseen for 2021 with the planned purchase of almost 1 million mt of wheat through agreements with the governments of Ethiopia and the Sudan.

Implementation costs

106. Based on country office projections for 2022, implementation costs will amount to USD 908 million, or 6.9 percent of total direct costs. This is in line with 2020 actual and 2021 estimated costs of 6.9 percent and 6.8 percent respectively.

107. The implementation costs in the management plan for 2022–2024 show an increase in absolute value of USD 125 million compared with the management plan for 2021–2023. The increase is related mainly to the additional costs incurred in ensuring the delivery, distribution, monitoring and evaluation of assistance in remote, inaccessible locations affected by conflict in countries such as Bangladesh, the Sudan and Yemen.

Direct support costs

108. Direct support costs cover multiple activities that are related to the transfer of assistance and implementation of WFP programmes, and for 2022 are estimated at USD 525 million, or 4 percent of total direct costs. In percentage terms, this is similar to the direct support costs approved in the management plan for 2021–2023.

109. The share of direct support costs as a percentage of operational requirements has stabilized at around 4 percent following implementation of the Integrated Road Map (IRM) and adoption of the underlying financial framework. By 2019, all countries were operating under CSPs with new cost categories that were better aligned with direct operational costs and direct support costs.

| 2019 actual* | 2020 actual* | 2021 estimated** | 2022 estimated** |
|--------------|--------------|------------------|------------------|
| 4.0 | 4.1 | 4.2 | 4.0 |

* Actual data for 2019 and 2020 are based on statement V of the 2019 and 2020 audited accounts, respectively.

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

Cost per beneficiary and cost per ration

110. The daily cost per beneficiary, an important benchmark for WFP, corresponds to the cost per ration for food transfers and the cost of daily entitlements for CBTs. It depends mainly on the operational environment and the type and duration of assistance. Because WFP focuses on the most vulnerable population groups, its crisis-response activities are implemented primarily in areas affected by conflict, failed harvests or other shocks. Such shocks drive up the cost of providing assistance, largely because of limited access during rainy seasons or periods of insecurity or because of seasonal price increases. While the composition, nutritional value and cost of an in-kind ration vary depending on the setting and the intended results, the nutritional quality of rations has generally improved, with more specialized nutritious foods (SNFs) being distributed. Interventions that address micronutrient deficiencies with SNFs and, more generally, that aim to improve the diversity and quality of dietary assistance are more costly than traditional rations.

111. The average daily cost per beneficiary reflects the estimated budgeted amount that can be attributed to a daily food basket or CBT designed to achieve programme objectives. With projected operational requirements designed to deliver 31.7 billion rations, the budgeted average daily cost per beneficiary for 2022 is USD 0.38 (see table III.7). This weighted-average global figure reflects a range of activities with different average expected daily costs per beneficiary, such as school feeding (USD 0.25), nutrition activities (USD 0.34) and unconditional resource transfers (USD 0.39), the last of which constitute more than 67 percent of all WFP daily transfers.
112. The main component of the daily cost per beneficiary is the cost of the transfer itself, which in 2022 is expected to constitute an average of 84 percent of the total cost. As a result, the ration size and type of commodities used in food transfers and the transfer value of CBTs are the main factors driving the daily cost per beneficiary.
113. WFP's operational requirements for 2022 are based on 20.5 billion food rations and 11.2 billion food ration equivalents in the form of CBTs. The budgeted daily average cost per beneficiary is USD 0.34 for food and USD 0.46 for CBTs. Because of the importance of the transfer share in the overall cost, CBTs generally have higher overall costs than in-kind food rations. This could be due to prevailing market conditions or because multi-purpose cash transfers cover more needs than food baskets do. It is also because CBT cost per beneficiary remains the same for all beneficiaries who receive CBTs in connection with a specific activity, while the total transfer cost of in-kind food per beneficiary decreases as the number of beneficiaries grows, owing to WFP supply chain practices and related economies of scale. However, efficiency gains in implementation and other costs for both modalities can be made, depending on the situation and nature of the operation, because WFP's systems and operations are designed to benefit as much as possible from economies of scale.
114. Daily cost per beneficiary is calculated for food and cash-based transfers but not for the operational requirements of capacity strengthening and service delivery.

| TABLE III.7: DAILY COST PER BENEFICIARY – OPERATIONAL REQUIREMENTS 2022 | | | | | | |
|--|--|--|---|--|--|--|
| Activity category | Food | | CBTs | | Total | |
| | Number of daily rations (million) | Average daily cost per beneficiary, including ISC (USD) | Number of daily entitlements (million) | Average daily cost per beneficiary, including ISC (USD) | Number of daily rations or entitlements (million) | Average daily cost per beneficiary, including ISC (USD) |
| Asset creation and livelihood support | 691.0 | 0.56 | 1 268.9 | 0.68 | 1 959.8 | 0.64 |
| Climate adaptation and risk management | 9.0 | 0.12 | 57.4 | 0.44 | 66.4 | 0.40 |
| Emergency preparedness | 5.8 | 0.26 | 42.3 | 0.38 | 48.1 | 0.37 |
| Nutrition | 4 040.1 | 0.31 | 357.4 | 0.68 | 4 397.5 | 0.34 |
| School feeding | 3 158.0 | 0.23 | 700.5 | 0.38 | 3 858.5 | 0.25 |

| Activity category | Food | | CBTs | | Total | |
|--|-----------------------------------|---|--|---|---|---|
| | Number of daily rations (million) | Average daily cost per beneficiary, including ISC (USD) | Number of daily entitlements (million) | Average daily cost per beneficiary, including ISC (USD) | Number of daily rations or entitlements (million) | Average daily cost per beneficiary, including ISC (USD) |
| Smallholder agricultural market support | - | - | 5.6 | 0.65 | 5.6 | 0.65 |
| Unconditional resource transfers to support access to food | 12 590.9 | 0.36 | 8 789.6 | 0.43 | 21 380.6 | 0.39 |
| All activities | 20 494.8 | 0.34 | 11 221.7 | 0.46 | 31 716.5 | 0.38 |

ISC = indirect support costs

Corporate programme output targets

115. WFP's corporate programme output targets express the organization's intended response to global food security needs and support advocacy and resource mobilization. As stipulated in the revised CRF part II, annual targets can be updated in the management plan if necessary.
116. Table III.8 shows revised targets for 2021, which are aligned with the latest available planning figures from country offices in order to represent needs more accurately. The figures reflect changes in the operational context and conditions affecting activities under current CSPs and in the planning of CSPs approved in 2021.

| Category A: Targets for transfer modalities | | | |
|---|---------------------|----------------------|-------------------|
| Indicator | Revised 2021 target | Proposed 2022 target | Percentage change |
| Total quantity of food provided to targeted beneficiaries (million mt) | 5.8 | 5.8 | 0 |
| Total value of food provided to targeted beneficiaries (USD billion) | 3.09 | 3.4 | 10 |
| Quantity of fortified food provided (million mt) | 0.38 | 1.1 | 189 |
| Quantity of specialized nutritious food provided (million mt) | 0.629 | 0.55 | (13) |
| Total amount of value transferred through CBTs and commodity vouchers to targeted beneficiaries (USD billion) | 3.8 | 4 | 5 |
| Unrestricted cash (USD billion) | 2.2 | 2.6 | 18 |
| Vouchers (USD billion) | 1.3 | 1.2 | (8) |

| TABLE III.8: RESULTS AGAINST PROGRAMME OUTPUTS | | | |
|---|----------------------------|-----------------------------|--------------------------|
| Category A: Targets for transfer modalities | | | |
| Indicator | Revised 2021 target | Proposed 2022 target | Percentage change |
| Commodity vouchers (<i>USD million</i>) | 360.7 | 235.8 | (35) |
| Total value of capacity strengthening transfers (<i>USD billion</i>) | 0.531 | 0.663 | 25 |
| Percentage of UNHAS passengers served against number requesting services | 95 | 95 | 0 |
| Category B: Targets for beneficiary numbers | | | |
| Indicator | Revised 2021 target | Proposed 2022 target | Percentage Change |
| Total number of beneficiaries targeted through WFP food and CBTs (<i>million</i>) | 100.8 | 124.1 | 23 |
| Number of schoolchildren targeted through school feeding interventions (<i>million</i>) | 19.9 | 21.9 | 10 |
| Number of persons targeted through nutrition-specific interventions (<i>million</i>) | 20 | 24 | 20 |
| Number of persons targeted through food assistance for assets programmes (<i>million</i>) | 10.2 | 14.6 | 43 |

117. *School feeding.* Operational requirements for school feeding activities in 2022 will increase in 33 countries in line with WFP's school feeding strategy, which calls for increasing support in the most fragile settings where the needs are greatest. Requirements for school feeding have nearly doubled for crisis response and increased by 19 percent for resilience building, reflecting the impact of the COVID-19 pandemic on school-age children and their households. The increase in school feeding requirements is driven largely by the launch of a school feeding programme to support the Government of the Bolivarian Republic of Venezuela. Operational requirements for school feeding activities will decrease in 22 countries, particularly in Bangladesh, Kenya, Lesotho and Sierra Leone, reflecting WFP's strategy of transition to national programmes over time.
118. *Nutrition.* WFP focuses first on preventing malnutrition and then on treating it when it occurs. During crises, especially given the 14.3 percent increase in acute malnutrition prevalence since the onset of the COVID-19 pandemic,³⁷ it is essential for WFP to respond quickly by providing women and children with access to sufficient quantities of the high-quality, nutritious food they need. In 2022, WFP aims to reach a record-breaking 24 million people with nutrition-specific activities, 20 percent more than in 2021; countries with significant planned increases in nutrition activities include Afghanistan, South Sudan and the Syrian Arab Republic.
119. Despite some decreases in budget needs, overall beneficiary coverage is expected to increase. The decrease in nutrition-specific activities does not reflect the broad work that WFP continues to prioritize in 2022 by integrating nutrition into school-based, social protection, cash-based transfer, food systems and resilience, livelihood and asset creation and other programmes. Through this work, WFP aims to improve nutrition outcomes across systems for several million more people.

³⁷ WFP. 2021. *WFP Global Operational Response Plan, update #1*, February 2021.

Provisional implementation plan for 2022

120. The magnitude of needs that WFP aims to address is calculated from evidence-based assessments and projections. Prioritization becomes necessary when the resources mobilized fall short of operational requirements. Country offices must then revise their implementation plans, making difficult choices to manage the shortfall – such as prioritizing beneficiaries by vulnerability or geographic area, reducing the size of rations or limiting the duration of assistance – while seeking to implement their planned activities to the extent possible.
121. Table III.9 shows that the global WFP provisional implementation plan for 2022 is estimated to be USD 8.5 billion and aims to assist 115 million beneficiaries. This level constitutes 61 percent of the USD 13.9 billion in 2022 operational requirements and would provide assistance to 93 percent of the 124 million originally targeted beneficiaries. To allow WFP to serve the greatest possible number of targeted beneficiaries, most beneficiaries would receive smaller rations or receive them for less time than originally planned.

| | Operational requirements | Provisional implementation plan | Gap (%) |
|--|---------------------------------|--|----------------|
| 2022 requirements (<i>USD million</i>) | 13 937 | 8 500 | 39 |
| 2022 beneficiaries (<i>million</i>) | 124 | 115 | 7 |

Methodology used to develop the 2022 provisional implementation plan

122. The provisional implementation plan is based on the criticality of global needs, the anticipated availability of funding and the expected earmarking of contributions. It has been formulated at the global level and is driven mainly by two factors: the updated global funding forecast for 2022 of USD 8.4 billion, and the net use of estimated carry-over contribution balances of USD 100 million.³⁸ The 2021 implementation plan and operational requirements, and trends in past expenditures, have also been taken into consideration.
123. The resulting 2022 provisional implementation plan of USD 8.5 billion is for a global plan of work that aims to minimize the negative effects of funding shortfalls on targeted population groups and on performance targets and objectives. It shows prioritization by strategic outcome and strategic result, corporate activity and assistance modalities and outlines how WFP intends to make the most efficient use of its forecasted resources and available funds to assist beneficiaries adequately while anticipating the potential consequences of operational challenges and respecting all earmarking and other conditions required by donors.
124. Each country office will create a 2022 implementation plan in the fourth quarter of 2021. These country-specific implementation plans will be made available on the CSP portal and will be used as the original implementation plan figures for 2022 in financial statement V and in annual country reports.

Analysis by strategic objective and strategic results

125. Table III.10 shows the provisional implementation plan by strategic objective and strategic result. In 2022, WFP will continue to prioritize work under Strategic Objective 1 (end hunger), which will account for USD 6.7 billion or 79 percent of the provisional implementation plan and will involve protection of the increasing number of people facing acute food insecurity owing to the COVID-19 pandemic, conflicts, economic shocks and

³⁸ The carry over is the difference between available resources and expenditures in previous financial periods.

extreme weather events. The urgency of emergency responses is particularly evident in countries such as South Sudan, the Syrian Arab Republic and Yemen, where populations face some of the greatest increases in chronic and severe food insecurity in the world.

126. As part of its strategy of prioritizing resources for the most effective hunger solutions, WFP will seek to maintain its efforts under Strategic Objective 5 (partner for SDG results), which will account for USD 597 million or 7 percent of the plan and be attributable mainly to Strategic Result 8 (enhance global partnership). In support of the achievement of SDG 17 and through robust collaboration with relevant stakeholders, WFP will respond to requests from national governments and partners for the provision of services. This reflects WFP's commitment to going beyond zero hunger efforts by contributing to the achievement of other SDGs.

| SDG | Strategic Objective | | Strategic Result | | Provisional implementation plan (USD million) | Provisional implementation plan (%) |
|--------------|----------------------------|----------------------------|-------------------------|--------------------------------------|--|--|
| 2 | 1 | End hunger | 1 | Access to food | 6 723 | 79 |
| | 2 | Improve nutrition | 2 | End malnutrition | 556 | 7 |
| | 3 | Achieve food security | 3 | Smallholder productivity and incomes | 221 | 3 |
| | | | 4 | Sustainable food systems | 318 | 4 |
| 17 | 4 | Support SDG implementation | 5 | Capacity strengthening | 83 | 1 |
| | | | 6 | Policy coherence | 1 | 0 |
| | 5 | Partner for SDG results | 7 | Diversified resourcing | 0.4 | 0 |
| | | | 8 | Enhance global partnership | 597 | 7 |
| Total | | | | | 8 500 | 100 |

Analysis by focus area

127. WFP's primary goal is saving lives. The global prioritization process increases the focus on crisis response and life-saving interventions, which at USD 6.9 billion account for 81 percent of the 2022 provisional implementation plan, compared with 77 percent of projected operational requirements. Accordingly, resilience building activities, particularly asset creation, livelihood support and nutrition activities, are proportionally reduced from 19 percent of operational requirements to 15 percent of the 2022 provisional implementation plan.
128. This resource prioritization reflects the commitment of WFP country offices to continuing to implement emergency life-saving work in ways that contribute to building resilience and to maintaining their long-term investments in tackling the root causes of hunger. It also reflects the foreseen level of earmarked contributions. Responses to root causes, accounting for 4 percent of both projected requirements and the global provisional implementation plan, remain stable.
129. Table III.11 compares the provisional implementation plan with the original operational requirements by focus area.

| Focus area | Operational requirements (USD million) | Operational requirements (%) | Provisional implementation plan (USD million) | Provisional implementation plan (%) |
|---------------------|--|------------------------------|---|-------------------------------------|
| Crisis response | 10 770 | 77 | 6 899 | 81 |
| Resilience building | 2 614 | 19 | 1 295 | 15 |
| Root causes | 553 | 4 | 306 | 4 |
| Total | 13 937 | 100 | 8 500 | 100 |

Analysis by activity category

130. Table III.12 shows the breakdown of the implementation plan by activity category. In line with the global strategy of prioritizing life-saving crisis response interventions, 64 percent or USD 5.4 billion of the 2022 prioritized plan of work will be directed to unconditional resource transfers for highly vulnerable people. This includes life-saving interventions in 70 countries for refugees, internally displaced persons and people affected by conflict, economic shocks and natural disasters.
131. Nutrition activities and nutrition-sensitive social protection programmes are also prioritized as being crucial in the fight against hunger. The estimated number of people at imminent risk of facing famine conditions in the absence of urgent, immediate life-saving action reached 41 million in June 2021.³⁹ The main objective of nutrition interventions is to increase people's dietary diversity by providing access to fortified foods through general distributions. These activities are valued at USD 945 million, or 11 percent of the provisional implementation plan.
132. WFP will continue to prioritize all service provision activities that are directly implemented by country offices in collaboration with relevant stakeholders in support of the achievement of SDG 17. These activities account for 7 percent of both operational requirements and the provisional implementation plan.

| Activity category | Provisional implementation plan (USD million) | Provisional implementation plan (%) |
|--|---|-------------------------------------|
| Unconditional resource transfers to support access to food | 5 438 | 64 |
| Nutrition activities | 945 | 11 |
| Asset creation and livelihood support activities | 681 | 8 |
| Common services and platforms | 597 | 7 |
| School feeding activities | 549 | 6 |
| Capacity strengthening activities – institutional | 177 | 2 |
| Other categories* | 114 | 1 |
| Total | 8 500 | 100 |

* Other categories include smallholder agricultural market support; climate adaptation and risk management; capacity strengthening activities – individual; emergency preparedness; analysis, assessment and monitoring; and others.

³⁹ WFP. 2021. WFP Global Operational Response Plan 2021. Update #2. June 2021.

Analysis by transfer modality

133. Table III.13 shows the breakdown of the provisional implementation plan by transfer modality. Of the total prioritized transfer costs for 2022, 55 percent, or USD 3.9 billion, is planned for the in-kind food modality. WFP will continue to supply in-kind food when it is the most efficient option, such as when markets are disrupted by conflict, inflation, poor harvests or restrictions related to COVID-19, while also optimizing modes of procurement and enhancing logistics activities.
134. Cash-based transfers account for USD 2.2 billion or 31 percent of the total transfer costs for the provisional implementation plan. WFP's CBT programmes – which have represented an average of 34 percent of total transfers over the last three years – have a demonstrated positive impact on nutrition because they promote the provision of fresh and diverse food.

| TABLE III.13: PROVISIONAL IMPLEMENTATION PLAN BY TRANSFER MODALITY | | |
|---|---|---------------------------------|
| Transfer and associated cost | 2022 provisional implementation plan (USD million) | % of total transfer cost |
| Food | 3 919 | 55 |
| CBTs | 2 208 | 31 |
| Cash | 1 606 | 23 |
| Value vouchers | 603 | 8 |
| Commodity vouchers | 158 | 2 |
| Capacity strengthening | 322 | 5 |
| Service delivery | 510 | 7 |
| Total transfer costs | 7 118 | 100 |
| Implementation cost | 555 | |
| Direct support costs | 320 | |
| Total direct costs | 7 993 | |
| Indirect support costs | 507 | |
| Total | 8 500 | |

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

135. In the CSP framework all country-level activities and resources are consolidated in a single financial structure. However, there are also activities that are accounted for through headquarters trust funds and special accounts and that contribute to the achievement of SDG 17 or aim to amplify WFP's impact by focusing on specific programme areas agreed with donors. Some notable trust funds and special accounts and their associated 2022 expenditures can be found in annex V.

136. WFP provides services to the humanitarian community in line with its mandate, policies, activities and comparative advantages. Service provision activities can be divided into mandated common services (services administered by WFP, such as UNHAS and the WFP-led logistics and emergency telecommunications clusters) and on-demand services (services provided by WFP at the request of external parties in exchange for payment). The following are examples of services managed at the global level and accounted for through special accounts:
- The *United Nations Humanitarian Response Depot (UNHRD)* network is a key emergency preparedness and response service provided to the humanitarian community (including United Nations, international, government and non-governmental organizations). It consists of six hubs at strategic locations and holds stocks of goods designed to support relief organizations in responding to emergencies, such as medical kits, shelter items, ready-to-use supplementary foods, IT equipment and other assets. One of the main outcomes expected in 2022 is a repositioning of the network within WFP's integrated supply chain service provision. Transactions related to UNHRD are projected to cost USD 75 million in 2022.
 - The *aviation special account* is a funding mechanism for the administrative and management structure of the WFP Aviation Service, which provides services to internal and external customers. The account facilitates the management of the income generated to enable the service to respond promptly to emergencies, which is projected to cost USD 25 million in 2022.
 - The *humanitarian logistics special account* covers estimated transactions of USD 20 million and is a vital funding tool that consolidates the financial transactions for logistics services provided to customers.
 - The *special account for the emergency telecommunications cluster* facilitates the provision of shared communication services in humanitarian emergencies.
137. Trust funds for headquarters and the regions will be used to support the enhancement of WFP's organizational capacity and effectiveness through activities in the following areas:⁴⁰
- The *African Risk Capacity* trust fund is designed to help strengthen and improve the capacity of African governments to prepare for and respond to extreme weather events and natural disasters by enabling them to manage risks efficiently and secure funds from donors and the international risk market. Pre-approved contingency plans help countries to improve the predictability and speed of their responses to natural disasters. Transactions related to the African Risk Capacity fund are projected to be USD 17 million in 2022. The African Risk Capacity is a specialized agency of the African Union. WFP has an administrative service agreement through which it provides administrative, technical and financial services to the agency.
 - The *COVID-19 global response trust fund* enables WFP to support humanitarian partners successfully through implementation of critical services and supply chain activities that ensure an efficient response to the pandemic, such as by providing cargo and passenger transport and coordinating medical evacuations. The fund has supported investments in infrastructure upgrades in key regional hubs and the procurement of deployable pharmaceutical-grade refrigerated containers to augment in-country capacity. The estimated expenditure for activities in 2022 is USD 16 million.

⁴⁰ Some notable trust funds and special accounts and their associated 2022 expenditure estimates can be found in annex V.

- The *Joint United Nations Programme on HIV/AIDS (UNAIDS)* trust fund was established in 2003 to support the efficient implementation of nutrition activities in response to the global HIV/AIDS health crisis by contributing to the effective functioning of the HIV/AIDS portfolio and to a strengthened UNAIDS partnership. The trust fund ensures the integration of activities at the global, regional and country levels, including WFP's core-funded activities that target the food security and nutrition support components of the HIV response. The estimated expenditure for activities in 2022 is USD 3.4 million.
- A *school feeding trust fund* was established at headquarters in 2010 to support strategic global school feeding efforts. In 2022, the trust fund expects expenditures of USD 5 million to support most of the pioneering initiatives presented in WFP's school feeding strategy for 2020–2030. This will also help WFP implement key recommendations of a corporate strategic evaluation of school feeding,⁴¹ such as by developing regional implementation plans, promoting international research, providing technical support to country offices and governments and rolling out digital school feeding solutions.
- The WFP Regional Centre of Excellence against Hunger and Malnutrition in Côte d'Ivoire plays a key role in highlighting WFP's capacity to support and scale up integrated resilience operations in the Sahel in order to generate transformative impacts at the humanitarian–development–peace nexus. A trust fund ensures that the Regional Bureau for Western Africa has the capacity and resources to support the scale-up of resilience activities, which will continue to be one of WFP's corporate priorities in 2022. Expenditures of USD 1 million are projected in 2022.
- In 2021, WFP established a health supply chain trust fund to enhance the resilience of in-country public health supply chains, increase the effectiveness of responses to health shocks and reduce the impact of such shocks on universal health care coverage. For 2022, expenditures of USD 2.5 million are projected.

⁴¹ WFP. 2021. *Summary report on the strategic evaluation of the contribution of school feeding activities to the achievement of the Sustainable Development Goals* (WFP/EB.A/2021/7-B).

Section IV: Bottom up strategic budgeting exercise process and baseline prioritization

Overview

138. The Executive Director launched the bottom up strategic budgeting exercise (BUSBE) in 2020 to determine the optimal programme support and business operations requirements for headquarters divisions and regional bureaux and to ensure that WFP's internal resource allocation processes result in allocations that align with its priorities, are sufficient to support programme needs through the most appropriate funding sources and are used in accordance with WFP rules and regulations.
139. The BUSBE addresses several realities concerning budget allocation:
- WFP has grown significantly in recent years in response to an increasingly complex operational environment resulting from the growing number of emergencies and assistance modalities, such as cash-based transfer programmes, interventions in nutrition and climate adaptation, and work at the humanitarian-development-peace nexus. This necessitates a review of the adequacy of WFP's support structure in sustaining the growth of operations while ensuring efficiency and a more coherent approach.
 - The evolution of PSA budgets and increasing extrabudgetary resources has led to inconsistent funding across WFP's organizational structure. This may in part be explained by the fact that PSA budgets are set in advance and based on estimates of total organizational income, which in recent years have been exceeded by approximately USD 1 billion annually.
 - The mix of PSA and extrabudgetary resources varies significantly between headquarters divisions and regional bureaux. Initiatives that match donor priorities, and situations in which donors require additional assurance that funding will be dedicated to a specified purpose, attract extrabudgetary funding – for example, much of the funding for the supply chain and programme areas is sourced from outside the PSA budget – thereby creating uneven funding across WFP.
 - The use of extrabudgetary funding sources has resulted in a modest PSA budget but has not optimized the funding sources for WFP's programme support and business operations requirements or ensured consistent and predictable funding for important activities. The approach has also resulted in an increase in the number of consultants who are funded from outside the PSA budget.
 - The United Nations reform and other evolving United Nations initiatives (such as those of the business innovations group of the United Nations Sustainable Development Group, and the cost classification exercise for funds and programmes) also need to be considered in any effort to optimize the PSA budget.
140. The four objectives of the BUSBE are to:
- ensure the use of the optimum funding sources for activities;
 - enable a more efficient use of funding;
 - improve the transparency of funding for headquarters divisions and regional bureaux; and
 - examine the PSA funding provided to country offices.

141. To achieve the objectives, four workstreams have been identified:
- *Budget governance:* Assess the current budget governance structures for all funding sources.
 - *Cost recovery analysis:* Catalogue the cost recovery models used at WFP and make recommendations that support the development of a standard corporate position on cost recovery.
 - *Country office budget analysis:* Analyse country office budgets in order to define the optimum standard country office structure for funding from the PSA budget.
 - *Technical budgeting:* Examine the current use of various funding sources for the budgets of headquarters divisions and regional bureaux and revise the structure of the breakdown of work among WFP's appropriation lines to optimize the allocation of funding based on the nature of each of the activities being funded. The new budget model will then be applied and implemented as part of the management plan for 2022–2024.
142. The results of the country office budget analysis and technical budgeting workstreams are reviewed in this section of the management plan; further details on each workstream and the progress made can be found in annex VI.

BUSBE approach

143. The exercise included an in-depth analysis of WFP's programme support and business operations requirements and a review of the current sources of funding for those requirements. A phased approach was employed to ensure a solid foundation upon which to conduct a thorough review and achieve tangible benefits that address the expectations of the Board and the senior management group. Phase I of the exercise, in 2020, focused on an analysis of the current state of budgeting at WFP, particularly through the identification of findings and the formulation of recommendations related to the allocation and management of PSA and extrabudgetary funding. In 2021, phase II has included implementation of the recommendations from phase I, building on the essential foundational work including the revised work breakdown structure. A thorough assessment of the funding needs and priorities of headquarters divisions and regional bureaux was conducted to inform the budget requests that are presented in this management plan.
144. The recommendations from phases I and II will be implemented in 2022, as described in this management plan. The advantages derived are expected to be greater consistency and transparency and a more optimal use of resources.

Work breakdown structure

145. In divisional budgets, programme support and business operations work is classified according to the management performance structure in the three main appropriation lines and the five results pillars followed by a hierarchy of outputs, as shown in figure IV.1. This framework allows WFP to compare and track spending across divisions and regional bureaux and is also used for the reporting of data in the management plan. The hierarchy has been refined to ensure that it can be applied consistently and will facilitate the differentiation of expertise required for activities.
146. Implementation of the refined structure for 2022 has been approved by the leadership group. As a result of the changes made, the structure now distinguishes between direct and central costs and between one-time and recurring costs. Services and outputs have been merged into pillar A; pillar B now includes subcategories for business services and business transactions and differentiates between system development and system maintenance; and pillar C now contains a dedicated output for training.

Figure IV.1: Changes to the work breakdown structure

| | Original | | | | | Refined | | | | |
|---------------------------------|--|---|---|--|---|--|---------------------------|---|--|---|
| Appropriation line | Strategy and direction | Services to operations | | Governance, independent oversight and fundraising | | Strategy and direction | Services | | Governance, independent oversight and fundraising | |
| Results pillars (outcomes) | A. Strategy and direction | B. Business services to operations | C. Policy, guidance and quality assurance | D. Advocacy, partnerships, fundraising and United Nations coordination | E. Governance and independent oversight | A. Strategy and direction | B. Business services | C. Policy, guidance and quality assurance | D. Advocacy, partnerships, fundraising and United Nations coordination | E. Governance and independent oversight |
| Outputs (services and products) | A1. Strategic information gathering | B1. Direct services and transactions | C1. Policy documents, manuals, tools and training | D1. Resource mobilisation and partnerships | E1. Assistance to Member States | A1. Strategic decision making | B1. Business services | C1. Policy documents, manuals, tools | D1. Resource mobilisation and partnerships | E1. Assistance to Member States |
| | A2. Strategic decision making | B2. Software systems design and maintenance | C2. Advisory services | D2. Communications and branding | E2. External audit and evaluations | A2. Strategic initiatives implementation | B2. Business transactions | C2. Training | D2. Communications and branding | E2. External audit and evaluations |
| | A3. Strategic initiatives implementation | B3. Facilities | C3. Internal oversight and compliance | D3. United Nations and cluster coordination | E3. Transparency initiatives | | B3. System development | | D3. United Nations and cluster coordination | E3. Transparency initiatives |
| | | | | | | | B4. System maintenance | C4. Internal oversight and compliance | | |
| | | | | | | | B5. Facilities | | | |

Baseline budget and other services

147. During phase II of the BUSBE, the budget principles and approach defined in phase I were applied to the annual budget preparation exercises for headquarters and regional bureaux. Budgets for 2022 were submitted using a new template that was designed to identify, for the first time, all programme support and business operations activities irrespective of their funding sources, along with their full cost breakdowns, including the salary costs of all employees. This template established principles for the prioritization of activities.
148. The BUSBE also introduced the concept of a “baseline” budget, which was intended to identify “baseline activities”, essential activities that contribute to the efficient and effective delivery of the annual implementation plan but that cannot be readily traced to individual CSPs.
149. These activities include the fulfilment of WFP’s institutional obligations through corporate management, representation and administrative functions, operational services, policy and advisory functions and oversight functions. Essential activities enable WFP to achieve its goals, strategic direction and priorities, ensure delivery of value for money and position the organization to mitigate emerging risks.
150. Baseline activities may be recurring or one-time (within a single year or a within a multi-year period). Baseline activities are funded by indirect support cost (ISC) revenue and may also be funded by management cost recovery fees and directed donor contributions.
151. The classification of activities as baseline may evolve over time, in line with the maturity of WFP’s cost accounting, which can allow certain services to be traced to individual CSPs. In this regard, some specific activities can be funded from direct charges to CSPs from 2022 onwards as they can be tied to specific operations. These activities include the provision to WFP of ocean transport services with a total cost of approximately USD 2.7 million and the sourcing of food, goods and services for global operations, with a total cost of approximately USD 2.7 million. A third area in which to introduce direct charging is beneficiary management, which supports WFP’s efforts to develop an end-to-end approach to managing its data on beneficiaries and has a total cost of approximately USD 7.0 million.
152. For all three areas – ocean transport services, sourcing of food, goods and services, and beneficiary management special accounts will be set up to isolate and account for the costs and their recovery from operations. These costs therefore do not appear as baseline in this management plan. Information on costs that are classified as direct, and other fee-for-service activities can be found in section VI.

153. Principles have been established for determining whether direct funding is appropriate; in particular, a transactional activity is eligible for direct funding if it can be tied to a specific operation, while a normative activity or one related to oversight must remain indirect.
154. As a complement to baseline activities, the BUSBE created a second category – “other services” – to capture surge or scale-up activities, activities that bridge shortfalls and initiatives that are timebound or new.

Baseline prioritization and review process

155. While the budget submission exercise was driven primarily by the classification of activities into baseline or other services and direct or indirect, corporate priorities and their related outcomes were also used. Refined guidance on WFP’s priorities was provided to enable headquarters divisions and regional bureaux to analyse how their activities contribute to those priorities and to align their 2022 activities accordingly.

| | Total 2022 | % of total |
|--|-------------------|-------------------|
| Leadership in emergencies | 89.5 | 14 |
| Funding and partnerships for zero hunger | 155.7 | 24 |
| Excellence in programme | 117.4 | 18 |
| Digital transformation | 31.5 | 5 |
| Unlocking WFP’s potential: simplification and efficiency | 64.5 | 10 |
| People management | 83.0 | 13 |
| Not directly tied to a corporate priority | 78.1 | 12 |
| Central appropriations (not linked to priorities) | 28.7 | 4 |
| Total | 648.3 | 100 |

156. The six corporate priorities that guide the development of budget submissions are leadership in emergencies; funding and partnerships for zero hunger; excellence in programme; digital transformation; unlocking WFP’s potential – simplification and efficiency; and people management.
157. Table IV.1 summarizes the corporate priorities aligned with baseline activities, excluding any direct or fee-for-service activities. The three leading priorities are funding and partnerships for zero hunger (USD 155.7 million), excellence in programme (USD 117.4 million) and leadership in emergencies (USD 89.5 million). Activities that can be linked to multiple corporate priorities or that did not directly contribute to any priority have been marked as “Not directly tied to a corporate priority” and include transactional activities and central appropriations.
158. After submission, all budgets were subject to a quality control process and review by heads of departments. Recommended changes for improving clarity, alignment with the revised work breakdown structure, identification of existing funding sources and selection of appropriate corporate priorities were then reviewed with divisions, global offices and regional bureaux. A committee was convened to review the budget submissions; its recommendations resulted in a reduction in unfunded baseline budget requests, based on the criteria of efficiency gains and absorption capacity and the identification of more appropriate funding sources for specific activities.

159. Recommendations were then provided to the Executive Director, who approved the total baseline budget for 2022 for headquarters and regional bureaux – from all available funding sources and split by recurring and one-time costs – in the amount of *USD 648.3 million*. This amount covers all necessary business processes and activities critical to maintaining operations, which WFP commits to funding.
160. In contrast to previous management plans, which presented the PSA budget alone, this management plan also presents the baseline budget, which encompasses all essential indirect costs to headquarters and regional bureaux regardless of funding source; historical analysis of the baseline budget is therefore not possible.

Presentation of baseline budget

161. Tables IV.2 to IV.6 articulate and expand on WFP's planned objectives and priorities for 2022 by presenting the total baseline budget by appropriation line, object of expenditure, department, employee position count and funding source.

| TABLE IV.2: BASELINE ALLOCATIONS BY APPROPRIATION LINE (USD million) | | | | |
|---|------------------|-----------------|-------------------|-------------------|
| | Recurring | One-time | Total 2022 | % of total |
| Strategy and direction | 118.1 | 14.1 | 132.2 | 20 |
| A – Strategy and direction | 118.1 | 14.1 | 132.2 | 20 |
| Services | 280.5 | 32.6 | 313.1 | 48 |
| B – Business services | 188.0 | 23.8 | 211.8 | 33 |
| C – Policy, guidance and quality assurance | 92.5 | 8.8 | 101.3 | 16 |
| Governance, independent oversight and fundraising | 153.4 | 20.9 | 174.3 | 27 |
| D – Advocacy, partnerships, fundraising and United Nations coordination | 112.5 | 20.6 | 133.1 | 21 |
| E – Governance and independent oversight | 40.9 | 0.3 | 41.2 | 6 |
| Central appropriations | 28.7 | 0.0 | 28.7 | 4 |
| Total | 580.7 | 67.6 | 648.3 | 100 |

162. Table IV.2 summarizes the 2022 baseline budget in terms of the three main appropriation lines and five pillars of the management plan and split into recurring and one-time costs. Recurring costs account for 90 percent of the baseline budget and one-time costs for 10 percent. The major one-time costs include two proposed critical corporate initiatives (see section VII for additional details included in the concept notes for critical corporate initiatives).
163. When analysing the recurring baseline costs among appropriation lines, services account for 48 percent, or USD 280.5 million, of the total baseline budget of USD 580.7 million. Strategy and direction accounts for 20 percent, governance, independent oversight and fundraising for 26 percent and central appropriations for 5 percent. Details on central appropriations are provided in section V.

164. The provision of full transparency on the baseline budget clarifies the cost of WFP's programme support and business operations activities worldwide and their contributions to the appropriation lines, with activities pertaining to pillars A and B accounting for half of the total baseline budget.

| TABLE IV.3: BASELINE ALLOCATIONS BY OBJECT OF EXPENDITURE (USD million) | | | |
|--|-----------------|---------------------|-------------------|
| | Employee | Non-employee | Total 2022 |
| Recurring* | 436.8 | 143.9 | 580.7 |
| One-time | 27.6 | 40.0 | 67.6 |
| Total | 464.4 | 184.0 | 648.3 |

* Recurring activities include central appropriations

165. Table IV.3 summarizes baseline allocations by object of expenditure, split between employee and non-employee costs. Employee costs cover all employees irrespective of contract type and location, while non-employee costs cover several other expense categories.⁴² The majority of planned recurring costs are employee costs – USD 436.8 million or 75 percent of the total recurring baseline budget of USD 580.7 million. Employee costs for the one-time baseline budget are estimated at USD 27.6 million or 41 percent of total one-time costs. Table IV.5 summarizes employee categories.

| TABLE IV.4: BASELINE ALLOCATIONS BY DEPARTMENT (USD million) | | | |
|---|------------------|-----------------|-------------------|
| | Recurring | One-time | Total 2022 |
| Country offices | 43.0 | 0.0 | 43.0 |
| Regional bureaux | 114.8 | 8.0 | 122.8 |
| Headquarters | 394.2 | 59.6 | 453.8 |
| Chief of Staff | 9.1 | 0.0 | 9.1 |
| Divisions reporting to the Executive Director | 46.3 | 0.0 | 46.3 |
| Deputy Executive Director | 91.0 | 20.1 | 111.1 |
| Partnerships and Advocacy Department | 63.7 | 17.8 | 81.4 |
| Programme and Policy Development Department | 56.3 | 13.8 | 70.1 |
| Resource Management Department | 97.2 | 2.4 | 99.5 |
| Workplace Culture Department | 30.5 | 5.6 | 36.2 |
| Central appropriations | 28.7 | 0.0 | 28.7 |
| Total | 580.7 | 67.6 | 648.3 |

166. Table IV.4 summarizes the baseline allocations by department and highlights how much of the cost incurred by various organizational units is recurring and one-time.

⁴² Non-employee costs include overtime, duty travel, training, rental of premises and equipment, utilities, cleaning and maintenance, office supplies and expenditures, communications and IT services and equipment, IT per capita, insurance, vehicle leasing and running, hospitality, services from other United Nations agencies, contributions to United Nations entities, governing bodies, legal services, and others.

167. Headquarters accounts for 68 percent (USD 394.2 million) of the recurring baseline budget and 88 percent of the one-time baseline budget and central appropriations 5 percent (USD 28.7 million) of the recurring baseline budget. Regional bureaux account for 20 percent (USD 114.8 million) of the recurring baseline budget and 12 percent (USD 8.0 million) of the one-time baseline budget. Country offices account for 7 percent (USD 43.0 million) of the recurring baseline budget.
168. The highest departmental baseline budgets are planned for the Deputy Executive Director, totalling 17 percent or USD 111.1 million, and the Resource Management Department, totalling 15 percent or USD 99.5 million.
169. The departments with the largest shares of their baseline budgets allocated to one-time activities are the Partnerships and Advocacy Department (22 percent), the Programme and Policy Development Department (20 percent) and the Deputy Executive Director (18 percent).

Country offices

170. The country office baseline budget has been designed to support core functions that are not directly attributable to operations. The USD 43 million recurring baseline budget covers country director positions, a national staff assistant for each country director, a driver for each office and basic office running costs. The budget also includes a contingency fund of USD 1.5 million to be allocated in the event of unexpected in-country indirect costs that cannot be funded from other sources. The baseline costs for country offices are deemed to be necessary for in-country presence in that they are aimed at ensuring sufficient strategic, representative, advocacy and partnership capacity.

Regional bureaux

171. In 2022 the regional bureaux will prioritize their provision of support for country offices in the transition of field activities to COVID-19 recovery programmes, and in accordance with the new strategic plan for 2022–2026, contribute more efficiently to the achievement of the SDGs. The regional bureaux will continue to focus on preparing and implementing regional strategies for programme design, supply chain management, resource mobilization and partnerships, and the sharing of best practices among country offices. Through their activities, the bureaux provide strategic and technical assistance to country offices in designing, implementing and assessing the performance of CSPs with a view to better meeting WFP's global objectives while maintaining the customization of activities to suit country and regional conditions.

Chief of Staff

172. The budget for the Chief of Staff includes the Office of the Executive Director and the Operations Management Support Office. It also includes the recently established data protection function. As the liaison office for regional bureaux and country offices, the Operations Management Support Office will continue to play a key role in supporting the field offices in a range of core and cross-cutting operational thematic areas.

Divisions reporting to the Executive Director

173. The divisions reporting to the Executive Director will continue their mandated oversight activities in support of the achievement of WFP's objectives. The baseline budget for legal services reflects the growing diversity of WFP's donors and partners and the organization's reliance on innovative partnership arrangements and programme modalities. The Office of Evaluation will begin implementing the updated evaluation policy and coordinating the planned increase in CSP evaluations to meet the minimum coverage norms for evaluation under the CSP policy. The Office of the Inspector General will assign high priority to addressing complaints of sexual exploitation and abuse, increasing the intake and speedy resolution of alleged misconduct cases and the implementation of a comprehensive audit framework. The

Ethics Office will continue its mandated activities to contribute to a culture of ethics and accountability in WFP and enable all employees to act in accordance with the highest standards of conduct and integrity. The Office of the Ombudsman offers informal conflict resolution services to all employees of WFP. Activities for 2022 include mediation and capacity building services, which are increasingly provided to WFP employees worldwide.

Deputy Executive Director

174. Priorities of the Supply Chain Operations Division in 2022 include the enhancement of traceability “from farm to fork”, with support from private sector stakeholders; an assessment of the economic impact of WFP’s supply chain activities on local economies; the implementation of the local and regional food procurement policy approved by the Board in 2019; the adoption of international food safety and quality standards for all WFP suppliers; the establishment of a structure for handling increasing requests for service provision activities; enhanced market assessments for the retail sector; and reduction of the environmental and social impacts of WFP’s procurement actions. The Supply Chain Operations Division budget for baseline activities in 2022 reflects a focus on the fully funded temperature-sensitive logistics project with a total cost of USD 16.3 million, which includes investments in infrastructure upgrades in key regional hubs and the procurement of deployable pharmaceutical-grade refrigerated containers to augment in-country capacity for handling and storing temperature-sensitive items such as vaccines.
175. The Emergency Operations Division will ensure that surge capacity is available for all key functions, enabling WFP to scale up rapidly and coordinate operations effectively. It will pursue a “no regrets” stance, including by simplifying procedures when emergencies arise. The Operations Centre will serve as the source of information on, and the coordinator of, corporate response priorities; early warning analysis and preparedness activities, including geospatial information, will continue to be prioritized with a view to enabling effective and efficient responses before crises hit and facilitating operational awareness and decision making throughout WFP and the humanitarian community. The Emergency Operations Division will invest in efforts to mitigate operational access constraints, including the expansion of humanitarian–military interaction and capabilities for negotiating access. The division will strengthen WFP’s leadership role in the food security, logistics and emergency telecommunication clusters and will expand its inter-agency leadership and influence through deeper engagement on operational response requirements with the Inter-Agency Standing Committee Emergency Directors Group and the wider United Nations system with the aim of enabling the humanitarian community to respond more effectively to emergencies. Partnerships with the private sector and other non-traditional partners and arrangements with stand-by partners will be augmented to facilitate such rapid response. Continued use of the Brindisi training centre will ensure that staff and partners have the expertise needed to respond to current and future crises.
176. The Security Division will continue to work to enable WFP to conduct its activities and to implement its strategic objectives in a manner that ensures the safety and security of its personnel, operations, premises and assets. In 2022, the division will continue to provide services for the management of technical and strategic security risks in operations and will increase the use of data and technology while focusing on enhancing its own capacity to respond to emergencies and developing tools and guidance that support preparation for and the prevention of security incidents.

177. In 2022, demand for the support services provided to the Executive Board by the Executive Board Secretariat will be increased, particularly with regard to the elaboration of second-generation CSPs, which will entail more meetings and more documentation. The Executive Board Secretariat will deploy additional staff and resources and implement upgraded systems in order to cope with the increased demand.

Partnerships and Advocacy Department

178. The Partnerships and Advocacy Department's budget for 2022 reflects the investment required to deliver on agreed corporate and departmental priorities. These include optimizing positioning, partnerships and resourcing for WFP. Priority will continue to be given to securing a solid resourcing base, including the strengthening of existing funding sources whilst also continuing with investments in diversifying the funding base. This includes implementation of the third year of the private sector partnership and fundraising strategy. The strategy focuses on the three funding sources that have the most potential to improve WFP's impact and increase funding: individuals, foundations and businesses of all sizes, ranging from large global corporations to small and medium-sized local enterprises. The Partnerships and Advocacy Department will continue its investments in advocacy and positioning to enhance WFP's reputation and image, whilst also continuing its focus on strengthening strategic partnerships.

Programme and Policy Development Department

179. The Programme and Policy Development Department leads corporate efforts to develop and implement the strategic plan and ensure the quality of WFP's programmatic offer in all settings. Those efforts include putting in place the policies, strategies, partnerships, tools and capacities to enable WFP to deliver on its mandate of saving lives and changing lives by delivering assistance directly where it is needed and facilitating national zero hunger solutions.
180. To achieve programme excellence, four priority outcomes have been identified for the department in 2022: strengthened national systems for addressing hunger and malnutrition; enhanced WFP's readiness to deliver on its saving lives and changing lives mandate; scaled up support for the creation of assets, livelihoods and infrastructure that help young people, women and men, communities and governments to manage risk and build resilience with regard to recurring and compounding shocks and stressors; and positioning of WFP as the "operational voice" in the political dialogue on hunger and conflict and gender equality and women's empowerment.
181. The Programme and Policy Development Department's budget submission reflects these priorities through the work of its main divisions and offices. This includes key commitments and initiatives that support the implementation of approved policies, including in regional bureaux and country offices, notably in the areas of gender equality and women's empowerment, local and regional food procurement, and protection and accountability to beneficiaries. In addition, the budget covers responses to audit and evaluation findings – such as in the areas of beneficiary information management, oversight of non-governmental organizations, and school feeding activities – and increased support for the promotion of resilient food systems, including through priority activities identified during the forthcoming United Nations food systems summit.

Resource Management Department

182. The 2022 budget of the Resource Management Department will allow the department to continue to pursue its mission of harnessing innovation and best practices to drive enhanced performance, safeguard resources and facilitate frontline operations. The department will continue to carry out its fiduciary financial and budgetary duties, provide robust financial management and deliver foundational technology, connectivity and facilities management services. This will include continued enhancement of the detection and prevention of complex cyber incidents in order to protect WFP's data and that of beneficiaries, mature risk management and implementation of the revised anti-fraud and anti-corruption policy and the comprehensive occupational safety and health framework launched in 2021.
183. The budget governance secretariat in the department will administer a new budget governance system, with mechanisms and frameworks designed to ensure that the allocation process is transparent, robust and aligned with corporate priorities and needs in the field. Stronger links between resource allocations and performance will be forged through the implementation of the line of sight and the corporate results framework in the new strategic plan.
184. Greater emphasis will be placed on providing support in the field for the adoption of innovative, technology-enabled, new ways of working, including green practices, and on strengthening beneficiary-centred digital solutions.

Workplace Culture Department

185. Building on the corporate priority related to people management, WFP has recognized the need to adopt a more systematic approach to ensuring the continuous improvement of its workforce management and workplace culture. The creation of the Workplace Culture Department in September 2020, led by an Assistant Executive Director, underscores the importance placed on WFP's duty of care to its employees and brings a more strategic and holistic approach to human resources and people management while ensuring that all of WFP's people have equal chances to thrive in an improved, inclusive and respectful workplace.
186. To reach this ambitious goal, a number of critical enablers will be implemented during the period of this management plan, including the approved wellness strategy for 2020–2024, the draft human resources strategy and the WFP people policy. WFP is the first agency in the United Nations system to have a people policy that defines a vision of the future workforce, establishes a framework for achieving excellence in people management and enables the integration and streamlining of multiple ongoing initiatives in people management.
187. As proposed during the informal consultation with the Board on the WFP people policy, a people and culture coordination unit will be established. The unit will coordinate, communicate and engage with stakeholders on the implementation of those multi-disciplinary initiatives that are linked to the people policy. Specifically, the unit will coordinate the implementation of the critical corporate initiative on investing in WFP people (see section VII), which aims to strengthen capacity in all WFP offices and units and to promote a more people-centred approach with a strong focus on activities in regional bureaux and country offices.

| TABLE IV.5: BASELINE ALLOCATION BY EMPLOYEE POST COUNT | | | | | | |
|---|----------------------------------|-----------------------------|--|---|--|-------------------|
| Employee Category | A. Strategy and direction | B. Business services | C. Policy, guidance and quality assurance | D. Advocacy, partnerships, fundraising and United Nations coordination | E. Governance and independent oversight | Total 2022 |
| A. Recurring baseline | | | | | | |
| Professional and higher | 244 | 320 | 243 | 270 | 128 | 1 204 |
| Professional and higher (short-term) | 28 | 49 | 33 | 22 | 4 | 137 |
| General service | 71 | 286 | 43 | 60 | 27 | 488 |
| General service (short-term)* | 4 | 29 | 3 | 3 | 0 | 40 |
| Consultants | 159 | 340 | 150 | 225 | 21 | 895 |
| Local staff** | 135 | 370 | 104 | 126 | 6 | 741 |
| Temporary assistance*** | 17 | 56 | 36 | 30 | 12 | 151 |
| Recurring Total | 659 | 1 450 | 612 | 736 | 198 | 3 655 |
| B. One-time baseline | | | | | | |
| Professional and higher | 26 | 16 | 18 | 6 | | 65 |
| Professional and higher (short-term) | 6 | 3 | 6 | 1 | | 15 |
| General service | 2 | 4 | 2 | 1 | | 9 |
| General service (short-term)* | | | | | | 0 |
| Consultants | 32 | 19 | 19 | 5 | 1 | 76 |
| Local staff** | 10 | 18 | 12 | 1 | 1 | 41 |
| Temporary assistance*** | 5 | 7 | 0 | 1 | 2 | 15 |
| One-time Total | 82 | 66 | 56 | 14 | 4 | 222 |
| Grand Total | 740 | 1 516 | 668 | 750 | 202 | 3 877 |

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

** Comprising national professional officers and general service staff in regional bureaux and country offices, excluding short-term staff.

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

188. Tables IV.5 show WFP's post count for supporting the baseline activities planned for 2022, by pillar. The total planned number of posts in 2022 is 3,877 – 3,655 related to recurring and 222 for one-time activities. Pillar B accounts for nearly 39 percent, while Pillar E accounts for the lowest percentage of posts, with 5 percent of the total.

189. For both recurring and one-time posts, the professional staff account for a total of 1,422 posts or 37 percent, and consultants for 971 posts or 25 percent, followed by local staff and temporary assistance.

Overview of funding sources

190. One of the main objectives of the BUSBE is to ensure the use of the optimal funding sources for WFP activities. In addition to the separation of activities into baseline and other services, further separations based on attributes such as whether activities are recurring, one-off, direct or indirect have been introduced.

191. WFP has committed to fully funding the baseline activities planned for 2022, which based on the projected level of operational activities total USD 648.3 million. In addition to PSA funding totalling USD 496.1 million and funding from the PSA equalization account totalling USD 40.6 million, funding sources also include existing trust funds (with USD 51.3 million) and special accounts (with USD 44.1 million funded from the management cost recovery fees charged to external users of WFP services, or from directed contributions) and new trust funds and special accounts (with USD 16.2 million).

192. Close to 90 percent of the total funding source are related to recurring activities, of which the majority equalling USD 489.6 million is funded from PSA (84 percent). With USD 20.1 million, the highest allocation of one-time costs (30 percent) occurs under the Deputy Executive Director primarily consisting of the existing trust funds and special accounts.

| TABLE IV.6: BASELINE ALLOCATIONS BY FUNDING SOURCE (USD million) | | | | | |
|---|--------------|----------------------------------|--|---|-------------------|
| | PSA | PSA Equalization Account* | Existing Trust Funds and Special Accounts | New Trust Funds and Special Accounts | Total 2022 |
| A. Recurring | | | | | |
| Country offices | 43.0 | 0.0 | 0.0 | 0.0 | 43.0 |
| Regional bureaux | 104.6 | 6.4 | 3.8 | 0.0 | 114.8 |
| Headquarters | 313.3 | 2.4 | 65.8 | 12.6 | 394.2 |
| Chief of Staff | 9.1 | 0.0 | 0.0 | 0.0 | 9.1 |
| Divisions reporting to the Executive Director | 45.0 | 0.0 | 1.3 | 0.0 | 46.3 |
| Deputy Executive Director | 54.2 | 0.3 | 34.3 | 2.2 | 91.0 |
| Partnerships and Advocacy Department | 58.7 | 0.0 | 5.0 | 0.0 | 63.7 |
| Programme and Policy Development Department | 40.8 | 1.9 | 4.1 | 9.6 | 56.3 |
| Resource Management Department | 75.7 | 0.0 | 21.0 | 0.5 | 97.2 |
| Workplace Culture Department | 29.9 | 0.2 | 0.2 | 0.3 | 30.5 |
| Central appropriations | 28.7 | 0.0 | 0.0 | 0.0 | 28.7 |
| Recurring total | 489.6 | 8.8 | 69.7 | 12.6 | 580.7 |

| TABLE IV.6: BASELINE ALLOCATIONS BY FUNDING SOURCE (USD million) | | | | | |
|---|--------------|----------------------------------|--|---|-------------------|
| | PSA | PSA Equalization Account* | Existing Trust Funds and Special Accounts | New Trust Funds and Special Accounts | Total 2022 |
| B. One-time | | | | | |
| Country offices | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Regional bureaux | 0.7 | 7.0 | 0.3 | 0.0 | 8.0 |
| Headquarters | 5.8 | 24.9 | 25.4 | 3.5 | 59.6 |
| Chief of Staff | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Divisions reporting to the Executive Director | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deputy Executive Director | 0.5 | 0.8 | 18.8 | 0.0 | 20.1 |
| Partnerships and Advocacy Department | 0.0 | 17.8 | 0.0 | 0.0 | 17.8 |
| Programme and Policy Development Department | 4.2 | 0.3 | 5.8 | 3.5 | 13.8 |
| Resource Management Department | 1.2 | 0.4 | 0.7 | 0.0 | 2.4 |
| Workplace Culture Department | 0.0 | 5.6 | 0.0 | 0.0 | 5.6 |
| Central appropriations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| One-time total | 6.5 | 31.9 | 25.7 | 3.5 | 67.6 |
| Grand total | 496.1 | 40.6 | 95.4 | 16.2 | 648.3 |

* PSAEA reflects baseline only and excludes "other services".

| TABLE IV.7: BASELINE POSITIONS BY FUNDING SOURCE | | | | | |
|---|--------------|--------------|--|---|-------------------|
| | PSA | PSAEA | Existing trust funds and special accounts | New trust funds and special accounts | Total 2022 |
| Country offices | 257 | | | | 257 |
| Regional bureaux | 794 | 101 | 29 | | 925 |
| Headquarters | 2 115 | 50 | 433 | 91 | 2 689 |
| Chief of Staff | 39 | | | | 39 |
| Divisions reporting to the Executive Director | 230 | | 1 | | 231 |
| Deputy Executive Director | 384 | 4 | 258 | 17 | 663 |
| Partnerships and Advocacy Department | 384 | 4 | 66 | | 454 |
| Programme and Policy Development Department | 258 | 6 | 49 | 69 | 382 |
| Resource Management Department | 593 | 4 | 59 | 4 | 660 |
| Workplace Culture Department | 226 | 31 | 1 | 2 | 261 |
| Central appropriations | 6 | | | | 6 |
| Grand Total | 3 171 | 151 | 463 | 91 | 3 877 |

Programme support and administrative budget

193. The purpose of the PSA budget is to provide essential programme and administrative support for WFP's operations. It is funded from the ISC recovered from contributions, in accordance with WFP's full cost recovery policy. It supports changes in operational needs and the implementation of policy commitments made to the Board. PSA funding accounts for USD 496.1 million, representing 77 percent of the funding utilized for baseline activities (for further information, please refer to section V).

PSA equalization account

194. In 2015, the Board endorsed the use of the PSA equalization account for critical corporate initiatives, which are non-recurring investments “to strengthen WFP’s programming, operational and administrative capacity”. A healthy balance in the account has been built up as a result of several years of increases in contribution revenue, coupled with the setting of prudent PSA budgets below the levels of ISC income generated from contributions. This balance will be utilized to fund the majority of the CCI’s “investing in WFP people” and private sector strategy initiatives (totaling USD 42.4 million),⁴³ the latter of which is part of a multi-year strategy with multiple funding tranches already approved by the Board. For more details on the PSA equalization account please refer to section VII.

Existing trust funds and special accounts

195. Trust funds are contributions whose purpose, scope and reporting requirements are outside WFP’s regular operational programmes but consistent with the organization’s policies, aims and activities. They are established by the Executive Director under Financial Regulation 5.1. Special accounts are established with a view to enabling WFP to provide, on a no-profit basis, business services and support activities that do not fall within its CSPs.
196. The portion of existing trust funds and special accounts defined as baseline activities in 2022 amount to USD 95.4 million or 15 percent of the total baseline budget. For a full overview of the 2022 workplans for trust funds and special accounts, refer to annex V.
197. By serving as funding sources that support baseline activities, trust funds enhance WFP’s organizational capacity, effectiveness and ability to work in specific thematic areas. They are established by the Executive Director to account for special contributions, the purpose, scope and reporting procedures of which have been agreed with the donor. The portion of the trust funds considered baseline are currently in the amount of USD 51.3 million, or 8 percent of total baseline activity funding. Special accounts are also established by the Executive Director to manage special contributions or monies earmarked for specific activities, the balance of which may be brought forward to the following financial period. They also include the payment of user fees and charges levied for services provided by WFP. The management cost recovery mechanism charges fees to external entities to cover the non-direct costs of WFP’s service provision, including oversight, risk management and tool development. Existing special accounts account for USD 44.1 million, or 6.8 percent of total baseline activity funding. An example of a special account is the account for the United Nations Humanitarian Response Depot (UNHRD) network, which offers both standard services free of charge and specific additional services that are offered on a cost-recovery basis. The UNHRD network comprises depots located in Ghana, Italy, Malaysia, Panama, Spain and the United Arab Emirates that procure, manage and transport emergency supplies for the humanitarian community. Another example is the WFP aviation special account, which supports the humanitarian community’s response to multiple complex emergencies with airlifts, air freight services and airdrops.

New trust funds and special accounts

198. The scope of activities has been analysed further to identify baseline activities that are suitable for funding through directed donor contributions. In total, USD 16.2 million,⁴⁴ mainly for the Programme and Policy Development Department, has been identified and validated for baseline activities in specific thematic areas, representing 2.5 percent of the total funding for

⁴³ Including USD 1.7 million supporting other services activities.

⁴⁴ Beneficiary Management Division (USD 0.5 million), Cash-based Transfers Division (USD 1.1 million), Emergency Operations Division (USD 2.2 million), Gender Office (USD 0.4 million), Innovation and Knowledge Management Division (USD 0.4 million), People and Culture Coordination Unit (USD 0.3 million), Programme – Humanitarian and Development Division (USD 10.4 million), Research, Assessment and Monitoring Division (USD 0.3 million) and Technology Division (USD 0.5 million).

baseline activities. New trust funds or special accounts will be established as appropriate to provide funding for enhancing WFP's organizational capacity, effectiveness, and ability to work in these thematic areas.

199. In 2022 WFP will continue to strengthen its advocacy and funding outreach on the following themes, as discussed with the Board during informal consultations:
- emergency preparedness and anticipatory action;
 - climate change, environmental and social sustainability frameworks;
 - innovation and change in the humanitarian and development sectors;
 - the mainstreaming of gender equality, protection and disability inclusion in CSPs;
 - social protection systems and delivery;
 - roll out of the school feeding strategy;
 - the mainstreaming of capacity strengthening in CSPs; and
 - South-South cooperation and supply chain strengthening.

Lessons learned and future budget planning approach

200. The main benefit of the BUSBE will be the use of a budget process that enables funding to support WFP and its priorities more holistically and consistently across WFP's organizational structure. This will increase the transparency of the implementation of the approved 2022 budget and allow WFP to continue strengthening its budgeting capabilities.
201. The prioritization framework implemented for the 2022 budget allocation process has been a key instrument in guiding the prioritization of activities and enhancing WFP's ability to support the achievement of its strategic goals. When setting the direction of the 2023 budget planning exercise, the preparation of a more detailed prioritization strategy should be considered, including the articulation of corporate priorities and high-level results statements.⁴⁵
202. While the 2022 budget planning exercise lays a foundation for strategic budgeting at WFP, further efforts will be required in the coming years. The introduction of KPIs for activities as part of the 2022 budget will enable improved measurement of performance and analysis of impacts on future budgets.
203. The use of extrabudgetary resources that complement PSA funds is presented more transparently. Overall, the alignment between activities that are necessary for delivery on WFP's mandate and the PSA funding sources for those activities has been improved. Further enhancement requires the grouping and harmonization of activities to reduce their overall number and facilitate the budget exercise, the selection of adequate funding sources and the measurement of performance.
204. Greater standardization of activities would also facilitate the reduction of the horizontal overlaps among headquarters divisions and vertical overlaps between regional bureaux and headquarters divisions that were identified during the functional review, leading to potential cost efficiencies.

⁴⁵ See WFP/EB.A/2021/6-F/1/Add.1 – WFP management response to the recommendations in the report of the External Auditor on critical corporate initiatives, recommendation number one.

Section V: Programme support and administrative budget

Overview

205. This section sets out the proposed programme support and administrative budget for 2022 and the rate charged for indirect support costs (ISC). The PSA budget provides essential programme and administrative support for WFP's operations, in compliance with the organization's governance and fiduciary responsibilities.
206. WFP's management plan for 2020–2022 noted that the bottom up strategic budgeting exercise (BUSBE) would include a detailed review of the PSA budget requiring all organizational units in headquarters and regional bureaux to describe and justify their expenses, irrespective of funding sources. As described in section IV, this exercise generated an overall baseline budget along with details of the budget's funding sources, including PSA funding. The proposed PSA budget for 2022 is elaborated in this section of the management plan.
207. The funding for the PSA budget is derived from amounts that are recovered from contributions to cover ISC. The ISC rate is approved by the Board each year. The Secretariat proposes that the rate be maintained at 6.5 percent in 2022.
208. WFP proposes a PSA budget of USD 496.1 million. This figure takes into consideration the operational needs and the provisional implementation plan described in section III. Table V.1 provides an overview of the proposed 2022 PSA budget by appropriation line and pillar.

| TABLE V.1: PSA BUDGET BY APPROPRIATION LINE AND PILLAR <i>(USD million)</i> | |
|---|-------------------|
| Appropriation line and pillar | Total 2022 |
| Strategy and direction | 111.1 |
| A. Strategy and direction | 111.1 |
| Services to operations | 241.4 |
| B. Business services | 164.0 |
| C. Policy, guidance and quality assurance | 77.4 |
| Governance, independent oversight and fundraising | 143.6 |
| D. Advocacy, partnerships, fundraising and United Nations coordination | 102.2 |
| E. Governance and independent oversight | 41.4 |
| Total | 496.1 |

Changes in the programme support and administrative budget between 2021 and 2022

209. Table V.2 shows the proposed 2022 PSA budget by department compared with the 2021 PSA budget. As defined in section IV, activities may be recurring or one time (within a single year or multiple years). Significant one-time costs are generally funded from reserves, including through critical corporate initiatives.⁴⁶

| | Total 2022 | Total 2021 | Change | % Change |
|---|-------------------|-------------------|---------------|-----------------|
| Country offices | 43.0 | 103.4 | (60.5) | (58) |
| Regional bureaux | 105.3 | 81.8 | 23.5 | 29 |
| Headquarters | 319.1 | 241.7 | 77.4 | 32 |
| Chief of Staff | 9.1 | 7.7 | 1.4 | 18 |
| Divisions reporting to the Executive Director | 45.0 | 37.5 | 7.6 | 20 |
| Deputy Executive Director | 54.6 | 44.5 | 10.1 | 23 |
| Partnerships and Advocacy Department | 58.7 | 44.0 | 14.6 | 33 |
| Programme and Policy Development Department | 44.9 | 30.6 | 14.4 | 47 |
| Resource Management Department | 76.9 | 57.2 | 19.7 | 34 |
| Workplace Culture Department | 29.9 | 20.2 | 9.6 | 48 |
| Central appropriations | 28.7 | 16.5 | 12.2 | 74 |
| Total | 496.1 | 443.5 | 52.6 | 12 |

210. The proposed PSA budget for 2022 represents a 12 percent increase – USD 52.6 million – over the 2021 budget. The increase reflects continuing growth in WFP's operational activity and mandated services, the increasing complexity of WFP's work and the greater breadth and depth of its partnerships in response to the rise in global hunger, and the organization's continued commitment to implementing high-quality, innovative programmes and being accountable to the Board and the people it serves.

211. The increase also reflects the optimization of funding sources to cover programme support and business operations costs. As described in section IV, the BUSBE increased the transparency of the budget allocation process by examining all activities undertaken by WFP, irrespective of whether their funding source is the PSA budget or other sources such as special accounts, trust funds or sources allocated through the Strategic Resource Allocation Committee's investment case process. In previous years, other funding sources were used to cover some headquarters and regional bureau costs that are now more appropriately funded from the PSA budget. In 2021, headquarters departments and regional bureaux received approximately USD 75 million through investment cases, including for the funding of core activities. In many cases the increased PSA budget in 2022 has replaced some of the funding received from allocations for investment cases in 2021.

⁴⁶ Only insignificant one-time costs (i.e. less than USD 1 million per activity) totalling USD 6.7 million are funded from the PSA.

Standard position costs

212. WFP uses standard position costs to budget and account for international professional staff and general service staff in headquarters. These rates are recalculated each year to reflect the actual costs of employing a staff member at each grade and location, including the costs of staff entitlements, benefits and allowances, and the anticipated exchange rates for euro-based expenditures.
213. The standard position costs for 2022 are based on the actual costs in 2020, adjusted for inflation, and actuarial estimates of after-service costs. It also includes accruals on security costs, staff wellness costs and termination indemnities. For the euro component of the costs incurred at headquarters and global offices 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.
214. A comparison between the total costs for staff in the 2022 PSA budget based on 2021 standard position costs and the same total costs based on the 2022 standard position costs shows an increase of USD 1.1 million. The increase is spread throughout the departmental budgets summarized in this document.

Organizational structure of the Secretariat

215. As shown in figure V.1⁴⁷ WFP's organizational structure, headed by the Executive Director, is divided into six interrelated areas: workplace culture, resource management, programme and policy development, operations management, operations assistance, and partnerships and advocacy. Work in these areas will enhance strategic collaboration in headquarters and support for the field through the delivery of refined global policies and strengthened quality control and oversight activities. Key changes introduced in the present management plan are the establishment of new offices for business continuity management and beneficiary data management and the creation of a global privacy office.
216. The three principal functions of the Rome-based Agencies and Committee on World Food Security Division have now been incorporated into two departments. The core Rome-based agencies partnership function remains with the Partnerships and Advocacy Department now under the Strategic Partnerships Division. The remaining functions have been placed under the Programme and Policy Development Department to enable efficiency through enhanced programmatic alignment and organization of related units: the Committee on World Food Security unit is under the department's front office and the food systems summit team became part of the department's Programme – Humanitarian and Development Division.

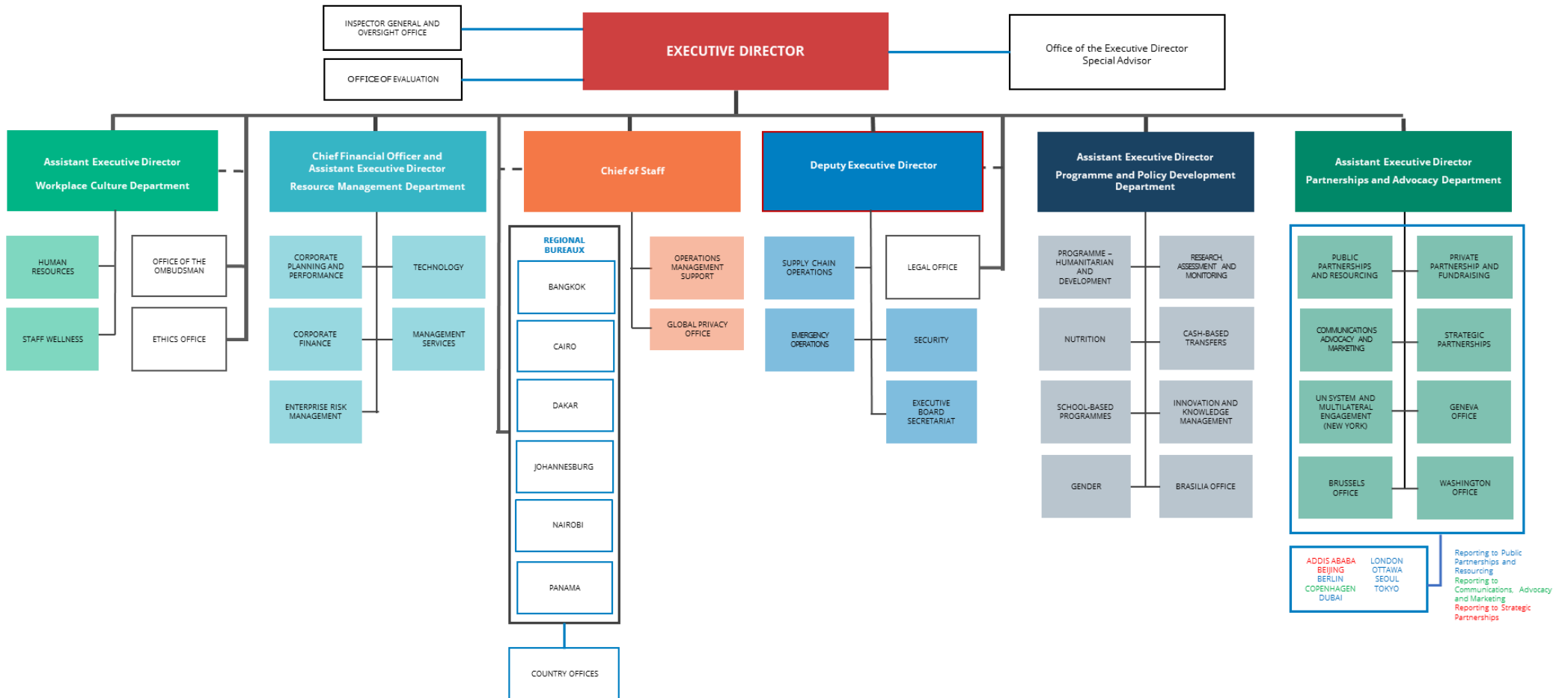
⁴⁷ Figure V.1 shows the organizational structure as of September 2021. Some of the changes to be introduced in 2022 are therefore not included.

Figure V.1: Organizational structure of the Secretariat in September 2021



WFP ORGANIGRAM

EXECUTIVE BOARD



Increases by organizational unit

217. The proposed changes in the budget are first described in terms of the organizational structure, consistent with the approach used for the 2022 budget submission under the BUSBE. As shown in table V.2, the three organizational units with the largest absolute increase in the 2022 PSA budget are the Regional bureaux, the Resource Management Department and the Partnerships and Advocacy Department, which together account for an increase of USD 57.8 million. In percentage terms, the three organizational units with the highest increases are the Workplace Culture Department (48 percent), the Programme and Policy Development Department (47 percent) and the Resource Management Department (34 percent). Central appropriations have increased by USD 12.2 million (74 percent). In contrast, the PSA budget for country offices has declined by USD 60.5 million (58 percent) due to the removal of costs that were not considered to be baseline and the subsequent redefinition of the country offices' PSA budget, as discussed in the following subsection. The main changes in the 2022 PSA budget are described below; please refer to annexes I, II and III for details of the differences between the 2021 and 2022 PSA budgets.

Redefinition of the country office programme support and administrative budget

218. Application of the baseline definition, which excludes costs that can be directly traced to a CSP, has had a significant impact on the country office costs that can be considered for inclusion in the PSA budget. In previous years the country office PSA budget had two components: direct support (55 percent of the 2021 PSA budget for country offices), which funded country director positions and staff and non-staff costs for a basic office structure; and centralized services (44 percent of the 2021 PSA budget for country offices).
219. As a result of the BUSBE budget review, country office costs that are deemed to be indirectly related to CSPs have been budgeted at USD 43.0 million and will be fully funded from the PSA budget. For each country office these costs comprise the cost of a country director and two national staff positions and the non-staff costs of office facilities, communications, transportation and other essential items to support WFP representation, strategy and engagement with in-country United Nations, government and other partners. These are deemed the minimum costs for WFP country presence in the event that no CSP is operational.
220. In 2022, centralized services for country offices are no longer included in the country offices' PSA budgets. One component of centralized services, mandatory United Nations Department of Safety and Security (UNDSS) activities costing USD 13 million, is included in central appropriations. The remainder of the costs for information technology per capita, employee wellness and the contingency evaluation fund have been redirected to country portfolio budgets and headquarters divisions with a view to improving traceability and transparency.
221. Country offices with field operations require predictable funding in addition to their PSA allocations. Accordingly, USD 48 million of multilateral contributions will be allocated to the country offices at the beginning of 2022. By committing to this allocation, WFP provides its country offices with the assurance of a minimum level of funding to be used at their discretion to meet the most compelling needs under their CSPs.

Increased capacity for regional bureaux

222. The PSA budget for the six regional bureaux in 2022 is USD 105.3 million, which represents an increase of USD 23.5 million compared with 2021. In 2021, the regional bureaux benefited from USD 11 million of investment case funding.

223. The budgets of the regional bureaux range from USD 14.8 million allocated to the Regional Bureau for Southern Africa to USD 22.0 million allocated to the Regional Bureau for Western Africa. The budgets are not necessarily indicative of the level of operational activity in the regions because large country offices tend to have greater expertise and capacity in-country and require less support from the regional bureau in proportion to their size.
224. One of the most significant causes of the increase in the PSA budgets of regional bureaux relates to a change in the funding of outposted positions. In 2022, 35 positions costing USD 6.4 million that were previously located in regional bureaux but funded through headquarters divisions will be included in the budgets of regional bureaux. This budgeting practice is consistent with the functions and duties of outposted positions in more mature functional areas such as finance and programme. Of the 35 positions, 14 are from the Technology Division and 12 from the Staff Wellness Division, and the remainder are distributed among the Communications, Advocacy and Marketing; Management Services and Supply Chain Operations divisions.
225. In addition to recognizing outposted staff in their budgets, all regional bureaux have increased employee numbers in order to provide better service to their country offices. The growth of the budgets of the regional bureaux reflects the need to support additional positions, upgrade the skills of the existing workforce to enhance regional capacity for emergency response and social protection activities and provide better contract terms for staff, in accordance with the WFP people policy.
226. The following are notable increases in the PSA budgets of regional bureaux:
- Conflict and repetitive socioeconomic crises have significantly changed the composition and scale of WFP's programmatic requirements in the Regional Bureau for Western Africa. The proposed increase of USD 5.6 million in this region's PSA budget will improve the bureau's ability to deliver critical activities for advancing progress at the humanitarian-development-peace nexus, continuing to roll out the community-level integrated resilience package and pursuing enhanced strategic partnerships on social protection in the Sahel.
 - An additional USD 5.1 million will be allocated to the PSA budget of the Regional Bureau for Eastern Africa in recognition of the growth in emergency operations, such as the response to the crisis in Tigray, and the need for investments in activities that enhance conflict sensitivity and innovative solutions that improve efficiency and reduce bottlenecks in delivering assistance.
 - An additional USD 6.0 million for the Regional Bureau for Latin America and the Caribbean will support the formulation of second-generation CSPs and the implementation of essential activities and investments in innovative approaches such as social and behaviour change communication. The regional bureau has recently expanded, including through the establishment of two new country offices, for the Caribbean and the Bolivarian Republic of Venezuela.
 - The PSA budget for the Regional Bureau for the Middle East and Northern Africa will increase by USD 1.6 million in 2022. This level of PSA support provides the funding needed to implement the WFP people policy and provide secure and healthy work environments in order to ensure that capacity is available for deployment to hotspots in the region and for the implementation of creative approaches to supporting country offices.

- An increase of USD 2.3 million in the PSA budget is proposed for the Regional Bureau for Asia and the Pacific in 2022. This will enable the bureau to expand assistance for country offices in areas such as CBTs and social protection, policy guidance on resilience building, the regional school feeding implementation plan and technical support for supply chains during emergencies. These activities underpin WFP's enabling role in a region where governments are leading emergency responses and expanding their social protection systems.
- Overall, the Regional Bureau for Southern Africa's PSA funding will maintain zero growth against the bureau's actual operational needs. The PSA budget includes USD 2.8 million to cover outposted positions that were previously funded by various headquarters divisions with a view to increasing the staff available to manage the increase in operations across the region and improving the contract conditions of the bureau's employees.

Chief of Staff

227. The PSA budget for the Chief of Staff in 2022 is USD 9.1 million, which represents an increase of USD 1.4 million compared with 2021. In 2021, the office benefited from USD 2.6 million in investment case funding. The increase in PSA funding relates primarily to the global privacy office that was established in mid-2021 and will be fully operational throughout 2022. The office focuses on data protection functions, providing oversight on privacy and personal data protection to WFP's divisions, organizational units and offices when they process sensitive personal and non-personal data.

Divisions reporting to the Executive Director

228. The PSA budget for the divisions reporting to the Executive Director in 2022 is USD 45.0 million, which represents an increase of USD 7.6 million compared with 2021. In 2021 the department benefited from USD 1.2 million in investment case funding.

Increased coverage and improved response time for addressing complaints, allegations and high-risk areas

229. The Office of the Inspector General (OIG) is responsible for safeguarding WFP's assets and ensuring the effective and efficient use of its resources. The OIG's Office of Inspections and Investigations responds to fraud and misconduct complaints by carrying out inspections and investigations.

230. OIG thoroughly analysed historic trends and inter-agency benchmarks to inform its budget request for 2022. The resulting increase of USD 3.4 million will ensure reasonable oversight coverage relative to the size of the organization and its risk environment, as measured by the number of assignments per year and the frequency of coverage of high and medium risks handled by the Office of Internal Audit. It will also enable the Office of Inspections and Investigations to investigate within a reasonable timeframe the increasing number of complaints and allegations that are being made.

Growth in evaluations

231. The Office of Evaluation's work plan for 2022 reflects the office's ambition to meet the commitments set out in the current evaluation policy, respond to the demand for a diverse set of evaluations that meet accountability and learning needs throughout WFP and anticipate the strategic direction of the updated evaluation policy that will be submitted for approval at the Board's first regular session in 2022. The increased PSA budget of USD 2.5 million in 2022 for the headquarters-based office and the regional evaluation units demonstrates WFP's commitment to further investment in and consolidation of the evaluation function, as well as its aspiration to align the amount that it invests in evaluations

with that of comparable agencies. The budget for 2022 includes a modest increase in staffing at the headquarters and regional levels to cover the expected continued increase in centralized, decentralized and impact evaluations.

More diverse and complex contractual agreements

232. The Legal Office will receive an increase of USD 1.5 million in PSA funding in 2022. The division benefited from USD 0.3 million in investment case funding in 2021. The increase in PSA funding will cover the cost of new positions that address the increased demand in areas such as CBTs, engagement with the private sector, conflict of interest issues, data protection and service provision and will fund the conversion of positions covered by the Legal Office's PSA budget into fixed-term contracts.

Deputy Executive Director

233. The total PSA budget for the Deputy Executive Director in 2022 is USD 54.6 million, which represents an increase of USD 10.1 million compared with 2021. In 2021, the department benefited from USD 8.4 million in investment case funding.

234. The largest divisional budgets in this department are for the Supply Chain (44 percent), Emergency Operations (22 percent) and Security (16 percent) divisions. The largest increases were in the Security Division followed by the Supply Chain Operations Division and the Executive Board Secretariat. The major changes in the department's 2022 PSA budget are summarized in the following paragraphs.

Modernization of security and inclusion of United Nations Department of Safety and Security costs

235. In 2022, the PSA budget of the Security Division will increase by USD 4.6 million. In 2021, the division received USD 1.3 million in investment case funding. The PSA budget will enable the division to continue with its modernization efforts by increasing its use of data and technology and shifting from the use of outsourced security services to the direct hiring of security staff at headquarters. To enhance its capacity to support country offices, the Security Division will recruit a security professional ready for deployment at short notice when and where required.

Increased supply chain capacity

236. The Supply Chain Operations Division will receive an increase of USD 4.1 million in PSA funding in 2022. The division benefited from USD 1 million in investment case funding in 2021. The increase reflects primarily a more comprehensive assessment of the PSA portion of the baseline budget for the division. Requirements for the supply chain planning service are increasing due to the expansion of the service's work with country offices, including its contribution to end-to-end visibility and optimization of supply chains. Transactional activities for shipping and procurement costing a total of USD 5.4 million have been deemed eligible for direct cost recovery from CSPs in 2022.

Increased workload in the Executive Board Secretariat

237. In 2022 the PSA budget for the Executive Board Secretariat will increase by USD 1.2 million. The increase responds to the projected increased demand for support services for the Executive Board, particularly in relation to the process for developing second-generation CSPs, which will entail more meetings and more documentation. The Executive Board Secretariat will deploy additional staff and resources and will implement upgraded systems to cope with this increased demand.

Establishment of a business continuity management function

238. Business continuity management is a core element of the United Nations organizational resilience management system, which is mandatory for all United Nations entities. In 2021, business continuity planning became mandatory throughout WFP with the aim of ensuring that the organization's critical processes continue in the event of an emergency. A recent audit⁴⁸ resulted in a recommendation that regular funding be provided to ensure adequate human and financial resources for effective and efficient business continuity management.
239. In 2022, the newly formed business unit will be allocated USD 0.7 million for providing support and guidance to country offices, regional bureaux and headquarters in preparing, reviewing, maintaining and testing the effectiveness of their business continuity plans and identifying areas for improvement. Formalization of the new function will enable WFP to develop a coordinated approach to business continuity and to implement relevant processes.

Partnerships and Advocacy Department

240. The PSA budget for the Partnerships and Advocacy Department in 2022 will be USD 58.7 million, which represents an increase of USD 14.7 million compared with 2021. In 2021, the department benefited from USD 12.3 million in investment case funding.
241. The largest shares of the department's budget are for the Communications, Advocacy and Marketing (18 percent), Public Partnerships and Resourcing (17 percent) and Private Partnerships and Fundraising (14 percent) divisions, while global offices located outside Rome account for 36 percent. In terms of absolute growth in the budget, the largest increase is in the Strategic Partnerships Division, followed by the Washington Office and the Berlin Office.

Recognizing strategic partnerships as a core function

242. The USD 5.9 million increase in the budget of the Strategic Partnerships Division reflects the mainstreaming of strategic partnerships into the PSA. The division benefited from USD 4.7 million in investment case funding in 2021. It is recognized as a core functional unit as it is expected to raise more than USD 500 million in contributions in 2021 and to contribute to the establishment of sustainable long-term funding. The Strategic Partnerships Division has continued to reinforce the analysis and guidance provided to organizational counterparts, has launched tailored support for country offices and regional bureaux and is in the process of reinforcing capacity for the registration of agreements that ensure end-to-end support.
243. In addition to efforts focused on fundraising, the division will take on senior-level strategic functions, including a senior advisory role and the secondment of a staff member to the African Union Development Agency. The senior advisor will identify opportunities for regional organizations, international financial institutions, the United Nations and national governments to work together to take advantage of development opportunities.

Investing in global offices

244. The PSA budget for global offices will increase by USD 5.5 million in 2022. The offices received USD 1.9 million in investment case funding in 2021. Increasing the capacity of WFP's global offices is consistent with the volume of donor contributions and the need for enhanced responsiveness to meet donors' requests for information and engagement, particularly in

⁴⁸ https://api.godocs.wfp.org/api/documents/WFP-0000126520/download/?_ga=2.143244469.1815007419.1621420050-1957743644.1611674852.

Washington, DC and Berlin, in line with the recent growth in contributions from the United States of America and Germany.

Increased capacity for public partnerships and resourcing

245. The 2022 PSA budget for the Public Partnerships and Resourcing Division will increase by USD 2.2 million. The division benefited from USD 0.5 million in investment case funding in 2021. There are two main drivers of growth in the division's budget for 2022: the need to diversify donor funding streams and increase thematic funding from bilateral donors, especially for the changing lives agenda; and the need for strengthened management of grants, as recommended in a recent internal audit report on WFP's management of contributions. The latter task requires the division to develop and maintain a new system, issue new or updated guidelines and training material and coordinate with other divisions.

Programme and Policy Development Department

246. The PSA budget for the Programme and Policy Development Department in 2022 is USD 44.9 million, an increase of USD 14.3 million compared with 2021. In 2021, the department benefited from USD 18.3 million in investment case funding.

247. The largest divisional budgets in this department are for the Programme – Humanitarian and Development (36 percent), Research, Assessment and Monitoring (16 percent), Nutrition (12 percent) and School-based Programmes (9 percent) divisions. In terms of growth in the budget, the largest increase in dollars is in the Programme – Humanitarian and Development Division (USD 4.7 million), whose budget increased by 41 percent. The next largest increase was for the Research, Assessment and Monitoring Division (USD 4.3 million), which had a 142 percent increase due to its relatively low PSA budget in 2021. Both divisions received funding from investment cases that exceeded their PSA growth.

Mainstreaming of programme and policy development activities

248. The 2022 PSA budget for the Programme – Humanitarian and Development Division will increase by USD 4.7 million. In 2021, the division received USD 7.2 million in investment case funding. The division provides critical strategic and technical guidance on humanitarian and development issues for headquarters, regional bureaux and country offices and supports the design and implementation of CSPs.

249. Each year, as the CSP and policy cycles evolve, some activities are downsized and others are expanded as required by CSPs and stakeholders, including the Board. Among the ongoing activities that will expand due to increased demand are global implementation of WFP's environmental and social sustainability framework, strengthening of the evidence for WFP's contribution to peace, operationalization of the humanitarian–development–peace nexus, and fulfilment of WFP's commitments to disability inclusion through coordination and consolidation of learning and knowledge on disabilities and creation and strengthening of systems for the engagement of people with disabilities. Key programmatic areas identified as priorities based on operational evidence and oversight reports and bodies have also been incorporated into the budget.

Research, Assessment and Monitoring Division

250. Through its critical work on global needs analysis, field monitoring of programme performance and beneficiary outcomes, inter-agency assessments and government food security monitoring systems, the Research, Assessment and Monitoring Division provides credible, relevant and timely evidence to inform WFP's operations. The division's 2022 PSA budget will increase by USD 4.3 million. In 2021, the division benefited from USD 4.7 million in investment case funding.

251. The division will continue to harness mobile technology, artificial intelligence and analytics and remote sensing and satellite data to provide near real-time food security and market monitoring in more than 90 countries. The increase in PSA funding will ensure that the division has adequate internal resources and staff capacity to continue delivering and strengthening these core activities in order to inform decision making, maintain WFP's focus on results and generate data for outcome and impact analysis and evaluations.

Establishment of a beneficiary data management function

252. The Assistant Executive Director for Programme and Policy Development has been tasked by the Executive Director with establishing an overarching corporate approach to beneficiary management, creating and chairing a cross-functional steering committee and developing sustainable financing mechanisms for related activities. A project team was set up in 2021 to lead, coordinate and implement these activities. The work will take several years and requires a new function to coordinate work on beneficiary management issues within the Programme and Policy Development Department and enable the department to take full ownership of the related business processes and their corporate applications. The department's PSA budget will increase by USD 1 million to support the new function.

Resource Management Department

253. The 2022 PSA budget for the Resource Management Department is USD 76.9 million, which is an increase of USD 19.7 million compared with 2021. In 2021, the department received USD 12.7 million in investment case funding.

254. The Technology and Management Services divisions, the two largest divisions in the department, account for more than 50 percent of the department's PSA budget. The Corporate Finance and Corporate Planning and Performance divisions are similar in size and together account for 34 percent of the budget. The largest PSA increases in dollar terms are in the Technology and Management Services divisions, accounting for nearly 60 percent of the departmental increase.

255. Aligned with the principles underlying the BUSBE, enterprise risk management, performance management and management services activities have also been mainstreamed into the budget for 2022, having previously relied on donor contributions secured annually.

Technology Division

256. In 2022, the PSA budget for the Technology Division, which ensures that more than 20,000 WFP employees around the world have the tools, services and support that they require to assist more than 115 million beneficiaries, will increase by USD 7.3 million. The division benefited from USD 2.5 million in investment case funding in 2021. As WFP grows in size, the need to keep pace with technological developments by providing expanded services and support and related tools and resources has resulted in increased costs. In 2022, the Technology Division is committed to maintaining high-quality, cost-effective delivery of foundational services and connectivity and prioritizing WFP's leadership in emergency preparedness and response through the emergency telecommunications cluster.

257. In addition, the initiatives foreseen in 2022 will continue the progression in WFP adapting to and thriving in the digital era. This work will enable WFP to extend the digital foundations of its data operations platform, which has been shown to confer a competitive advantage in the humanitarian sector; improve WFP's cyber maturity and ensure more effective detection and prevention of, and protection from, cyber incidents; strengthen WFP's beneficiary-facing digital solutions; and expand the digital foundations and support provided in the field through the digital hub in Nairobi.

Increased capacity for management services

258. The 2022 PSA budget for the Management Services Division will increase by USD 4.4 million to expand the division's capacity to provide services in occupational health and safety, environmental protection and asset management in response to the change in working practices necessitated by the COVID-19 pandemic. The division received USD 2.5 million in investment case funding in 2021.
259. The increase reflects WFP's ongoing commitment, endorsed by the Board, to environmental and workplace health and safety standards. Priorities include re-imagining office space by adopting innovative technology, greener practices and new ways of working and enhancing the support provided to country offices for field premises improvements by identifying a model for high-, medium- and low-priority scenarios. In the long term and in accordance with the results of the division's strategic review and the corporate strategy on the global shared service centre, the division will explore the potential for transforming and centralizing certain core services to increase efficiency, such as by moving the services to alternative locations.
260. As indicated in section IV, the increase in the division's 2022 budget also reflects the need to mainstream significant activities previously funded on a year-by-year basis.

Delivering efficient corporate finance solutions

261. In 2022, the PSA budget for the Corporate Finance Division will increase by USD 3.4 million. The division received USD 0.5 million in investment case funding in 2021. The increased PSA funding will enable the division to continue implementation of its strategic improvement initiatives by driving excellence in core enabling services, operational efficiency and reporting, with a particular focus on digital transformation and innovative finance solutions. The 2022 budget increase is driven by the incorporation of the funding for business process improvements into the baseline budget, which will allow the division to focus sustainably on key business processes that will benefit from automation, digitalization and innovation; and the launch of the global payments solution project on optimizing and consolidating the accounts payable functions in order to achieve cost-efficiency gains at scale and to improve service quality and operation-focused process automation. The project will reduce the transactional tasks of finance staff in the field, enabling the division to focus increasingly on critical analytical and operational support functions.

Corporate planning and performance: strengthening the link between resources and results

262. The 2022 PSA budget for the Corporate Planning and Performance Division will increase by USD 3 million. In 2021, the division benefited from USD 4.2 million in investment case funding. The restructuring of the division in 2021 – including the creation of a performance analysis cell – is expected to strengthen institutional coordination, streamline and simplify data-driven decision making and enhance the quality and timeliness of the division's services and products. The division will carry on the work of the BUSBE by ensuring the adoption of new budget governance structures and processes.
263. Integrated business processes will be redesigned to align them with the new strategic plan and corporate results framework, thus providing an end-to-end view of the planning, budgeting, performance management and reporting cycle and strengthening the links between resources and results. The large number of first-generation CSPs closing and second-generation CSPs being launched in 2022 will increase the division's workload in advisory services and analysis.

Enterprise risk management: strengthening the anti-fraud and anti-corruption policy

264. Since its establishment in 2017, the Enterprise Risk Management Division has depended on direct contributions and investment cases to cover its activities. The increase of USD 0.9 million in its PSA funding for 2022 is needed for continued implementation of the

2021 revised anti-fraud and anti-corruption policy, delivering field support for high-risk country offices, revamping the corporate risk register in line with the new strategic plan, following up on the Executive Director's annual assurance processes and outputs and responding to increasing review obligations imposed by donors.

Workplace Culture Department

265. The PSA budget for the Workplace Culture Department in 2022 is USD 29.9 million, an increase of USD 9.7 million compared with 2021. In 2021, the department benefited from USD 10.3 million in investment case funding.
266. The Human Resources Division, which accounts for 85 percent of total departmental PSA funding, has a PSA budget increase of 50 percent. By contrast, the Staff Wellness Division, which constitutes only 6 percent of the departmental budget, has a budget decrease of 22 percent as a result of the out-posting of staff costing a total of USD 2.5 million to the regional bureaux.

Implementation of the people policy

267. The people policy⁴⁹ is implemented at all levels of WFP, overseen and coordinated by the Workplace Culture Department. A people and culture coordination unit will be established to oversee, coordinate, communicate on, engage in, monitor and report on the implementation of a range of initiatives including those arising from WFP's core values, the people policy, the wellness strategy, the human resources strategy and related activities.
268. Significant contributions will be made by the Human Resources and Wellness Divisions. In 2022, the PSA budget for the Human Resources Division will increase by USD 8.5 million for the delivery of strategies and instruments linked to the people policy. This level of funding also addresses structural issues with the PSA given that the division received USD 8.1 million in investment case funding in 2021.
269. To meet WFP's commitment to fighting racism, ensuring diversity and promoting inclusion, a small team with capacity and expertise in policy development in such areas as gender equality and disability inclusion will be established as part of the Human Resources Division.
270. The Human Resources Division also continues to pursue strategic workforce planning to address short- and long-term gaps in staffing capacity, as highlighted in the corporate risk register⁵⁰ and by the Audit Committee and the Board.

Central appropriations

271. Central appropriations fund the costs of meeting statutory requirements and other centrally managed costs. Table V.3 shows the 2022 request for central appropriations. Overall, central appropriations are expected to be USD 12.2 million more than in 2021.
272. A proportion of the increase is attributable to charges imposed by UNDSS for field-related costs associated with providing for the safety and security of United Nations personnel. Those costs are apportioned among participating organizations, using a cost-sharing formula based on the number of staff members stationed in countries that are not members of the Organisation for Economic Co-operation and Development. In prior management plans, UNDSS costs were captured as part of a technical adjustment for centralized services for country offices. Pursuant to management decisions taken in connection with the BUSBE, the costs now form part of the request for central appropriations. WFP's 2022 share of the costs of UNDSS amounts to USD 13 million.

⁴⁹ WFP/EB.A/2021/5-A.

⁵⁰ WFP/EB.A/2019/5-C.

273. A much smaller share of the projected increase in central appropriations is attributable to insurance costs. WFP projects that its insurance premiums will increase due to the difficult global market conditions for commercial insurance in the high-risk areas where WFP operates.
274. There was a decrease in WFP's 2022 share of the costs of the United Nations Sustainable Development Group resident coordinator system. In addition, the 2021 global management meeting was postponed to early 2022 in view of COVID-19-related travel restrictions. The expenditure planned for 2021 will be committed in 2021 to cover the postponed meeting.

| TABLE V.3: CENTRAL APPROPRIATIONS FOR STATUTORY REQUIREMENTS AND OTHER CENTRALLY MANAGED COSTS (USD) | | |
|---|-------------------|-------------------|
| | 2022 | 2021 |
| Pillar A: Strategy and direction | 874 062 | 1 433 442 |
| Chief Executives Board | 403 962 | 368 442 |
| Global management meeting | - | 600 000 |
| Recruitment costs | 400 000 | 400 000 |
| Senior management and alumni network | 70 100 | 65 000 |
| Pillar B: Business services | 20 909 456 | 7 522 559 |
| Emergency medical evacuation | 170 000 | 170 000 |
| International Civil Service Commission | 770 841 | 770 841 |
| Insurance and legal fees | 2 126 465 | 1 659 400 |
| Programme criticality and Standing Committee on Nutrition | 497 532 | 570 000 |
| Services from other agencies | 527 500 | 580 000 |
| Reassignment costs | 3 464 318 | 3 464 318 |
| Staff awards, settlement and survey | 352 800 | 308 000 |
| WFP UNDSS cost share | 13 000 000 | - |
| Pillar D: Advocacy, partnerships, fundraising and United Nations coordination | 4 751 560 | 5 370 644 |
| Corporate inter-agency positions and union | 1 179 780 | 1 190 644 |
| Resident coordinator system cost-sharing and assessment centre | 2 550 000 | 3 150 000 |
| Legal fees of United Nations agencies | 215 000 | 215 000 |
| Others | 806 780 | 815 000 |
| Pillar E: Governance and independent oversight | 2 206 909 | 2 172 767 |
| Audit Committee | 196 790 | 196 648 |
| External Audit | 400 000 | 400 000 |
| International Aid Transparency Initiative membership fee | 200 000 | 200 000 |
| Advisory services | 210 000 | 176 000 |
| Joint Inspection Unit | 1 200 119 | 1 200 119 |
| Total | 28 741 987 | 16 499 412 |

Post counts

275. In previous years, the post count included only those staff members with contracts of one year or more. Under the budgeting methodology introduced by the BUSBE, all employees are considered in the post count for 2022. The definition of a post is based on the full-time equivalent value of one staff member working for a full year; thus two consultants who are budgeted to work for six months each are together considered to constitute one full-time equivalent and are counted as one post.
276. For comparison with past years, table V.4 shows the post count in the PSA budget by organizational level, displaying the number of posts in the staff categories used in 2021 and 2022 for both staff and non-staff categories of employee.

| TABLE V.4: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET BY ORGANIZATIONAL LEVEL (POST COUNT) | | | | | | | | | | | | |
|--|-------------------------|--------------------------------------|-------------|-----------------|------------------------------|------------|----------------------|-----------------|-------------------------|-----------------|------------|-----------------|
| | 2022 projections | | | | | | | | 2021 estimated | | | |
| | Post count | | | | | | | | Post count | | | |
| | Professional and higher | Professional and higher (short-term) | Consultants | General service | General service (short-term) | National | Temporary assistance | Total positions | Professional and higher | General Service | National | Total positions |
| Country offices | 81 | | 1 | | | 175 | | 257 | 77 | 0 | 345 | 422 |
| Regional bureaux | 255 | 11 | 118 | | | 371 | 39 | 794 | 219 | 0 | 312 | 531 |
| Headquarters | 781 | 99 | 571 | 446 | 33 | 105 | 79 | 2 115 | 652 | 388 | 59 | 1 098 |
| Central appropriations | 5 | | | 1 | | | | 6 | 3 | 2 | 0 | 5 |
| Total | 1 122 | 109 | 691 | 447 | 33 | 651 | 118 | 3 171 | 951 | 389 | 716 | 2 056 |

277. For 2022, the additional categories of short-term professional, consultant, short-term general service and temporary assistance account for 951 positions, or 85 percent of the increase in the total post count. The inclusion of short-term professionals and consultants is also the main driver behind the increase in the post count at headquarters. The decreases in the post count at the country office level and for national staff are due to the redefinition and reduction of PSA funding for country offices.

Budget by organizational level and object of expenditure

| TABLE V.5: PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET BY ORGANIZATIONAL LEVEL AND OBJECT OF EXPENDITURE | | | | | | | |
|---|----------------------|-----------------|--------------|--------------|----------------------|-----------------|--------------|
| | 2022 projection | | | | 2021 estimated | | |
| | Total costs | | | | Total costs | | |
| | <i>(USD million)</i> | | | | <i>(USD million)</i> | | |
| | Staff costs | Non-staff costs | | Total | Staff costs | Non-staff costs | Total |
| Non-staff HR | | Other | | | | | |
| Country offices | 26.5 | 5.4 | 11.1 | 43.0 | 24.6 | 78.8 | 103.4 |
| Regional bureaux | 58.9 | 33.1 | 13.3 | 105.3 | 50.5 | 31.3 | 81.8 |
| Headquarters | 211.2 | 53.4 | 54.5 | 319.1 | 170.1 | 71.6 | 241.7 |
| Central appropriations | 1.1 | 0.0 | 27.6 | 28.7 | 0.9 | 15.6 | 16.5 |
| Total | 297.7 | 91.9 | 106.6 | 496.1 | 246.1 | 197.3 | 443.5 |

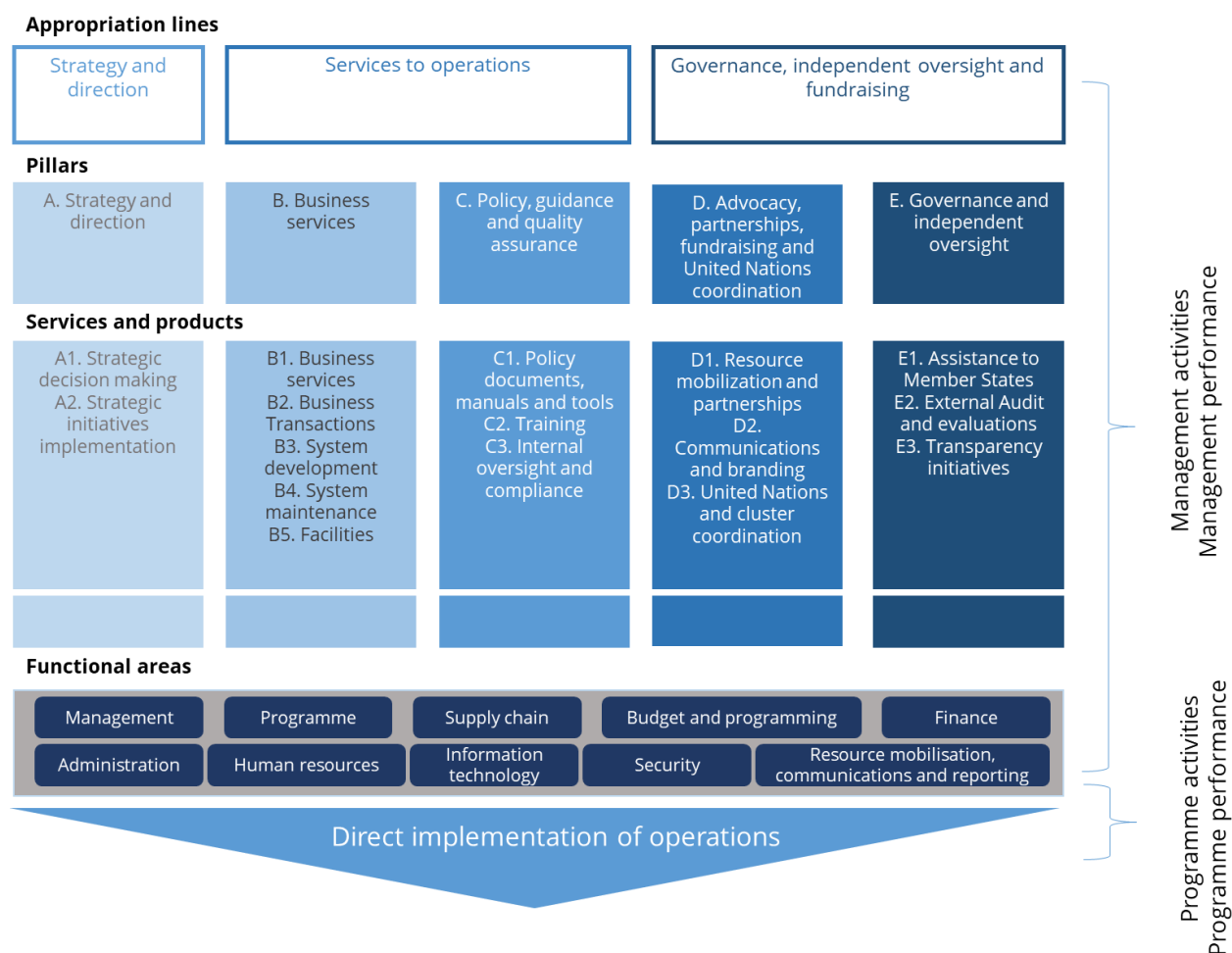
278. Staff costs include only the cost of professional staff and general service staff, as these categories of staff are budgeted using a standard position rate. The increased staff costs for 2022 are associated with higher post counts in those staff categories and the modest increase in the standard position costs.
279. In line with the WFP people policy, WFP is committed to ensuring that the type of contracts issued to employees is consistent with the type of work to be performed and the duration of expected employment. This commitment has resulted in increased costs associated with the shift of positions from temporary, consultancy and short-term professional contracts to fixed-term contracts.
280. Calculating the cost of the shift is challenging because a direct link between the posts counted in 2021 and those counted in 2022 was not made during the data collection process. The increase in costs includes a relatively low cost of shifting staff from short-term professional to fixed-term professional positions. On the other hand, there are considerable costs in shifting consultants to international professional positions due to the application of the standard staff cost rate for professional staff. Overall, these changes may have increased PSA by more than USD 5 million in 2022.
281. Non-staff costs increased very slightly from USD 197.3 million in 2021 to USD 198.5 million in 2022.⁵¹ The growth in headquarters and regional bureaux and the increase in central appropriations were significantly offset by the decrease in non-staff costs at the country office level because centralized services are no longer included in country office PSA budgets.

⁵¹ Non-staff costs in 2022 include USD 91.9 million of employee costs for short-term general service staff, consultants and national staff.

Programme support and administrative budget by appropriation line and pillar

282. Appropriation lines are the largest subdivision of the PSA budget in which the Executive Director is authorized to make transfers without the prior approval of the Board.⁵² The management line of sight shown in figure V.2, which has been employed since adoption of the management plan for 2018–2020, illustrates how programme and administrative support resources are provided through headquarters divisions, regional bureaux and core resources for country offices to ensure the implementation of CSPs and the achievement of results. The line of sight is structured around three appropriation lines, which are in turn divided into five pillars and 15 indirect support services and products.⁵³

Figure V.2: Management plan appropriation lines, pillars and outputs



283. The five pillars define the nature of the support provided to country offices for successful implementation of their CSPs. The diverse types of support provided are complementary among the various organizational units, but some of them are focused on specific pillars owing to the nature of the work that they facilitate. Table V.6 shows how the work of various organizational units is aligned with the five pillars.

⁵² See financial regulation 1.1 (defining “appropriation line”).

⁵³ The detailed structure used for measuring management performance is available at: <https://docs.wfp.org/api/documents/WFP-000023707/download/>.

| TABLE V.6: ANALYSIS OF PROGRAMME SUPPORT AND ADMINISTRATIVE BUDGET BY ORGANIZATIONAL UNIT AND PILLAR (USD million) | | | | | | | |
|---|----------------------------------|-------------------------------|--|---|--|-------------------|-------------------|
| | Strategy and direction | Services to operations | | Governance, independent oversight and fundraising | | | |
| | A. Strategy and direction | B. Business services | C. Policy, guidance and quality assurance | D. Advocacy, partnerships, fundraising and United Nations coordination | E. Governance and independent oversight | Total 2022 | Total 2021 |
| Country offices | 21.5 | 0.0 | 0.0 | 21.5 | 0.0 | 43.0 | 103.4 |
| Regional bureaux | 21.5 | 39.0 | 31.5 | 11.2 | 2.3 | 105.3 | 81.8 |
| Headquarters | 67.5 | 104.1 | 45.9 | 64.7 | 36.9 | 319.1 | 241.7 |
| Chief of Staff | 7.5 | 0.8 | 0.9 | 0.0 | 0.0 | 9.1 | 7.7 |
| Divisions reporting to the Executive Director | 1.8 | 0.4 | 7.4 | 1.9 | 33.5 | 45.0 | 37.5 |
| Deputy Executive Director | 17.4 | 26.6 | 2.6 | 6.7 | 1.4 | 54.6 | 44.5 |
| Partnerships and Advocacy Department | 1.1 | 2.6 | 2.6 | 52.3 | 0.0 | 58.7 | 44.0 |
| Programme and Policy Development Department | 15.5 | 8.8 | 17.0 | 3.6 | 0.0 | 44.9 | 30.6 |
| Resource Management Department | 14.9 | 47.2 | 12.7 | 0.0 | 2.1 | 76.9 | 57.2 |
| Workplace Culture Department | 9.3 | 17.7 | 2.7 | 0.2 | 0.0 | 29.9 | 20.2 |
| Central appropriations | 0.9 | 20.9 | 0.0 | 4.8 | 2.2 | 28.7 | 16.5 |
| 2022 total | 111.1 | 164.0 | 77.4 | 102.2 | 41.4 | 496.1 | |
| 2021 total | 83.7 | 178.6 | 68.1 | 73.2 | 39.8 | | 443.5 |

284. While the overall PSA budget is 12 percent higher in 2022 than in 2021, there are significant increases and decreases in the budget by pillar. Allocations will increase by approximately 33 percent for pillar A (strategy and direction), 14 percent for pillar C (policy, guidance and quality assurance) and 41 percent for pillar D (advocacy, partnerships, fundraising and United Nations coordination). Pillar E (governance and independent oversight) will increase by 4 percent. Pillar B (business services) shows a decrease of 8 percent compared with 2021.
285. The reduction in the PSA budget for country offices has significantly affected the allocations by pillar, in particular the changes shown in pillars A, B and D. In 2022, the PSA budget of USD 43.0 million for country offices is split evenly between pillars A and D. By contrast, the 2021 budget of USD 103.4 million was attributed as USD 62 million to pillar B and the remainder to pillars A (USD 25.1 million), C (USD 5 million) and D (USD 11.2 million). However, the elimination of the country offices' PSA budget for business services is largely offset by increases in the business services of regional bureaux and the Resource Management, Programme and Policy Development and Workplace Culture departments, along with an increase in central appropriations.
286. The increase in pillar A is driven largely by the increases in the budgets of the regional bureaux and the Deputy Executive Director. Fifty-three percent of the total increase in the budget for regional bureaux is allocated to pillar A, while all of the increase in the Deputy Executive Director's budget is attributed to pillar A.
287. The increase in pillar D is related to the reallocation of funding from other pillars in the budget for country offices and the increase in the budget of the Partnerships and Advocacy Department, which is consistent with the mainstreaming of strategic partnerships into the PSA budget.

Gender equality and women's empowerment

288. Investment in gender equality and women's empowerment will be guided by the evaluation of WFP's gender policy for 2015–2020,⁵⁴ which recommended that WFP allocate sufficient PSA funding to the implementation of its corporate commitments, including the work of the Gender Office and implementation of the regional gender strategies; develop strategies for the mobilization of extrabudgetary and project funding, in line with United Nations reform; and invest in dedicated, professional gender advisors at headquarters, regional bureaux and country offices. These investments will also enable WFP to fulfill the mandatory reporting requirements of the United Nation's System-wide Action Plan on Gender Equality and the Empowerment of Women.
289. The Gender Office continues to support the integration of gender equality and women's empowerment into all of WFP's work and activities, with the aim of ensuring that the specific food security and nutrition needs of women, girls and boys are met. Resources have been allocated to the Gender Office for key activities that include the provision of technical support and training, the implementation of the gender transformation programme, the application of the WFP Gender with Age Marker and the integration of gender equality and women's empowerment into policies, strategies and other corporate documents.

⁵⁴ WFP/EB.A/2020/7-B and WFP/EB.A/2020/7-B/Add.1.

290. The procedure for estimating the planned resources allocated to gender-related activities was updated as part of the BUSBE budget collection exercise. The procedure includes the proportional costs of personnel engaged in, and other costs contributing to, actions for gender equality at headquarters, regional bureaux and global offices. For 2022, nearly USD 24.4 million for gender equality activities was estimated under baseline activities, of which USD 20.8 million is incorporated into the PSA budget, compared with the 2021 estimate of USD 15.4 million. The increase in the planned gender equality costs, compared with 2021, is due primarily to changes in the methodology, as short-term employees with gender responsibilities are only included from 2022 onwards; an increase in the number of units that plan to implement gender equality activities; and the overall increase in the number of WFP employees, including those with gender responsibilities.

Indirect support cost rate

291. WFP's ISC rate is calculated to ensure that the cost of the activities defined in the PSA budget can be fully funded with projected contribution revenue. At the same time, the rate established should not generate excess income that could otherwise be used for direct programme implementation.
292. A method for deriving the standard ISC rate was established in 2006⁵⁵ and the derived rate for 2022 has been calculated as shown in table V.7.

| | |
|---|--------|
| 2020 baseline | 6.24 |
| Increase for higher indirect expenditures in 2022 | 1.02 |
| Decrease for higher funding forecast | (0.37) |
| Decrease for higher PSAEA balance | (0.29) |
| Derived ISC rate for 2022 | 6.59 |

293. Although analysis indicates a slightly increased ISC rate of 6.59 percent, for 2022 the Secretariat proposes maintaining a headline ISC rate of 6.5 percent and a lower rate of 4 percent for contributions that governments make to programmes in their own countries and contributions from developing countries or countries with economies in transition. The 6.5 percent rate continues to be the lowest such headline rate among the funds, programmes and specialized agencies of the United Nations.
294. The PSA budget proposal of USD 496.1 million⁵⁶ is set within the Secretariat's means and has been prepared taking account of projected ISC income of USD 501 million⁵⁷ arising from forecast contribution revenue of USD 8.4 billion for 2022.

⁵⁵ WFP/EB.A/2006/6-C/1.

⁵⁶ The PSA excludes significant one-time investments funded from reserves, usually the PSA equalization account, or the unearmarked portion of the General Fund as explained in section VII.

⁵⁷ The lower derived ISC rate of 6.3 percent takes into account the application of reduced or waived ISC for some contributions in line with general rule number XIII.4.

Section VI: Corporate services financing mechanism

Overview

295. This section of the management plan (2022–2024) summarizes the corporate services financing mechanism adopted in 2014 and the nature of support services that the mechanism is intended to cover in 2022.

The corporate services financing mechanism

296. The corporate services financing mechanism is a revolving mechanism⁵⁸ that enables WFP to provide services economically and efficiently through three funds: the fleet centre, the Capital Budgeting Facility (CBF) and fee-for-service activities. The mechanism serves as an internal tool for flexibly managing operations and does not require contributions from donors.

Increase of the ceiling for corporate services

297. The ceiling of USD 70 million approved by the Board in 2014 for the corporate services financing mechanism was increased to USD 82 million in the management plan for 2016–2018. WFP is requesting a further increase in the ceiling to USD 147 million.

298. WFP's significant growth since the corporate services financing mechanism was adopted has increased demand, especially for the CBF and fee-for-service (FFS) advances. In 2014, with a ceiling of USD 70 million, the mechanism accounted for 1.7 percent of the total implementation plan of USD 4.20 billion. With the proposed ceiling of USD 147 million, the mechanism would account for 1.7 percent of the total implementation plan for 2022 of USD 8.5 billion. The requested increase in the ceiling has the aim of keeping pace with the projected 102 percent growth in implementation plans between 2014 and 2022.

299. Such a degree of growth places high pressure on the corporate services financing mechanism, which supports an increasing number of multi-year projects that require capital investments. In addition, as a result of the BUSBE, at the beginning of each calendar year an increasing number of corporate services that can be directly linked to CSPs might require funding allocations that are subject to cost recovery during the year as services are delivered.

300. While potential risk associated with the corporate services mechanisms is the financial losses due to non-repayment from the borrowing units, since the establishment of the CBF and FFS funds, no financial losses were incurred so far. This is due to the mitigating actions in place, such as: a robust review and approval process on the requested loans including sources of funds and realistic repayment plan before disbursing the fund; continuous engagement with borrowing units ensuring the risk of late payment is foreseen and timely mitigated; and, regular monitoring and reporting to senior management on the status of all outstanding loans.

⁵⁸ [WFP/EB.A/2014/6-D/1](#).

301. Table VI.1 shows the requested increase by fund.

| TABLE VI.1: CURRENT AND PROPOSED CORPORATE SERVICES CEILING | | |
|--|--|---|
| Description | Current ceiling (USD million) | Proposed new ceiling (USD million) |
| Fleet centre Advances for fleet services for all WFP offices and operations | 15 | 15 |
| Capital budgeting facility Advances for multi-year projects that can demonstrate quantifiable benefits | 47 | 82 |
| Fee-for-service activities Advances for corporate services or activities, which are normally recovered from CSPs, headquarters units and global offices. | 20 | 50 |
| Total | 82 | 147 |

Fleet centre

302. The fleet centre fund provides advances to special accounts to cover the capital and operational costs of fleet services, which are subsequently recovered through vehicle leasing fees charged to the budgets of WFP offices, CSPs or other funding sources that have used the services. This financing mechanism enables WFP to optimize centralized procurement through the bulk purchasing of vehicles, while the transparent leasing service mechanism and the five-year light vehicle and eight-year armoured vehicle lifecycles enable WFP offices to plan and align their funding accordingly.
303. WFP's fleet service currently has more than 2,600 leased vehicles in its portfolio and provides holistic fleet management services by bringing together centralized vehicle leasing, system support, data analysis, technical and advisory services and training in a single centre of expertise.
304. WFP's collaboration with UNHCR on setting up a joint structure to provide fleet services for other United Nations agencies under the United Nations reform agenda has gained momentum, with staff from both organizations focusing on project management, workstreams and deliverables. An ambitious timeline has been set with the goal of supplying vehicles on lease to another agency before the end of 2021. Meanwhile, the WFP fleet management centre continues to work with FAO on the finalization of a global agreement on the provision of leasing services.
305. The fleet centre fund provides advances for two special accounts: the global vehicle leasing programme (GVLP) and the self-insurance scheme. The projected overall expenditure for 2022 is USD 38.5 million in total, with USD 37.3 million for the GVLP and USD 1.2 million for self-insurance.
306. The expected revenue from vehicle leases in 2022 is sufficient to cover the yearly expenditures of the two special accounts; therefore, a loan will not be required to support them in 2022. However, should there be unforeseen demand from WFP operations and other United Nations agencies such as FAO, the fleet centre fund will be able to provide advances from the projected opening balance of USD 5 million.

Capital budgeting facility

307. The CBF was established in the management plan for 2014–2016 as a revolving fund that enables WFP to provide advances for multi-year projects and to receive repayments from country portfolio budgets or other funding sources over agreed time periods. The CBF ceiling imposes a cap on the maximum permissible value of approved projects minus repayments made to the facility at any point in time. The current ceiling is USD 47 million.
308. Under current budget governance arrangements, applications for CBF advances are evaluated based on their return on investment, contributions to cost efficiency and programme and management effectiveness, and the feasibility of the repayment plan. They are endorsed by the Strategic Resource Allocation Committee prior to presentation to the Executive Director for final approval.
309. In the first instance, the CBF will be earmarked for advances that remain to be provided for approved CBF applications. The approved allocations for 2022 total USD 27.4 million, which includes advances to multi-year projects that also received funds in 2021, such as implementation of the private sector partnerships and fundraising strategy, development of the human capital management platform and construction of premises for the Mali country office. Advances will also be provided for improvements to premises in Nepal and Uganda and energy efficiency projects. Some of the main projects that have received advances from the CBF are described in the following text box.
310. In addition to these approved projects, loan applications for projects with an estimated value of USD 21 million are expected. Among these projects are development of the Abéché area office in Chad as a United Nations common premises, and construction of United Nations houses in Algeria and Malawi. Applications for common United Nations premises might also arise in 2022 and beyond, in connection with the reform of the United Nations development system, as might other applications in connection with new ways of working and implementation of the environmental management system for WFP's support operations.
311. In 2022, repayments of a total value of USD 6.7 million are expected from projects that were implemented in previous years, such as implementation of WFP's digital beneficiary information and transfer management platform (SCOPE) in South Sudan, fleet truck augmentation in Ethiopia and premises construction in Mali. Repayments against advances provided for ongoing and new projects approved in 2022 will continue in accordance with repayment schedules agreed at the time of project approval. Repayments are monitored by the Corporate Planning and Performance Division (CPP).
312. In light of ongoing and anticipated demands on the CBF in 2022, including planned advances in 2022 and repayment plans, an increase of USD 35 million in the CBF ceiling is requested, taking the ceiling to USD 82 million.

Recently approved applications for CBF loans

Implementation of SCOPE in South Sudan

South Sudan will implement SCOPE to scale up the biometric registration of crisis-affected populations, thereby contributing directly to the WFP operation's cost-efficiency and internal controls. The CBF loan is repaid through a service fee and from directed donor contributions for funding this innovation.

Capital for constructing new facilities in country offices

Mali: Work on new premises will include adaptation to new post-COVID standard working modalities, security upgrades and installation of a solar power system to improve energy efficiency. The country office commits to repaying the CBF loan within six years (2022 to 2027). Repayments will be made from direct support costs (DSC).

Uganda: A new, green WFP/UNICEF common premises will be constructed, accommodating approximately 25 percent more staff and achieving full compliance with security standards. The loan will be repaid from DSC over a period of 6.5 years.

Human capital management platform

Support will be provided for the multi-year implementation of cutting-edge technology and analytics that facilitate efficient and effective people management, improved human resources services and data-driven people management decisions. Once implemented, the human capital management platform will reduce the costs of external payroll processing services. The USD 13.3 million CBF loan will be repaid over a period of six years, based on annual repayments of USD 2.23 million starting in 2023 and using savings derived from lower third party payroll processing costs in regional bureaux and country offices.

Private sector partnerships and fundraising strategy

WFP's digital fundraising strategy¹ engages people worldwide in initiatives such as ShareTheMeal (which was awarded the 2020 best application of the year by Google and Apple) aimed at increasing yearly income from individual supporters and boosting familiarity with WFP's "brand" by 2025. In 2019, the Board approved the strategy, including the proposed funding approach of using a combination of critical corporate initiative investments, a loan from the CBF, a portion of donated funds and the programme support and administrative (PSA) budget. The CBF loan will be repaid from retained income over five years, from 2026 to 2030.

¹ WFP/EB.2/2019/4-A/Rev.1.

Fee-for-service activities

313. The fee-for-service fund provides advances to cover the costs of internal services provided centrally, with repayment of the advances throughout the year from the fees collected for services rendered. The advances outstanding at any time cannot exceed the ceiling for the fund, but the volume of turnover during the year may exceed the ceiling.
314. Services that benefit from fee-for-service advances include the recurring costs of corporate information technology (IT) operational costs (recovered on a per capita basis), staff security, food safety and quality, and the Logistics Execution Support System. Under the BUSBE cost recovery workstream, certain cost elements for procurement, shipping and beneficiary management will also become eligible for advances from the fund.

315. The per capita funding model was introduced in 2013 to recover the recurring costs of corporate IT systems and connectivity. The per capita budget covers standard IT infrastructure, contractual services, licences and fees and is estimated at USD 47 million in 2022, with approximately 20 percent related to global headquarters and 80 percent to country offices. The costs are recovered quarterly based on a headcount of employees in the WFP unit or office receiving the services.
316. The staff security emergency special account covers the costs related to security compliance and oversight, risk management support, and security analysis and field operations engagement. These activities support country offices in complying with minimum operating security standards. The costs cover staff, training, travel and tools. The projected expenditure for 2022 is USD 5 million, which is recovered from a charge included in standard position costs.
317. Advances from the fee-for-service fund can also be provided to the food safety and quality special account to support country offices with food safety and quality activities in all their operations. Full costs are recovered through the food transfer costs, but the expectation is that food safety and quality services might not require advances from the fee-for-service fund in 2022.
318. As highlighted by the BUSBE, several baseline activities can be traced directly to country office operations. To ensure that activities are funded from the most appropriate funding source, the activities that can be linked to CSPs will be charged to CSPs. The criteria for activities that fall into this category include whether they are transactional rather than normative in nature. A subset of the activities in three functions – beneficiary management, shipping services and procurement services – meet this criterion and are expected to be subject to fee-for-service arrangements. The projected volume of transactions from the services identified for funding through direct charges to CSPs amounts to USD 12.4 million. Some procurement and shipping service activities that are transactional and were previously funded solely from the PSA budget, and elements of beneficiary management, are classified as direct services and subject to cost recovery. These costs do not therefore appear as “baseline” costs in the management plan.
319. Advances from the fee-for-service fund will be used for the following activities:
- Shipping services: provision of ocean transport services – tendering, negotiation, booking, tracking and settlement of contracts – primarily for the movement of food distributed through WFP operations, but might also be for non-food items used in WFP operations. An estimated USD 2.7 million is to be funded through direct charges to CSPs. Normative, oversight, strategy and advisory services provided by the shipping unit and budgeted at USD 3.5 million will continue to be funded from the PSA budget. Any other services for humanitarian partners or technical support provided to governments for capacity strengthening will be charged as direct costs through special accounts or CSPs, as appropriate.
 - Procurement services: provision of food, non-food items and services – tendering, negotiation, contracting and settlement – for WFP operations. An estimated USD 2.7 million is to be funded through direct charges to CSPs. Enhancement of sustainable procurement and strengthening of field support, normative, oversight, strategy and advisory services provided by the procurement unit and budgeted at USD 4.4 million will be funded from the PSA budget.
 - Beneficiary management: provision and maintenance of tools and advisory services for end-to-end management of WFP’s beneficiary data, which includes identification, registration, planning, verification, recording, reconciliation and reporting activities. An estimated USD 7 million is to be funded through direct charges to CSPs.

320. The corporate services financing mechanism, including in particular the CBF and fee-for-service activities, has proved to be a successful tool for bringing quantifiable benefits to WFP. Since it was established in 2014, the CBF has recorded no write-offs and has received an increasing number of loan requests for supporting WFP operations and strengthening WFP's duty of care towards its employees and the environment. The new business model introduced by the BUSBE will include an increase in advance requests for the fee-for-service mechanism, which has successfully supported many corporate services and improved the predictability of operations by allowing service provision commitments to be funded at the beginning of the year. The Secretariat therefore recommends increasing the corporate service ceiling from USD 82 million to USD 147 million.

Section VII: Status of reserves

Overview

321. The General Fund is a separate fund category that is credited with indirect support cost (ISC) recoveries, miscellaneous income and contributions received that are not designated to a specific programme category, project or bilateral project.
322. Reserves are facilities established by the Board for funding and financing specific activities. WFP has four active reserves: the operational reserve; the Global Commodity Management Facility reserve; the IRA; and the PSA equalization account (PSAEA). An operational reserve is maintained within the General Fund as required under financial regulation 10.5 to ensure the continuity of operations in the event of a temporary shortfall in resources. In addition, the operational reserve is used to manage the risk associated with the internal project lending facility.
323. This section provides an overview of the PSAEA and the unearmarked portion of the General Fund.

Status of the programme support and administrative equalization account

324. The PSAEA, established in 2002, records the differences between WFP's ISC revenues and the PSA expenses for the financial period. The balance acts as a safety net to underwrite the risk of a shortfall in ISC income versus PSA expenditure. In 2015, the Board endorsed the use of the PSAEA for critical corporate initiatives,⁵⁹ which enable WFP to invest in sustainable initiatives that require non-recurring investment and improve the delivery of services to beneficiaries. Subject to the approval of the Board, the PSAEA can also be used for thematic support funds and for strengthening WFP's reserves.
325. Following a review of the optimal balance of the PSAEA,⁶⁰ the account has a target level of five months of PSA expenditure and a "floor" that is equivalent to two months of PSA expenditure. The projected opening and closing balances and movements in the PSAEA in 2021 are shown in table VII.1. The projected 2021 closing balance of USD 266.9 million will be equivalent to 7.2 months of PSA expenditure.

| TABLE VII.1: PROJECTION OF THE PROGRAMME SUPPORT AND ADMINISTRATIVE EQUALIZATION ACCOUNT FOR 2021 (USD million) | |
|--|---------------|
| PSAEA balance at 31 December 2020 | 231.6 |
| 2021 ISC projected revenue (based on forecasted income of USD 8.6 billion) | 511.0 |
| Approved 2021 PSA budget | (443.5) |
| PSAEA drawdowns in 2021 | (32.2) |
| - <i>Termination indemnity fund</i> | <i>(10.0)</i> |
| - <i>Private sector strategy</i> | <i>(22.2)</i> |
| Projected PSAEA balance at 31 December 2021 | 266.9 |

⁵⁹ WFP/EB.A/2015/6-C/1. The criteria are that a proposal must be 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.

⁶⁰ WFP/EB.2/2015/5-A/1/Rev.1.

The programme support and administrative equalization account and critical corporate initiatives for 2022

326. In the light of the healthy PSAEA balance projected for the beginning of 2022, the Secretariat is proposing to invest in two critical corporate initiatives totalling USD 42.4 million. Table VII.2 shows the projections for the PSAEA in 2022. The projected balance is USD 229.4 million at 31 December 2022, equivalent to 5.6 months of PSA expenditure, thus providing an additional cushion beyond the target level of five months should the projected revenue forecasts in 2021 or 2022 not materialize.

| TABLE VII.2: PROJECTION OF THE PROGRAMME SUPPORT AND ADMINISTRATIVE EQUALIZATION ACCOUNT FOR 2022 (USD million) | |
|--|--------------|
| Projected PSAEA balance at 31 December 2021 | 266.9 |
| 2022 ISC projected revenue (based on forecasted income of USD 8.4 billion) | 501.0 |
| Proposed 2022 PSA budget | (496.1) |
| PSAEA drawdowns in 2022 | (42.4) |
| - <i>Private sector strategy</i> | (17.1) |
| - <i>Investing in WFP people</i> | (25.3) |
| Projected PSAEA balance at 31 December 2022 | 229.4 |
| 2022 PSAEA target (equivalent to 5 months of 2022 PSA expenditures) | 206.7 |
| 2022 PSAEA floor (equivalent to 2 months of 2022 PSA expenditures) | 82.7 |

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

Multi-year initiative on the private sector partnerships and fundraising strategy (USD 17.1 million in third year)

327. To enable it to save more lives and change more lives, WFP plans to significantly increase funding from the private sector, primarily through its fundraising programme from individuals, which is a large and growing source of funds that are often given flexibly and can be used for WFP's greatest needs. The private sector partnerships and fundraising strategy,⁶¹ approved at the 2019 second regular session of the Board, forecasts that income from the fundraising programme from individuals – which raises funds from individuals around the world through the ShareTheMeal application, the wfp.org website and Friends' organizations in the United States of America and Japan – will increase from USD 17.6 million in 2018 to USD 172 million in 2025. It is forecast that during the period of the strategy (2020–2025) cumulative gross income of USD 684 million will be raised from donations by individuals around the world. The critical corporate initiative investment discussed here totals USD 52.3 million over the period 2020–2022 and relates only to the growth of the fundraising programme from individuals under pillar 2 of the private sector strategy – income.

328. So far, satisfactory progress against the KPIs has been achieved, as demonstrated in the quarterly reports produced in 2020 and 2021. The income raised from individuals increased to USD 50 million in 2020, and 700,000 new supporters were recruited from around the world. In 2021, ShareTheMeal, the wfp.org fundraising team, World Food Program USA

⁶¹ WFP/EB.2/2019/4-A/Rev.1.

(WFP USA) and the Japan Association for WFP (JAWFP) are on track to raise USD 77.5 million by the end of the year, having already raised 61 percent of that total by the middle of the year. The high percentage of income already raised is due to the receipt of especially high income from WFP USA at the start of 2021 following successful fundraising in the fourth quarter of 2020.

329. KPIs for individual giving have consistently been exceeded. The target return on advertising spend (ROAS) of 1.7 for the 12 months after a new supporter's first donation was exceeded in 2020 with an estimated return of 2.0 across all teams and channels. Together, the ShareTheMeal and wfp.org fundraising teams invested USD 10.2 million in 2020, which generated income of USD 18.8 million by the end of 2020, although many new supporters made donations for only part of the year and not for the full 12 months. In 2021, the ShareTheMeal and wfp.org fundraising teams have been allocated USD 18.25 million of the USD 22.15 million critical corporate initiative investment for the year. The new supporters recruited by the teams in 2020 continue to donate generously in 2021 and are already exceeding the long-term returns forecast in the investment model.

| TABLE VII.3: PRIVATE SECTOR INCOME FORECAST FOR 2021 (USD million) | | |
|---|-----------------------------------|-----------------------------|
| Income stream | Received - by 30 June 2021 | Total 2021 forecast* |
| Corporations | 37.5 | 53 |
| Foundations | 297.4 | 315 |
| Individuals** | 47.3 | 77.5 |
| Total | 382.2 | 445.5 |

* Target forecast calculated as high + medium + 30 percent of low probability.

** "Individuals" includes income from Friends organizations and is significantly ahead of the target at the mid-year point due to higher than expected income from WFP USA.

330. At the mid-point of the second year of the private sector strategy a significant milestone has been reached, in that it is now possible to assess the performance of new supporters recruited in 2020. Donations from new supporters recruited in 2020 have achieved a cumulative ROAS of 2.8, and with many supporters continuing to donate throughout 2021 this return will increase by the end of the year. The donors recruited in 2020 are therefore on track to exceed the target 12-month ROAS of 1.7 and the 24-month target of 2.9 by the end of 2021.
331. Thanks to the continued growth of the fundraising programme from individuals, WFP is advancing towards the private sector strategy goals of developing a sustainable revenue stream and diversifying income. The ShareTheMeal team's incorporation into WFP's Private Partnerships and Fundraising Division will enable it to engage more fully with a wider range of individual supporters and to harness opportunities to share expertise and insights with the individual giving team. Despite ongoing global economic challenges related to the COVID-19 pandemic, the continued support from existing supporters and the growth in the number of new supporters donating to WFP and similar organizations worldwide provide evidence that individual giving is a resilient approach to generating sustainable, flexible funds for WFP.
332. Table VII.4 identifies the KPIs that have been monitored since the critical corporate initiative started in 2020. The KPIs are grouped by deliverable.

| TABLE VII.4: KEY PERFORMANCE INDICATORS, TARGETS FOR 2020–2022 AND RESULTS IN 2020 | | | | |
|---|-------------------------------|-------------------------------|--------------------|--------------------|
| Key performance indicator | 2020 achieved | 2020 target | 2021 target | 2022 target |
| Deliverable 1: Increase total individual giving income for WFP | | | | |
| Total funding from individuals (<i>USD million</i>) | 50.2 | 40.0 | 77.5 | 112.0 |
| “Paid acquisition” income (<i>USD million</i>)* | 17.8 | 16.5 | 46.0 | 82.0 |
| Deliverable 2: Ensure high return on investment | | | | |
| Average 12-month return on advertising spend | 2.0:1 | 1.7:1 | | |
| Deliverable 3: Recruit high-value supporters, including regular supporters | | | | |
| Average donation, regular giving and single gift (<i>USD</i>) | Single: 21.3 Regular: 21.3 | Single: 50.0 Regular: 16.0 | | |

* Please see paragraph 333 for an explanation of “paid acquisition” income.

333. The KPIs for deliverable 1 measure progress by tracking the income raised for WFP operations. Table VII.4 shows that funds raised in 2020 amounted to USD 50.2 million, compared with the target of USD 40 million. By the middle of 2021, USD 47.3 million of the USD 77.5 million target for the year had been raised. In addition to tracking the total income from individuals, it is important to monitor the income from paid acquisition (that is, the income derived from investments in activities and tools for attracting new supporters) in order to assess both the total amount of income raised and performance, which is tracked by KPIs 2 and 3. The KPI for deliverable 2 measures the projected 12-month ROAS, focusing on the ratio between income from paid advertising activities and expenditure on media with the aim of ensuring that WFP receives sufficient value from the funds it invests. The KPI for deliverable 3 measures the success of investment by tracking the values of donations from single and regular donors. The three KPIs are aggregated to calculate the projected ROAS and tracked to show the actual ROAS. It is possible for these values to vary from their targets and still to achieve the overall ROAS target, for example when a relatively low average donation per supporter is offset by a relatively low acquisition cost per supporter.

334. In 2020 the average single donation target was USD 50, compared with an actual average of USD 21; however, the acquisition cost for this type of donor was USD 11, significantly lower than the target value of USD 30. The supporters most likely to have the highest value for WFP over the long term are those who make regular monthly contributions. The programme is performing better than expected in terms of the average monthly donation from regular supporters, which was USD 21 in 2020, compared with the planned amount of USD 16. In 2021 the average monthly donation has risen to USD 21.77; this is 36 percent higher than planned and offsets the low percentage of regular monthly supporters recruited, which is below the target.

Implementation and allocation in 2022

335. In 2022, the critical corporate initiative investment will be used for media expenses and costs related to the use of external consultants to support the Private Partnerships and Fundraising Division’s ShareTheMeal and wfp.org fundraising teams and external funding organizations such as JAWFP and WFP USA, to enable them to maximize investment opportunities and returns and mitigate risks.⁶² No WFP staff are funded from this CCI.

⁶² The 2021 quarterly reports will provide updates on the returns on investment for the ShareTheMeal and individual giving teams, and results from Friends’ organizations will be reported at the end of the year.

A significant amount of the media investment for the ShareTheMeal and wfp.org fundraising teams is used for advertising on social media platforms, and smaller amounts are allocated to other platforms or outlets as a way of maintaining flexibility. Table VII.5 shows how critical corporate initiative investment has been used by fundraising teams over the three years of the initiative.

| Fundraising team | 2020 actual | 2021 forecast* | 2022 forecast* |
|--|--------------------|-----------------------|-----------------------|
| wfp.org | 4.3 | 8.9 | 6.8 |
| ShareTheMeal | 6.4 | 8.9 | 6.8 |
| Friends' organizations (JAWFP and WFP USA) | 2.4 | 4.4 | 3.4 |
| Total | 13.1 | 22.2 | 17.1 |

* Allocations for 2021 and 2022 are estimates.

336. Friends' organizations allocate funds according to their specific markets. For example, WFP USA made significant investments in its successful digital programme, while in Japan the focus is currently on investing in face-to-face fundraising.
337. As agreed with the Board at the end of 2020, WFP will issue quarterly financial reports and six-monthly reports on progress in implementation of the private sector strategy. Periodic events and informal sessions will be held to provide updates on specific aspects of WFP's evolving private sector engagement and to solicit feedback from Board members.
338. Approval and disbursement of the third and final tranche of investment funding of USD 17.1 million is proposed for the Board's approval. If approved, the tranche will be released in January 2022 only if 2021 mid-year results reporting shows that Board-approved KPIs have been achieved. Following completion of the critical corporate initiative, efforts related to the private sector partnerships and fundraising strategy will be funded from returns on investment and the growth in income from private sector donors.

Multi-year initiative on investing in WFP people (USD 25.3 million in the first year)⁶³

339. The new strategic plan for 2022–2026 will identify WFP's people as a key enabler of the achievement of the organization's mission. WFP is committed to delivering excellence in people management that enables it to continue to save and change the lives of food-insecure people. The WFP people policy⁶⁴ provides a vision of WFP's future workforce and a framework for the achievement of four related work priorities: "nimble and flexible"; "performing and improving"; "diverse and inclusive"; and "caring and supportive".
340. To achieve that vision, the investment in this CCI will support efforts to transform the workforce that WFP requires to fulfil its mandate, build improved, respectful and inclusive workplaces and support employee health and well-being. Implementation of the CCI will focus on the field level, including capacity strengthening for regional bureaux and country offices. The CCI is informed by the WFP people policy and related enablers such as the wellness strategy, the human resources strategy, findings from evaluations, surveys and audits and inputs from headquarters and regional bureaux.
341. The CCI covers one-time activities spanning three years. Any related recurring activities and funding are covered by the PSA budget. As foreseen in the WFP people policy, "effective implementation of the initiatives necessary to achieve excellence in the

⁶³ The current value is based on data from budget submissions analysed on 29 July 2021.

⁶⁴ WFP/EB.A/2021/5-A.

management of WFP's people requires a change management process that is long-term in nature, reflecting a sustained, coordinated, and incremental approach." The change management process comprises three interrelated phases – transition, mainstream and sustaining – and is supported by the five deliverables of the CCI: proactive management of structures and positions; acquisition and retention of diverse talent; capability and capacity development; development of respectful and inclusive workplaces; and employee safety, health and well-being.

342. During the period 2022–2024, the purpose of the CCI is to support excellence in people management, and the required organizational change, by strengthening WFP's organizational capacity to establish, operationalize and absorb corporate and cross-functional activities that achieve the outcomes expected from each deliverable. The expected outcomes and activities that support the transition and mainstreaming phases of the change management process in 2022 have been identified through detailed analysis of the inputs received from headquarters and regional bureaux as part of the BUSBE. The expected outcomes and activities for 2023 will be defined by mid-2022 based on progress achieved. During the period of the CCI opportunities for mainstreaming will be explored, and upon completion of the CCI in 2024, any future requirements for capacity strengthening and related activities will be mainstreamed into the PSA budget by embedding them in the recurring budget approved for global headquarters functions and in the country portfolio budgets for CSPs. An overview of the proposed budget for each deliverable is shown in table VII.6. Annex VII presents a concept note with additional details and analysis broken down by deliverable and supporting activity.

Budget summary

| TABLE VII.6: INVESTING IN WFP PEOPLE CRITICAL CORPORATE INITIATIVE – BUDGET (<i>USD million</i>) AND FULL-TIME EQUIVALENT NUMBER OF EMPLOYEES, BY DELIVERABLE | | | | | | |
|--|---------------|------------|---------------------|------------|---|------------|
| Deliverable | Total | | Headquarters | | Regional bureaux and country offices | |
| | Budget | FTE | Budget | FTE | Budget | FTE |
| Deliverable 1: Proactive management of structures and positions | 7.1 | 54 | 4.5 | 29 | 2.7 | 25 |
| Deliverable 2: Acquisition and retention of diverse talent | 4.0 | 29 | 2.4 | 14 | 1.6 | 15 |
| Deliverable 3: Capability and capacity development | 8.7 | 49 | 3.4 | 9 | 5.3 | 41 |
| Deliverable 4: Development of respectful and inclusive workplaces | 1.0 | 9 | 0.9 | 7 | 0.1 | 2 |
| Deliverable 5: Employee safety, health and well-being | 4.4 | 23 | 0.4 | 2 | 4.1 | 21 |
| Total | 25.3 | 164 | 11.6 | 61 | 13.7 | 103 |

FTE = full-time equivalent number of staff and non-staff employees such as consultants.

343. Deliverables 1 and 3 are expected to represent the bulk of these initiatives and together account for 63 percent of the total budget (USD 25.3 million) and total full-time equivalent number of employees (FTEs (164)). Headquarters departments and divisions account for 46 percent, or USD 11.6 million of the total budget, while the regional bureaux and country offices account for the remaining 54 percent, or USD 13.7 million. Total costs are higher for the regional bureaux and country offices due to the number of FTEs that are expected to be required to support the CCI.

One-time, multi-year activities at headquarters

344. Fourteen departments and divisions have activities that support the achievement of at least one of the five deliverables.
345. The Workplace Culture Department will oversee funding for the continued building and promotion of an enabling workplace culture through consistent local implementation of tailored policies and improvement actions, including those identified through assessment against the standards set by WFP's core values and people policy and the global staff survey.
346. At headquarters, resources will be made available for strengthening capacity, primarily at the regional and country office levels, reflecting WFP's priority of developing a diverse workforce and inclusive workplaces and its need to establish new processes and activities at the local level in order to adapt talent acquisition and employee onboarding and retention.
347. Other activities required for the establishment of strategic capacity at the departmental level are included in the CCI. For example, support for strategic talent management will be provided to WFP's global partnership function to ensure that the right staff are assigned to the right roles. The Programme and Policy Development Department will strengthen the knowledge and skills of its own staff and of a group of country directors and deputy country directors with a view to helping them to be more successful in their jobs and more effective in supporting efforts to achieve zero hunger.

One-time, multi-year activities at the regional bureau and country office levels

348. All six of the regional bureaux have activities that support the achievement of at least one of the five deliverables, and country offices will receive enhanced assistance from the regional bureaux until they are able to incorporate appropriate changes into their CSPs.
349. The impact of the change management process depends on the capacity at the regional bureau and country office levels to absorb multiple initiatives and apply new standards and practices. The CCI enables the regional bureaux to establish or strengthen change management capacity and support country offices, primarily in two areas: recruitment and staff development activities, and occupational health and well-being, including specific regional activities.
350. Through recruitment and staff development activities WFP will invest in improving its approach to talent acquisition by embedding tools for candidate assessment such as aptitude or psychometric testing and training in competency-based interviewing and by equipping managers to serve as talent acquisition champions. A primary focus will be on acquiring a WFP workforce for the future and positioning the organization as a champion of workforce diversity, including by providing effective career development opportunities.

351. Activities covering occupational health and wellbeing will centre on implementing standards that ensure the fulfilment of WFP's duty of care for all employees in all regions, including provision of the necessary medical and technical support. The CCI will also support WFP in providing evidence-informed medical case management services for all employees at the regional and country office levels. Such services include the management of medical clearance, sick leave, travel and evacuations for medical reasons, disability and the provision of individual counselling and group psychosocial support for employees and their family members.

| Object of expenditure | Deliverable 1 | Deliverable 2 | Deliverable 3 | Deliverable 4 | Deliverable 5 | Total |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| Staff costs | 3.8 | 3.0 | 3.9 | 0.3 | 3.5 | 14.6 |
| Non-staff human resource costs | 1.5 | 0.3 | 1.6 | 0.4 | 0.4 | 4.3 |
| Non-staff other costs | 1.8 | 0.7 | 3.2 | 0.2 | 0.6 | 6.4 |
| Total | 7.1 | 4.0 | 8.7 | 1.0 | 4.4 | 25.3 |

352. Table VII.7 provides a breakdown of the costs planned under each of the five deliverables. Staff costs are included to reflect the multi-year nature of the initiative and in accordance with the provisions of the (proposed) WFP staffing framework relating to functions that will be required for one year or more. The proposed non-staff HR costs, mainly for consultants, are for the provision of expert advice or the fulfilment of professional functions in the short-term.

353. Staff and non-staff HR costs are highest under deliverables 1 and 3, totalling USD 10.9 million and reflecting the investment required to strengthen the capacity of and provide guidance to regional bureau and country office managers. In addition, more than three quarters of total non-staff other costs arise from these two deliverables. Non-staff other costs, meaning those costs not directly connected with employment, include duty travel, training, office supplies and communications.

Key performance indicators

354. Table VII.8 identifies the key performance indicators (KPIs) to be monitored over the three-year lifecycle of the CCI. The KPIs are grouped by deliverable alongside the budgeted resources and targeted results for 2022. Baseline measurements have been gathered for those KPIs with data available and processes established at the time of writing to ensure targets are ambitious and achievable. Additional details on the KPIs listed in table VII.8 can be found in annex VII.

| TABLE VII.8: KEY PERFORMANCE INDICATORS, 2022 BASELINES AND TARGETS, BY DELIVERABLE | | | |
|---|---------------|-------------------|---------------|
| | Budget | Baseline | Target |
| Deliverable 1: Proactive management of structures and positions | | | |
| Number of functions and country offices with a workforce plan | 7.1 | 4 | 19 |
| Percentage of positions filled | | Under development | |
| Percentage of workforce employed on short-term contract | | 60% | <58% |
| Deliverable 2: Acquisition and retention of diverse talent | | | |
| Percentage of applications received from people with disabilities | 4.0 | <5% | >5% |
| Average number of days to fill a vacant post | | Under development | |
| Deliverable 3: Capability and capacity development | | | |
| Number of country offices reporting risks associated with a skills shortage or mismatch | 8.7 | 16 | <12 |
| Deliverable 4: Development of respectful and inclusive workplaces | | | |
| Number of divisions/offices with global staff survey action plans in operation | 1.0 | 30 | >100 |
| Number of global staff survey activities completed to plan | | 0 | >200 |
| Deliverable 5: Employee safety, health and well-being | | | |
| Percentage of units complying with WFP security management policy and framework of accountability | 4.4 | 90% | 92% |
| Number of new cases of service-incurred injury or illness | | >40 | <25 |

Unearmarked portion of the General Fund

355. The main source of income for the unearmarked portion of the General Fund is investment income derived 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 line with Financial Regulation 11.3.

356. The opening balance of the unearmarked portion of the General Fund was USD 281 million on 1 January 2021 and is forecasted to reach USD 298 million at the end of 2022. The forecasted balance of the unearmarked portion of the General Fund is net of treasury management expenses (investment management, bank and advisory fees and treasury staff costs) and other expenses (including projected allowances/write-offs).

Proposed increase in the use of the annual unearmarked General Fund allocated to the Treasury Branch

357. To ensure optimal management of WFP's financial resources and enhance the monitoring of financial risks, WFP's Investment Committee has highlighted the need to increase capacity, staff and other support costs for the Treasury Branch. These investments are recommended as a way of enabling WFP to effectively manage greater values of cash and investments, additional oversight by investment managers, greater volumes of foreign exchange transacted centrally and on behalf of field offices, increased digitalization assistance for field offices as more payments are made electronically, more stringent external regulatory banking requirements, and increased business requirements including foreign currency management associated with the broader spectrum of services offered by WFP to host governments. In the increasingly complex macroeconomic environment faced by many country operations, WFP is exposed to increased foreign exchange and counterparty risks in food and cash-based transfers. These risks are exacerbated in a growing number of

countries where local currency balances have increased and cannot be repatriated or converted into hard currency, or where parallel foreign exchange markets flourish. For example, Ethiopia, Lebanon, South Sudan, the Sudan, the Syrian Arab Republic, Yemen and Zimbabwe have experienced these risks, requiring WFP to increase technical capacity to monitor exposure, analyse market developments, provide assistance to field offices and mitigate exposure where feasible by relying on partners or using sophisticated financial instruments.

358. In addition, WFP is exploring how to broaden its funding base by adopting innovative financing mechanisms based on new forms of partnership with the private sector, traditional donors, official creditors and multilateral institutions such as the World Bank and the International Monetary Fund (IMF). These efforts require expertise in financial structuring such as debt swaps and blended finance.
359. For this management plan covering 2022–2024, WFP proposes to increase the use of the annual unearmarked General Fund allocated to the Treasury Branch from USD 1.55 million⁶⁵ to USD 2.35 million. The increase would be fully offset against the expected income from interest on investments, which is allocated each year to the General Fund. The increase in resources would provide funding for an additional three positions in the Treasury Branch and increased information technology (IT) and other support costs.

Potential future use of available reserve balances

360. Historically, the Board has exercised its authority to approve allocations from available balances in reserves, specifically the PSAEA and the unearmarked portion of the General Fund, for strategic investments aimed at strengthening WFP's capacities, resourcing and financing mechanisms in support of strategic priorities. Examples of Board-approved allocations in prior years include enhancement of the WFP Information Network and Global System (WINGS), development of the country strategic planning framework and corporate results framework under the Integrated Road Map (IRM) and funding of the IRA and the Emerging Donor Matching Fund (EDMF).
361. WFP's share of the costs of the United Nations Department of Safety and Security (UNDSS) was funded from the unearmarked portion of the General Fund until 2014. However, UNDSS costs are deemed to be recurring business operation expenditures payable to a United Nations entity and now included in PSA central appropriations for 2022.
362. Prior to the approval of the strategic plan for 2022–2026, no proposals on the use of available reserve balances are included in this management plan for 2022–2024. In 2022, the Secretariat may submit to the Board specific proposals on funding WFP's capacities, resourcing and financing mechanisms in support of strategic priorities. Such proposals might include capital investment in the enterprise resource planning system and the funding of capacities to implement priority elements of the new strategic plan and CRF for 2022–2026. Proposals may also include funding for WFP's existing financing mechanisms such as the IRA and the EDMF and for any innovative financing structures deemed suitable for WFP. In accordance with established practice, the Secretariat will present detailed and costed proposals for the Board's approval.

⁶⁵ Approved by the Executive Board through the management plan for 2019–2021: [WFP/EB.2/2018/6-A/1/Rev.1](#).

Operational reserve

363. Financial Regulation 10.5 calls for the maintenance of an operational reserve to ensure the continuity of operations in the event of a temporary shortfall in resources. The operational reserve of USD 95.2 million is used to manage the risk associated with the internal project lending facility of USD 570 million at a leverage ratio of 6:1. A recent assessment of the adequacy of the operational reserve concluded that from a risk management perspective, it would be feasible to raise the ceiling of the internal project lending facility by increasing the leverage ratio to 7:1 to meet increased demand associated with the growth in WFP operations over recent years. Such an option for increasing the leverage ratio may be recommended to the Board during 2022.

Global Commodity Management Facility reserve

364. The GCMF reserve provides for losses sustained by the facility that fall outside insurance coverage. The current balance of the reserve is USD 6 million; no movements have occurred in the reserve since its creation in 2014. At its 2021 annual session, the Board increased the ceiling for the GCMF from USD 560 million to USD 660 million. Based on absence of losses since its inception, the reserve is deemed adequate despite the increase in the ceiling of the GCMF.

Section VIII: Management performance measurement

Overview

365. The WFP corporate results frameworks (CRFs) for 2017–2021⁶⁶ and 2022–2026 are based on the principle that programme performance reflects WFP's results in saving and changing beneficiaries' lives, while management performance supports programme performance. These two areas of performance are measured by different types of indicator: programme output and outcome indicators for programme results, and key performance indicators (KPIs) for management results. The indicators are used for performance management and internal and external reporting at the country and corporate levels – CSP logical frameworks, annual plans and country reports.
366. The revised CRF for 2017–2021⁶⁷ sets targets for the programme outputs and performance indicators that guide WFP in using all available resources to accomplish its mandate, ensure transparency and accountability, and support the strategic direction of the organization. The 2022 targets provided in this management plan are provisional, as the new strategic plan and CRF may include revised indicators and targets for 2022–2026.
367. WFP's CRF for 2022–2026 introduces a set of management results that are derived from the corporate priorities and the organizational enablers mentioned in the strategic plan.
368. In addition, the new strategic plan includes a dedicated section on cross-cutting results and related indicators, which are derived from WFP's cross-cutting policies and strategies in key areas such as gender equality and women's empowerment, nutrition integration, and protection and accountability to affected populations.
369. The emphasis on cross-cutting issues in WFP's new strategic plan and CRF responds to the findings of recent reviews and evaluations – including the Multilateral Organisation Performance Assessment Network's evaluation and the mid-term review of the CRF 2017–2021⁶⁸ – that WFP should develop a more robust framework for managing cross-cutting priorities. WFP has recognized these issues as areas of corporate responsibility and committed to strengthening its reporting on the implementation of cross-cutting policies.

Corporate management performance targets

370. WFP's corporate management performance targets define the standards to which the organization holds itself accountable in contributing to the implementation of the strategic plan and in supporting programme performance, and help ensure the most efficient use of financial, human and physical assets to fulfil its mandate. The standards are measured by three categories of indicator: category I and II indicators reflect WFP's overall performance, and category III indicators are used internally by WFP for daily management of operations.

⁶⁶ [WFP/EB.2/2018/5-B/Rev.1](#) and [WFP/EB.A/2019/5-A](#).

⁶⁷ [WFP/EB.2/2018/5-B/Rev.1](#) and [WFP/EB.A/2019/5-A](#).

⁶⁸ Multilateral Organisation Performance Assessment Network. 2019. *MOPAN 2017–18 Assessments: Organisational Performance Brief World Food Programme (WFP)*.

Category I key performance indicators

371. Category I KPIs measure management performance that contributes to implementation of the WFP strategic plan through CSPs. There are three high-level category I indicators, the components of which are used in internal tools for country offices:

- KPI 1: Overall progress towards achievement of indicator targets at the output and outcome levels in CSPs.
- KPI 2: Effective emergency preparedness and response measures WFP's performance against emergency preparedness and response standards. Component indicators that measure the efficiency, effectiveness and coverage of emergency response training will be maintained. However, in addition, WFP's corporate priority of leadership in emergencies will lead to a gradual expansion of the component indicators to optimize the use of KPI 2 in measuring performance in key areas under this priority, such as performance in emergency and surge capacity, emergency processes, "no regrets" response, access and civil military coordination.
- KPI 3: Overall achievement of management performance standards measures the performance of country offices in each functional area in supporting the implementation of CSPs. Aggregation of functional areas permits a corporate analysis of management processes.

| TABLE VIII.1: CATEGORY I MANAGEMENT KEY PERFORMANCE INDICATORS AND COMPONENTS | | | | |
|--|-------------------|---------------------|--------------------|----------------------|
| Key performance indicator | 2020 value | 2020 target* | 2021 target | 2022 target** |
| KPI 1: Overall progress in country strategic plan implementation*** | | | | |
| Component indicator | | | | |
| % of outcome indicator achievement | 66 | 85 | 85 | 85 |
| % of output indicator achievement | 60 | 80 | 80 | 80 |
| KPI 2: Effective emergency preparedness and response**** | | | | |
| Component indicator | | | | |
| % of training areas that met target number of training events in emergency response | 100 | 100 | 100 | 100 |
| % of learning objectives met across emergency response trainings | 93 | 85 | 85 | 85 |
| % of corporate alert system countries having benefited from advance financing (IRA, IR-R, IR-PREP) | 88 | 90 | 90 | 90 |

| TABLE VIII.1: CATEGORY I MANAGEMENT KEY PERFORMANCE INDICATORS AND COMPONENTS | | | | |
|---|-------------------|---------------------------|---------------------------|---------------------------|
| Key performance indicator | 2020 value | 2020 target* | 2021 target | 2022 target** |
| KPI 3: Overall achievement of management performance standards | | | | |
| Component indicator | | | | |
| Management: gender representation (%)***** | 43 | Office milestones | Office milestones | Office milestones |
| Management: number of outstanding audit recommendations | 71 | Fewer than previous years | Fewer than previous years | Fewer than previous years |
| Management: % of overdue internal audit recommendations | 12 | <10 | <10 | <10 |
| Programme: % of implemented evaluation recommendations | 56 | 100 | 100 | 100 |
| Programme: % of outputs achieved within partnerships | 45 | N/A | 55 | 55 |
| Supply chain: % of post-delivery losses | 0.33 | < 2 | <2 | <2 |
| Supply chain: % of tonnage uplifted by the agreed date | 83 | 95 | 95 | 95 |
| Supply chain: % of tonnage not reconciled | 5 | 5 | 5 | 2 |
| Budget and programming: % of CSP expenditures against original implementation plan | 80 | 90 | 90 | 90 |
| Human resources: performance and competency enhancement (PACE) compliance rate (%) | 90 | 100 | 100 | 100 |
| Human resources: mandatory training compliance rate (%) | 81 | 95 | 95 | 95 |
| Administration: % of internal controls in place and implemented in administration | 73 | 75 | 75 | 80 |
| Administration: % of WFP fixed assets physically counted and verified | 98 | 100 | 100 | 100 |
| Finance: % of enhanced risk items in the financial dashboard | 6 | < 7 | < 7 | < 7 |
| Information technology: % of compliance with information technology security standards | 89 | 100 | 100 | 100 |
| Security: % of compliance with the WFP security management policy and framework of accountability | 94 | 90 | 90 | 95 |
| Resource mobilization: % of needs-based plan funded in country operations***** | 91 | 80 | 80 | 80 |

| Key performance indicator | 2020 value | 2020 target* | 2021 target | 2022 target** |
|---|-------------------|---------------------|--------------------|----------------------|
| Resource mobilization, communication and reporting: monthly target media penetration (%)***** | 30 | 32 | 32 | 34 |
| Resource mobilization, communication and reporting: story exploration (page views per visit to wfp.org/stories) | 2.4 | 2.4 | 2.4 | 2.4 |
| Resource mobilization, communication and reporting: social engagement score (%) | 3.4 | 3.80 | 3.80 | 4 |

* 2020 targets are based on the updated targets in the annual performance report for 2020: <https://docs.wfp.org/api/documents/WFP-0000127445/download/>.

** 2022 targets will be finalized in the new strategic plan. The values presented here are provisional targets set by the corresponding focal points.

*** Following the KPI review exercise, output and outcome achievements reassessed in reference to baseline, target and follow-up values.

**** The component indicators under KPI 2 have been replaced by three new indicators that better reflect WFP's performance.

***** For gender representation, each country office has annual milestones.

***** The calculation consists of the available contributions divided by the annual needs-based plan. Available contributions include the annualized value of allocated contributions available and consisting of the yearly allocation of contributions, plus the unspent balance of allocated contributions carried forward from previous years.

***** WFP no longer reports on "favourable media coverage" but is working with a new partner that provides those data. The social engagement score indicator measures the degree of engagement that WFP's global channels generate each month over the year.

IR-PREP = Immediate Response Account for Preparedness; IR-R = Immediate Response Request.

Category II key performance indicators

372. Category II KPIs have a more short-term perspective and measure progress against corporate priorities set by WFP's leadership,⁶⁹ multilateral arrangements and externally governed commitments.

373. As illustrated in table VIII.2, the first cluster of indicators covers the United Nations system and coordination. The KPIs are unchanged since the management plan for 2018–2020 and reflect WFP's continued external commitments. The second cluster covers the established priorities of WFP's executive leadership.

⁶⁹ First included in the management plan for 2018–2020, the category II KPIs were approved by WFP senior management in October 2019 and include indicators for which targets were set in the revised CRF part II approved by the Board at its 2019 annual session. These indicators are reviewed annually and are subject to additions and alterations following the Executive Management Group meeting in August each year.

| TABLE VIII.2: CATEGORY II MANAGEMENT KEY PERFORMANCE INDICATORS AND COMPONENTS | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2020 values | 2020 target | 2021 target | 2022 target |
| United Nations system and coordination | | | | |
| % of achievement of quadrennial comprehensive policy review commitments* | | | | |
| % of UN SWAP 2.0 indicators met or exceeded | 81 | 88 | 88 | 88 |
| % of cluster user surveys that reach their satisfaction targets | 100 | 100 | 100 | 100 |
| Executive thematic priorities | | | | |
| % of employees completing mandatory training on harassment, sexual harassment and abuse of power (SHAP) and protection from sexual exploitation and abuse (PSEA) | 82 | 95 | 100 ** | 100 |
| % of country offices with a functioning community feedback mechanism*** | 56 | 60 | 65 | 70 |
| % of WFP cash transfers supported digitally | 71 | 80 | 80 | 80 |
| % of country offices implementing environmental management systems | 8 | 20 | 30 | 40 |
| % of funding directed to the strategic outcome level or above | 26 | 30 | 30 | 30 |

* The “% of achievement of quadrennial comprehensive policy review commitments” reflected the policy recommendation of the Quadrennial Comprehensive Policy Review for 2016–2019. The United Nations system policy guidance for the 2021–2024 quadrennial period is currently being prepared for General Assembly consideration. As a result, this metric is currently suspended pending approval of a new quadrennial comprehensive policy review, which is expected by the end of 2021.

** This indicator combines the completion rates of training in SHAP and PSEA. However, SHAP training material was being revised in 2021, so the indicator in 2021 reflects measurement against the PSEA target only. The target for 2022 is 100% for both SHAP and PSEA training.

*** The methodology for this indicator was revised to calculate the KPI value based on the community feedback mechanism standardization initiative, on which country offices were assessed for the first time in 2020.

UN SWAP = United Nation System-wide Action Plan on Gender Equality and the Empowerment of Women.

ANNEX IV

Evaluation function work plan 2022–2024

Introduction

1. This annex sets out the proposed programme of work for the overall evaluation function for the period from 2022 to 2024, presenting the estimated corporate resources required for the function and the work plan of the Office of Evaluation (OEV).
2. The work plan reflects the ambition of WFP's leadership to establish an evaluation function that meets global expectations for independent evaluation by supporting accountability for results, organizational learning and evidence-based decision making throughout WFP. It is fully responsive to the demands of the 2030 Agenda for Sustainable Development.
3. The proposed programme of work takes into account the WFP response to the recommendations of the independent peer review of WFP's evaluation function,¹ the WFP policy on country strategic plans² and the anticipated implementation of an updated evaluation policy for 2022–2030, currently being prepared for submission for approval at the Board's 2022 first regular session.
4. The update to the current evaluation policy, for 2016–2021,³ together with an updated corporate evaluation strategy⁴ and evaluation charter,⁵ establish the vision, strategic direction and normative and accountability framework for the evaluation function and clarify the institutional arrangements for evaluation.
5. The work plan has a three-year timeframe, from 2022 to 2024, in accordance with WFP's management plan, and continues the ongoing phased approach to resourcing.

Overall evaluation function resource requirements

6. *Key priorities:* Deliverables for 2022 and the outlook for 2023 and 2024 are based on the following five strategic outcomes set out in the draft updated policy, which includes an additional outcome (paragraph c) in the following) focusing on the accessibility and availability of evaluation results:
 - a. Evaluations are independent, credible and useful.
 - b. Evaluation coverage is balanced and relevant and serves both accountability and learning purposes.
 - c. Evaluation evidence is systematically accessible and available to meet the needs of WFP and partners.
 - d. WFP has enhanced capacity to commission, manage and use evaluations.

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

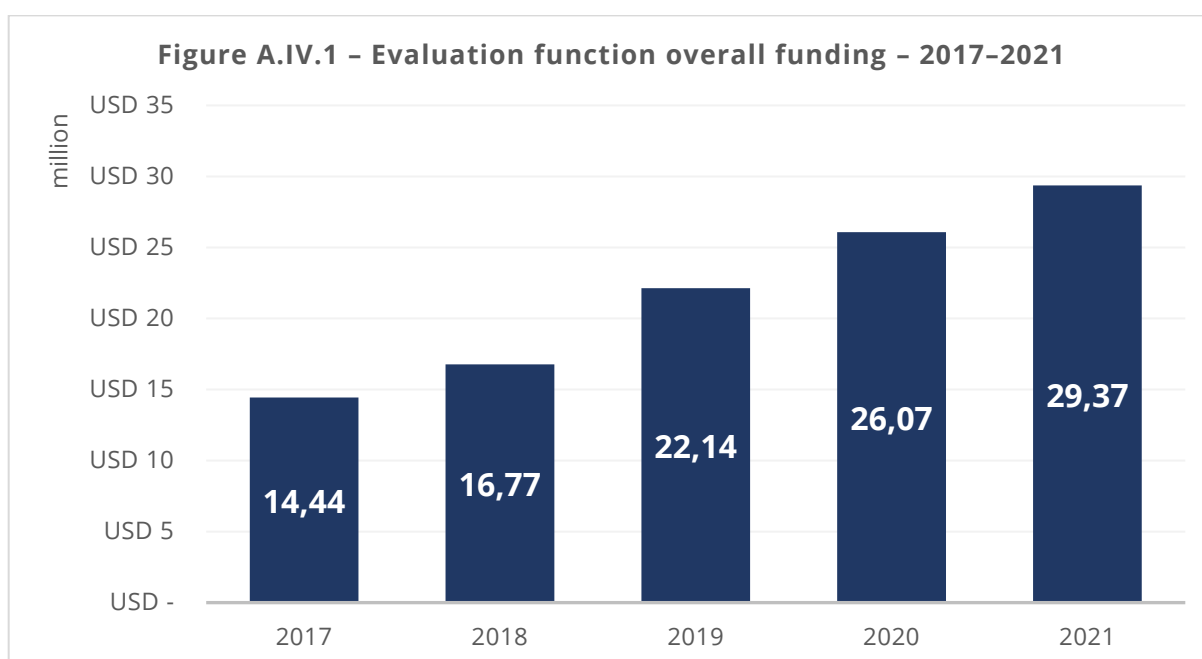
² Approved by the Board at its 2016 second regular session (WFP/EB.2/2016/4-C/1/Rev.1), the CSP policy requires an evaluation for every CSP.

³ WFP/EB.2/2015/4-A/Rev.1.

⁴ Endorsed by the Executive Management Group, April 2016.

⁵ Issued by the Executive Director, May 2016.

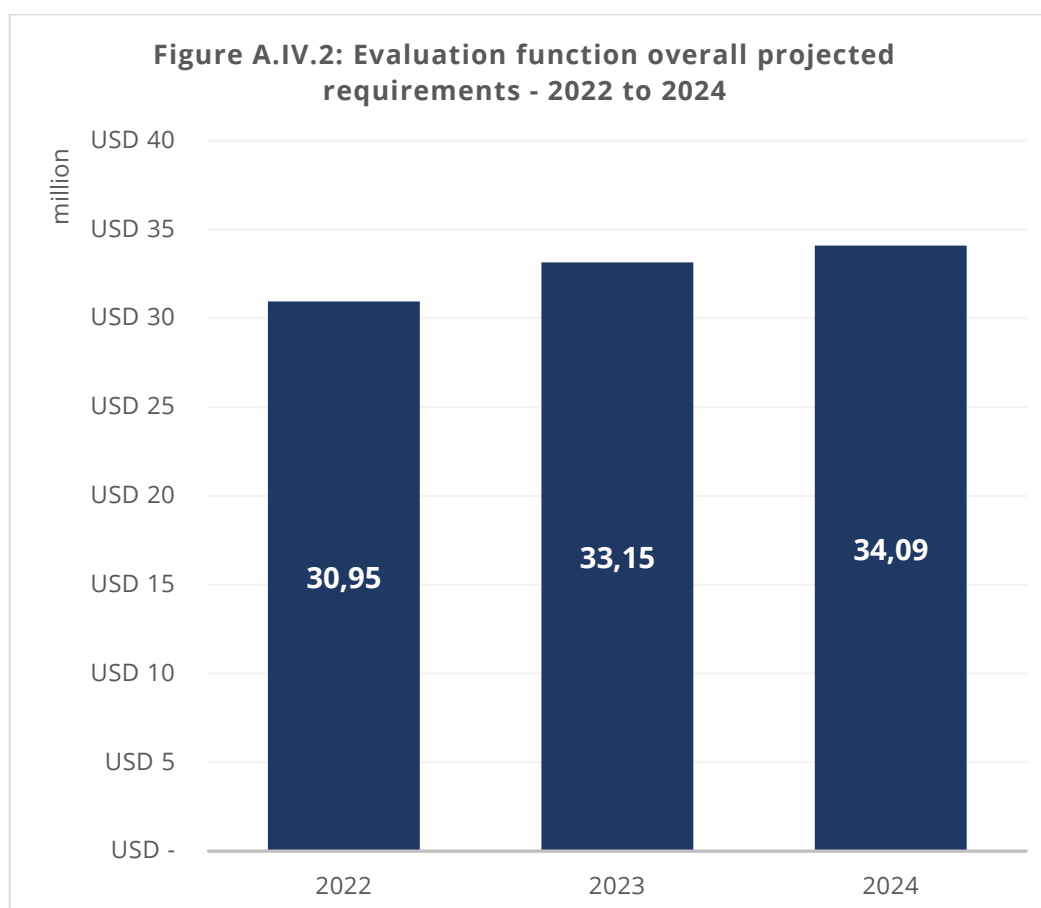
- e. Evaluation partnerships contribute to the global evaluation agenda and United Nations coherence.
7. The main areas of investment are decentralized and centralized evaluations, the continued expansion of impact evaluation “windows” and the consolidation of integrated learning from and use of evaluative evidence.
 8. The overall evaluation work plan will evolve to reflect the changes brought about by WFP’s new strategic plan and the global evaluation agenda and to ensure United Nations coherence. All evaluation activities are regularly reviewed and carefully planned and managed to ensure that corporate accountability and learning needs continue to be met without placing unnecessary burden on WFP operations and partnerships.
 9. *Overall funding levels 2017–2021:* Figure A.IV.1 shows the evolution of resource requirements for the evaluation function across WFP over the course of the current evaluation policy (2017–2021).



10. *Overall resource requirements 2022–2024:* Figure A.IV.2 shows the overall requirements for 2022–2024. The workplan for 2022 and the outlook for 2023 and 2024 reflect the ambition of achieving a continuing increase in resource allocations and an evolving resourcing profile in order to meet the commitments in the current policy, satisfy the demand for a diverse set of evaluations that meet accountability and learning needs across WFP and anticipate the strategic direction of the updated policy. The increases in the programme support and administrative (PSA) budgets in 2022 for OEV and some regional evaluation units demonstrate the commitment of WFP management to further investing in and consolidating the evaluation function and reflect the aspiration of matching the share of WFP’s budget spent on evaluation with those of comparable agencies.⁶ The figures include a modest increase in staffing at the headquarters and regional levels in 2022 to cover the expected continued increase in centralized, decentralized and impact evaluations.

⁶ The United Nations Joint Inspection Unit (JIU/REP/2014/6) concluded that organizations should allocate between 0.5 and 3.0 percent of their organizational expenditures to evaluation.

11. Estimated figures are based on the OEV work plan, current and anticipated trends in regional bureaux and best assumptions and projections. Plans remain very fluid, particularly in the light of the continued volatility of CSP cycles as WFP seeks to align its CSPs with the United Nations sustainable development cooperation frameworks (UNSDCFs). This has implications for the planning of CSP evaluations and decentralized evaluations. In addition, the COVID-19 pandemic is expected to continue to increase the volatility of the evaluation plan. WFP will continue to respond flexibly to changes and trends as they emerge, depending on the human and financial resources available.
12. The figures reflect the provisional planning and budgetary situation in early September 2021 and feedback from the bottom up strategic budgeting exercise (BUSBE) project committee. As part of WFP independent oversight and governance, evaluation costs for OEV are considered to be recurrent and baseline. OEV's original needs-based work plan was reduced by USD 730,000 during the review process.
13. Across the function, 2022 should be considered a transition year as progress towards meeting the current coverage norms resumes following the slowdown in decentralized, policy, strategic and corporate emergency evaluations in 2020–2021 attributable to the COVID-19 pandemic. It should therefore be expected that 2023 will be the first year in which full implementation of the minimum coverage norms under the current evaluation policy for 2016–2021 will be achieved.



14. Table A.IV.1 presents a detailed breakdown of the resources required to implement the work plan for 2022 and the outlook for 2023 and 2024. It shows the budgets allocated from different funding sources to date, reflecting the evolution of funding sources and budgets over time at the corporate and regional levels.

**TABLE A.IV.1: ESTIMATED OVERALL RESOURCE REQUIREMENTS (USD million)
FOR THE EVALUATION FUNCTION (September 2021)**

| Main element | Funding source | RESOURCES AVAILABLE TO THE EVALUATION FUNCTION (USD million) | | | | | NEEDS BASED REQUIREMENTS (USD million) | | | |
|--|--|--|--------------|--------------|--------------|--------------|--|------------------------------------|--------------|--------------|
| | | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 [10] Requested | 2022 Provisionally allocated | 2023 | 2024 |
| OEV work plan | PSA base total / Baseline | 8.38 | 7.43 | 10.39 | 12.22 | 12.73 | 15.99 | 15.17 | 15.87 | 16.29 |
| | PSA base staff costs / Baseline | 3.05 | 3.00 | 5.66 | 7.03 | 7.27 | 9.41 | 9.13 | 9.13 | 9.13 |
| | PSA base other costs / Baseline [1] | 5.33 | 4.43 | 4.73 | 5.18 | 5.46 | 6.58 | 6.04 | 6.74 | 7.16 |
| | PSA equalization account investment case | - | 0.40 | - | - | - | - | - | - | - |
| | Extra-budgetary (Multilateral) [2] | - | 0.50 | 0.59 | - | - | - | - | - | - |
| | Extra-budgetary (Multilateral 2018 - carry over to 2019)[3] | - | - | 0.12 | - | - | - | - | - | - |
| Country strategic plan evaluation [4] | Programme sources / Country Portfolio Budgets | - | - | 1.75 | 2.25 | 4.50 | 3.75 | 3.75 | 4.25 | 2.25 |
| Multi-donor Trust Fund (Impact Evaluation) [5] | Extra-budgetary / Baseline | - | - | 0.56 | 4.53 | 1.37 | 1.21 | 1.21 | 2.83 | 3.67 |
| Data collection IE costs [11] | Programme sources / Country Portfolio Budgets | - | - | - | - | - | 0.61 | 0.61 | 1.42 | 1.83 |
| OEV subtotal | | 8.38 | 8.33 | 13.41 | 19.00 | 18.60 | 21.55 | 20.73 | 24.37 | 24.04 |
| | Established staff positions / Baseline | 15 | 15 | 29 | 37.5 | 39 | 48 | 48 | 48 | 48 |
| | Staff costs as % of total OEV budget | 36% | 36% | 42% | 37% | 39% | 42% | 43% | 38% | 39% |
| Regional Evaluation Units [6] | Regional Evaluation Officers + Others (operational costs 2017 - 2020 / from 2021 RB PSA business case) | 1.60 | 1.61 | 1.64 | 1.64 | 2.58 | 3.51 | 3.44 | 3.44 | 3.44 |
| | Regional investment case (RB PSA embedded from 2020) | - | - | - | 0.90 | - | - | - | - | - |
| | Regional investment case (PSA equalization account in 2019 and 2020) | - | - | - | 0.36 | - | - | - | - | - |
| | Multilateral | - | - | 1.67 | - | - | - | - | - | - |
| Decentralized evaluations [8] | Programme sources (projected for 2020) | 2.96 | 5.33 | 3.92 | 2.67 | 6.70 | 5.28 | 5.28 | 3.84 | 5.12 |
| Decentralized evaluations subtotal | | 4.56 | 6.94 | 7.23 | 5.57 | 9.27 | 8.79 | 8.72 | 7.28 | 8.56 |
| Contingency Evaluation Fund [7] | PSA/Multilateral | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Grand total | | 14.44 | 16.77 | 22.14 | 26.07 | 29.37 | 31.85 | 30.95 | 33.15 | 34.09 |
| As % of WFP contribution income [9] | | 0.24% | 0.23% | 0.28% | 0.31% | 0.34% | 0.38% | 0.37% | 0.41% | 0.43% |

[1] From 2017, includes 1.5M mainstreamed into PSA Other - approved Investment Case in MP Submission 2017-19.

[2] Multilateral funding for support for the decentralized evaluation system.

[3] Multilateral funding for support for the decentralized evaluation system - having received the 2018 allocation late in the year part of the balance was carried forward to 2019.

[4] From 2019, constitutes programme funds from country portfolio budgets for country strategic plan evaluation. 2022, 2023 and 2024 figures based on number of planned CSPEs as of end August 2021 (15 in 2022 - 17 in 2023 - 9 in 2024)

[5] For 2019, 2020 + 2021 contributions received to date into the MDTF from BMZ/KFW and USAID for multi-year use; for 2022 confirmed contribution; for 2023 - 2024 planning projections.

[6] Between 2017-2020, the Regional Evaluation Units' budget was coming from various sources including the RB PSA as well as additional PSA or multilateral allocations approved through investment cases coordinated by OEV. In 2021, the budget for REUs was consolidated under an RB PSA business case. In 2022 BUSBE submission pending confirmation of figures. Dedicated CO/HQ evaluation manager costs will be captured from 2022 onwards.

[7] Contingency evaluation fund - As follow up to Peer Review recommendation and EFSG advice, extending CEF to CSPES and IEs is also under consideration.

[8] Figures for 2017-2018 are based on the number of decentralized evaluations that started (preparation phase) in 2017-2018 and an estimation of their conduct and management costs

Figures for 2019-2020 are based on the number of decentralized evaluations that started in 2019-2020, an estimation of their management cost and a combination of planned or actual conduct costs

Figures for 2021 are based on the number of decentralized evaluations that are expected to start in 2021, an estimation of their management cost and their planned conduct costs.

Figures for 2022 are based on estimated projection of DEs (33) with actual planning figures per DE.

Figures for 2023 and 2024 are based on estimated projections of DEs under the current coverage norm (1 DE per CSP cycle): 24 DEs (2023) and 32 DEs (2024) with an average cost per DE of USD 135,000 for evaluation conduct and USD 25,000 for evaluation management

[9] Figure for 2017, 2018 and 2019 based on actual contributions income;

Figures for 2020 and 2021 based on projected contribution revenue (Source: Salesforce)

Figures for 2022, 2023 and 2024 based on projected contribution revenue (Source: Management Plan 2022-24)

[10] Original OEV MP submission request prior to requested decreases.

[11] COs are expected to plan, budget and allocate resources for the data collection element of an Impact Evaluation.

For 2022, this is an indicative projection based on 4 country offices contributing funds from CPB in 2022 with progressive increase over the years. From 2022 onwards OEV will be setting up a systematic way to capture and report on CPB contributions to IE costs as part of the blended funding model for impact evaluations

15. *Funding sources:* Table A.IV.2 presents the four principal sources of funding for the evaluation function. Significant progress has been made in diversifying and consolidating these sources over the term of the current policy. In addition to its regular PSA budget, the evaluation function is funded from country portfolio budgets and a multi-donor trust fund set up in late 2019 to support impact evaluations in specific countries, for the latter of which OEV is actively fundraising to support the ongoing growth in impact evaluations.⁷ From 2022 onwards, the Contingency Evaluation Fund, which used to be funded through centralized services and the PSA budget, will be funded from multilateral funding.

| TABLE A.IV.2: THE FUNDING MODEL FOR WFP'S EVALUATION FUNCTION | | | |
|--|--|--|--|
| PSA budget | Programme resources/country portfolio budgets | Multi-donor trust fund (donor contributions) | Multilateral contingency evaluation fund* |
| Decentralized evaluations oversight: regional evaluation units (staff and operational costs of each unit) | Decentralized evaluations conduct and management (staff time); implementation costs | | Support for country offices that face genuine resource constraints in respect of planned and budgeted decentralized evaluations |
| Centralized evaluations conduct and management (OEV annual work plan) | Country strategic plan evaluations conduct: adjusted direct support costs (DSC) | | <i>Support for country offices that face genuine resource constraints for planned and budgeted CSP evaluations</i> |
| Impact evaluations conduct and management (OEV annual work plan) | Impact evaluations data collection costs | A dedicated multi-donor trust fund managed by OEV that channels donor resources to <i>specific WFP impact evaluations</i> | <i>Support for small country offices that face genuine resource constraints in respect of impact evaluation data collection costs</i> |
| OEV overall function responsibility (standards, oversight, reporting) | | | |

* The Contingency Evaluation Fund was funded from the PSA budget between 2017 and 2021. From 2022 onwards, in accordance with guidance resulting from the BUSBE, multilateral funding will be used. Text in italics refers to the expanded scope of the fund. Technical guidance on the joint assessment of applications for funding from the fund by the Programming Services Branch and OEV will be revised against agreed criteria for evaluation function steering group decision making.

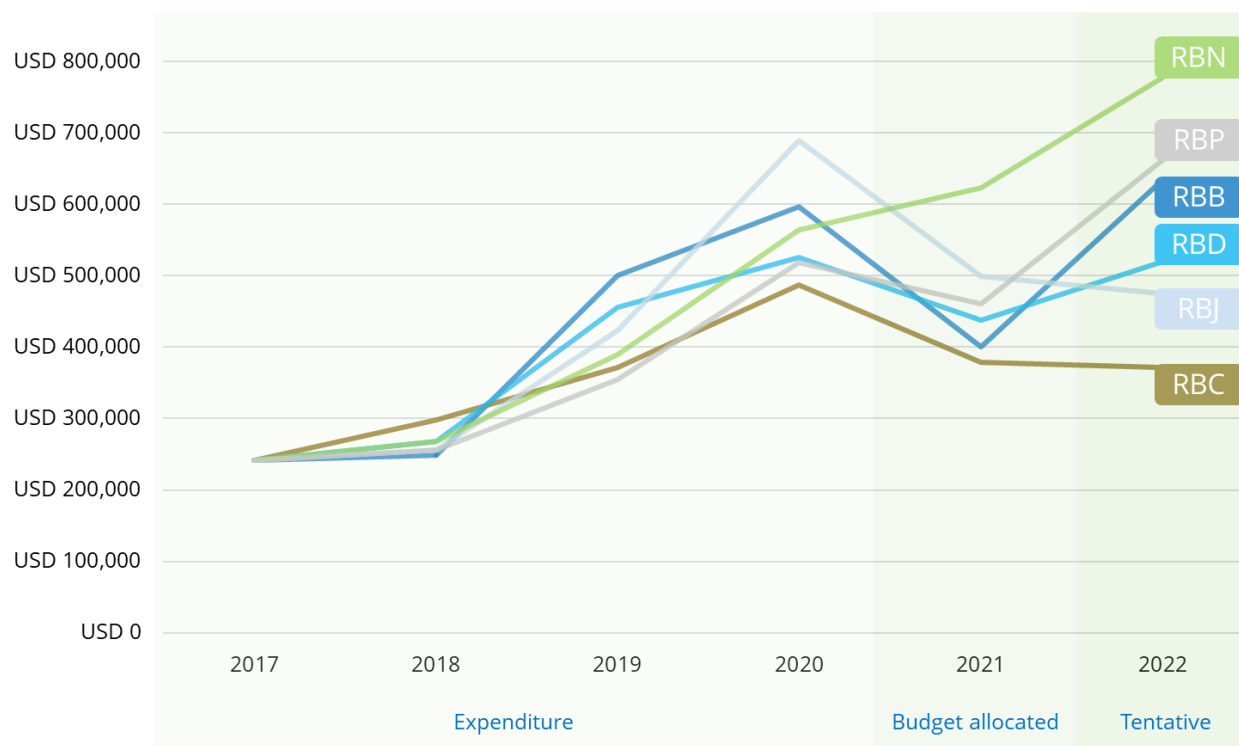
Resources for regional evaluation units

16. Figure A.IV.3 shows the evolution of the budgets of the six regional evaluation units and their funding requirements for 2022. Each unit has a structure unique to its regional situation and plans. OEV will continue to work with regional bureaux management to ensure that adequate resources for the regional evaluation units and for regionally led evaluations are embedded in the PSA budgets of all regional bureaux. Details of the

⁷ To date, contributions have been received from Germany's Federal Ministry for Economic Cooperation and Development, the Reconstruction Credit Institute and the United States Agency for International Development.

projected numbers of decentralized evaluations and the type of support provided by the regional evaluation units, backed up by OEV, are included in section B below.

Figure A.IV.3 Evolution of the regional evaluation unit budgets (2017–2022)



2019 PSA and multilateral terminal disbursement dates (TDDs) were extended to 31 August 2020, explaining why expenditures were high in 2020. 2021 budgets reflect PSA allocations as of start of year, with one investment case included for the Regional Bureau for Eastern Africa, and further modifications are expected. Regional evaluation unit budgets for 2022 are indicative and not confirmed.

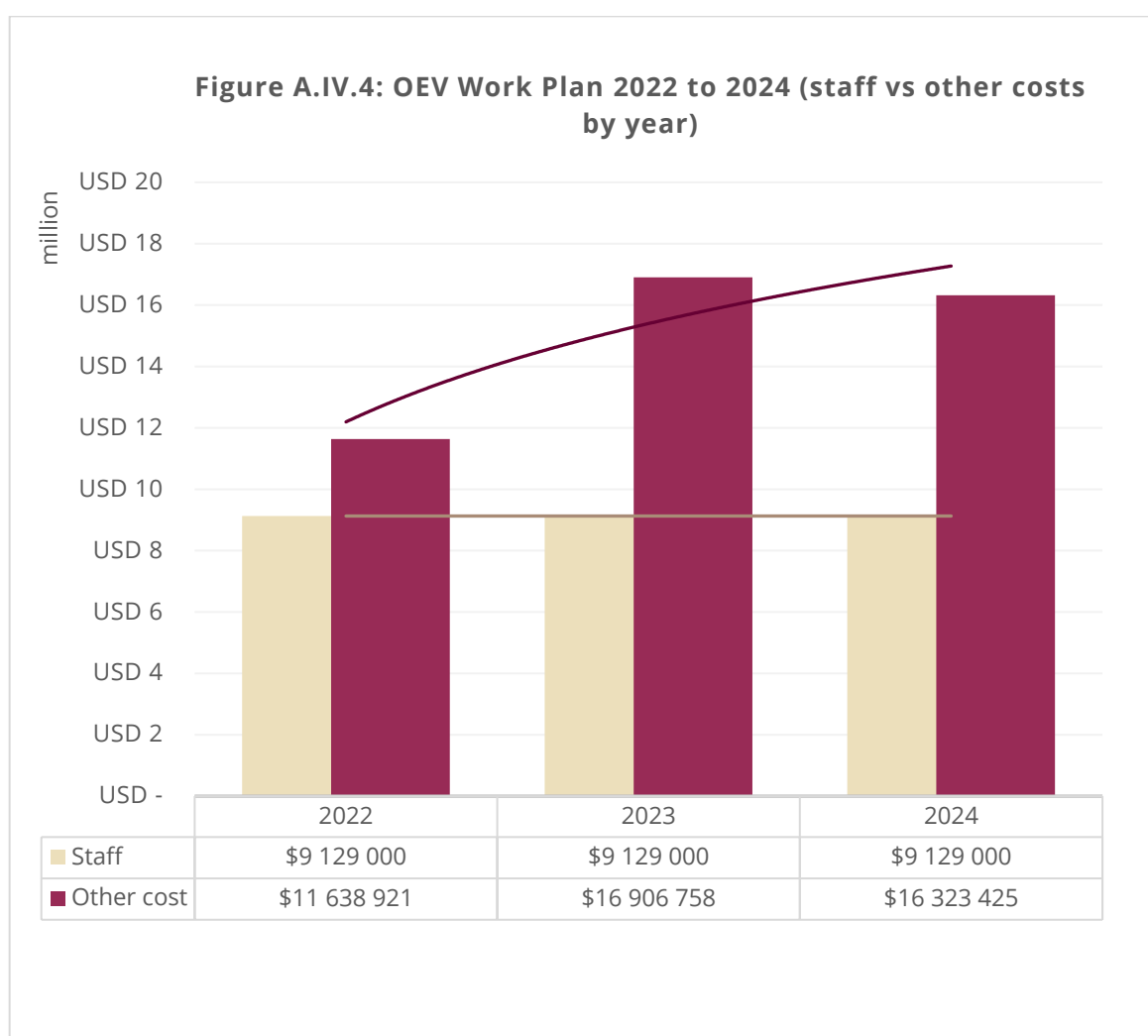
Abbreviations: RBB = Regional Bureau for Asia and the Pacific; RBC = Regional Bureau for the Middle East and Northern Africa; RBD = Regional Bureau for Western Africa; RBJ = Regional Bureau for Southern Africa; RBN = Regional Bureau for Eastern Africa; RBP = Regional Bureau for Latin America and the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

Resources for the Office of Evaluation 2022 work plan

17. For OEV, 2022 will be a year of transition to the updated evaluation policy, strategy and charter, with continued attention directed to managing a significant number of CSP evaluations in accordance with the minimum coverage norms under the CSP policy, supporting decentralized evaluations and continuing the increase in impact evaluations.
18. The increase in the PSA budget for OEV will enable the resumption of coverage norms for policy, strategic and corporate emergency evaluations following a slowdown in activity in the light of the COVID pandemic, the delivery of a large number of CSP evaluations, the continued expansion of impact evaluation activities, and engagement with system-wide evaluations while also increasing the focus on evaluation use.
19. In 2022, the total resources for OEV to ensure progress towards the five interdependent outcomes anticipated in the draft updated evaluation policy are costed at *USD 20.73 million* and are distributed as follows: *USD 15.17 million* from the PSA budget for unfunded baseline activities; *USD 3.75 million* from programme sources for CSP evaluations, and *USD 0.6 million* for the collection of data for impact evaluations, which will be sourced from country portfolio budgets; and *USD 1.2 million* of confirmed contributions considered funding for baseline activities from the multi-donor trust fund for supporting impact evaluation work in specific countries. The overall needs-based budget for OEV initially totalled *USD 15.99 million*, but as mentioned in paragraph 12, OEV was requested to reduce

it by USD 730,000⁸, which will have an impact on plans for proceeding with the nutrition impact evaluation window and engaging with the United Nations Evaluation Group (UNEG) and partnerships for national evaluation capacity development.

20. As a result of the 2022 BUSBE, figures for 2022 onward are not directly comparable with those for previous years. Figure A.IV.4 shows the evolution of the breakdown between staff costs versus other costs by year. Other costs comprise the conduct and management of all centralized evaluations (global and synthesis, CSP evaluations and impact evaluations). The major driver of the overall increase in OEV's budget is the planned increase in centralized evaluations and impact evaluations envisaged in the impact evaluation strategy, with a proportionate increase in staff costs and a slight increase in staffing requirements in 2022 for delivering on the updated evaluation policy. In future years, staff costs are expected to remain stable in relation to further growth in other costs as the number of evaluations is set to increase.



21. *Human resources:* The total OEV staff budget required for 2022 is *USD 9.13 million*. The reason for the higher budget in 2022 is twofold. First, staff costs from 2022 onward will include all contract types regardless of duration (in accordance with the BUSBE). For example, short-term and consultancy contracts were previously included in other costs and are now included under staff costs. Second, the number of established positions will be increased

⁸ Updated standard position rates account for an additional reduction of approximately USD 90,000.

from 39 to 48, of which five are fixed-term positions (three at the P-2 level and one each at the G-3 and G-4 levels) converted from short-term positions in line with the people policy and forthcoming staffing framework and four are new positions. Of the new positions (two each at the P-5 and P-3 levels), two at the P-5 level are to head formalized sub-units focusing on the use of evaluative evidence, with the establishment of a new policy outcome, and on impact evaluation. Increased P-5 capacity will also provide second-level quality assurance for the increase in centralized evaluations envisaged in the work plan.

22. *Efficiency:* OEV's restructuring exercise was finalized in 2020 and enables the office to provide more appropriate, flexible and efficient support to meet the needs of the highly integrated centralized and decentralized evaluation function. Further refinement aimed at ensuring maximum efficiency, the scalability of systems and flexibility across teams is envisaged in response to the evolving and dynamic workload in 2023 and 2024. While ensuring that the quality of evaluations is maintained, OEV seeks maximum efficiency gains in evaluation management and value-added from partnership arrangements. Efficiency and economies have been achieved through:

- use of long-term agreements that provide access to an expanded and diversified pool of service providers for conducting centralized and decentralized evaluations and editorial services for the preparation of evaluation reports and other documents;⁹
- establishment of a team of research analysts experienced with WFP's datasets and data environment and with flexible work allocations, allowing for the swift scale-up of support for evaluation teams through data provision, analysis and quality assurance;
- a partnership arrangement with the World Bank that supports WFP's impact evaluation activities by enabling the organization to benefit from the bank's proven capacity and experience in delivering demand-led impact evaluations;
- outsourcing of activities, where outsourcing creates scalable services and cost savings while maintaining quality standards such as those in the quality support mechanism for decentralized evaluations and the post hoc quality assessments of all evaluations;
- further enhancement of in-house facilitation and online training capacity in order to deliver the WFP evaluation learning programme; and
- cost-sharing or the conduct of evaluations jointly or in partnership in order to support national evaluation capacity development – for example through UNEG, the Global Evaluation Initiative or EvalPartners – wherever possible.

Deliverables for 2022 and outlook for 2023–2024

23. The evaluation strategy and charter will be updated in 2022 to reflect the updated policy and to capture developments made since 2016 in the institutional arrangements and systems required for embedding evaluative thinking and behaviour throughout WFP.
24. Implementation of the peer review recommendations will require further consolidation of the integrated evaluation function – the norms, systems, capacity and resources to deliver independent, credible and useful evaluations.

⁹ Long-term agreements provide many advantages, including greater administrative efficiency.

A. OEV-managed evaluations

25. OEV-managed evaluations inform all stakeholders of the relevance, effectiveness, coherence, impact and sustainability of WFP's policies, strategies, operations and activities and the efficiency of their implementation. The main types of OEV-led evaluations are global evaluations, comprising policy and strategic evaluations; country-specific evaluations, comprising evaluations of CSPs and corporate humanitarian emergency responses; and impact evaluations. In addition, OEV contributes to inter-agency humanitarian and other joint evaluations and foresees the potential to engage in more system-wide evaluations in the future.
26. The programme of evaluations for 2022–2024 has been selected and prioritized to be of maximum relevance in WFP's dynamic policy and programming context and thus to optimize OEV's role in supporting accountability and learning in order to strengthen WFP's contribution to ending global hunger. The programme is designed to generate timely and pertinent evidence for decision making, and OEV consults with the Office of Internal Audit and the External Auditor to minimize overlap and identify synergies wherever possible.
27. Table A.IV.3 provides an overview of OEV's plan for centralized evaluations in 2022 and the provisional outlook for 2023 and 2024. The rest of this section sets out details of and the rationale for those deliverables.
28. *Policy evaluations.* The norm governing the evaluation of WFP's policies is set by the WFP policy formulation document approved by the Board in 2011.¹⁰ It requires that policies approved after 2011 be evaluated between four and six years after the start of their implementation in order to contribute evaluation evidence and learning to WFP's policy cycle. For policies approved prior to 2011, evaluation of either a policy itself or the theme addressed by the policy is based on the criterion of continuing relevance to WFP's work or the potential to contribute to new policy development. The topics of some policies are covered by strategic evaluations and may not be the subject of specific policy evaluations. OEV consults WFP management to determine the priorities and timing for policy evaluations in the light of the policy compendium:
 - a. A report on the evaluation of the policy on peacebuilding in transition settings initiated in 2021 will be submitted to the Board at its 2023 first regular session.
 - b. A report on the evaluation of the resilience and disaster risk reduction policies initiated in late 2021 will be submitted to the Board at its 2023 annual session.
 - c. In 2022, OEV will commission two policy evaluations, one on the CSP policy and the other on climate change.
 - d. Looking ahead to 2023–2024, two new policy evaluations are foreseen to start in 2023 and two in 2024.

¹⁰ "WFP Policy Formulation" (WFP/EB.A/2011/5-B).

29. *Strategic evaluations* are forward-looking and focus on strategic themes, systemic or emerging corporate issues and/or programmes and initiatives with global or regional coverage. The selection of topics and the scheduling of strategic evaluations through 2022 were informed by a 2017 review of topics of strategic relevance with potential to contribute to organizational learning:
 - a. A strategic evaluation of WFP's use of technology and innovation in constrained environments, which examines the use of technological innovations in humanitarian crises, was initiated in 2020 and will be submitted to the Board at its 2022 first regular session.
 - b. A strategic evaluation of nutrition and HIV/AIDS that combines separate evaluations of the two policies will be commissioned in 2021 for submission to the Board at its 2023 first regular session.
 - c. In 2023–2024 three new strategic evaluations will commence, on supply chain management and two topics to be identified. Priorities for strategic evaluation will be identified at the end of 2021 through a consultative process taking into account a number of factors, including in particular the new WFP strategic plan.
30. *Country strategic plan evaluations.* CSP evaluations are the primary instrument for providing accountability and meeting learning needs in accordance with the expectations of the Board and WFP management. They provide evidence of the strategic positioning and results of all of WFP's CSPs in order to inform the design of the next generation of CSPs and potentially to contribute to the design of UNSDCF. For this purpose, CSP evaluations are conducted in the penultimate year of the CSP programme cycle in order to ensure that final draft evaluation reports are ready when the country offices start to design new CSPs.
31. The number of CSP evaluations undertaken each year is based on current planning projections. It is expected that 20 CSP evaluations will be completed in 2022, with 15 new starts planned in 2022 and 17 in 2023, decreasing to 9 in 2024. As mentioned above, continued volatility in the workload is anticipated because of potential changes in CSP cycles resulting from the COVID-19 global crisis and the ongoing process of aligning CSP and UNSDCF cycles, which has a direct impact on the timing of CSP evaluations. OEV will continue to maintain close working relationships with the Programme – Humanitarian and Development Division and regional bureaux to ensure that, to the extent possible, the programme of work is responsive to needs.
32. *Corporate emergency response evaluations.* In line with the Board's request for increased evaluation coverage of corporate emergency responses (Level 3 and multi-country Level 2 responses), OEV will continue to follow its two-pronged approach: every Level 3 and multi-country Level 2 emergency response will be evaluated, through either a corporate emergency response evaluation or a CSP evaluation where appropriate. While in 2021, the priority for corporate emergency response evaluations has been the evaluation of WFP's response to COVID-19, a new topic will be selected for 2022.

33. *Inter-agency humanitarian evaluations (IAHEs)*: As an active member of the IAHE steering group chaired by the United Nations Office for the Coordination of Humanitarian Affairs, OEV recognizes the benefits of joint evaluations in providing a cost-efficient way of achieving evaluation coverage, minimizing the burden on United Nations country teams in challenging environments and enabling the evaluation of WFP's performance as part of system-wide humanitarian responses. OEV envisages contributing to up to two IAHEs per year:
- In 2021 two IAHEs – of the responses to the humanitarian crisis in Yemen, and of the COVID-19 response – have started.
 - Topics for IAHEs in 2022 will be determined by the IAHE steering group.
34. *Joint evaluations and activities*. OEV will continue to collaborate with other United Nations entities on identifying opportunities for a joint evaluation in 2022 and envisages contributing to up to two joint or system-wide evaluations per year from 2023 onward. Those evaluations will be in addition to a joint evaluation occurring at the decentralized level and contributions to UNSDCF evaluations.
35. *Synthesis reports*. A new topic will be determined for 2022.

| Type | 2022 | 2023 | 2024 |
|--------------------------------|--|---|--|
| Policy | <p><i>Continued from 2021:</i></p> <ul style="list-style-type: none"> Peacebuilding in transition settings (1/23) Resilience and disaster risk reduction (A/23) <p><i>New starts:</i></p> <ul style="list-style-type: none"> CSP policy Climate change | <p><i>Continued from 2022:</i></p> <ul style="list-style-type: none"> Resilience and disaster risk reduction CSP policy Climate change <p><i>New starts:</i></p> <ul style="list-style-type: none"> Two topics to be determined | <p><i>New starts:</i></p> <ul style="list-style-type: none"> Two topics to be determined |
| Strategic | <p><i>Continued from 2021:</i></p> <ul style="list-style-type: none"> Nutrition and HIV/AIDS (1/23) <p><i>New start:</i></p> <ul style="list-style-type: none"> Supply chain management strategy | <p><i>Continued from 2022:</i></p> <ul style="list-style-type: none"> Supply chain management strategy <p><i>New starts:</i></p> <ul style="list-style-type: none"> One–two topics to be determined | <p><i>Continued from 2023:</i></p> <ul style="list-style-type: none"> One–two topics to be determined <p><i>New starts:</i></p> <ul style="list-style-type: none"> One–two topics to be determined |
| Country strategic plan* | <p><i>Continued from 2021:</i></p> <ul style="list-style-type: none"> Afghanistan CSP (A/22) Algeria ICSP (A/22) Bolivia (Plurinational State of) CSP (2/22) Central African Republic ICSP (2/22) Chad CSP (2/22) Ecuador CSP (2/22) Egypt CSP (A/23) Haiti CSP (A/23) | <p><i>New starts:</i></p> <ul style="list-style-type: none"> Armenia CSP Burundi ICSP Colombia CSP Congo (The) CSP Cuba CSP Democratic Republic of the Congo CSP Djibouti CSP Guatemala CSP Iraq CSP | <p><i>New starts:</i></p> <ul style="list-style-type: none"> Afghanistan CSP China CSP Côte d'Ivoire CSP Eswatini CSP Ethiopia CSP Indonesia CSP Somalia CSP Tunisia CSP Uganda CSP |

**TABLE A.IV.3: OEV EVALUATION PLAN FOR 2022
AND OUTLOOK FOR 2023 AND 2024 (6 September 2021)**

| Type | 2022 | 2023 | 2024 |
|------|---|--|------|
| | <ul style="list-style-type: none"> • India CSP (2/22) • Jordan CSP (2/22) • Kenya CSP (A/23) • Kyrgyzstan CSP (2/22) • Mauritania CSP (2/22) • Mozambique CSP (A/22) • Nigeria CSP (2/22) • Pakistan CSP (2/22) • State of Palestine CSP (1/23) • Peru CSP (2/22) • South Sudan ICSP (2/22) • Sri Lanka CSP (2/22) • Sudan (The) CSP (2/22) • Tajikistan CSP (2/22) • United Republic of Tanzania CSP (A/22) <p><i>New starts:</i></p> <ul style="list-style-type: none"> • Benin CSP • Bhutan CSP • Burkina Faso CSP • Cambodia CSP • Dominican Republic CSP • Ghana CSP • Malawi CSP • Myanmar CSP (TBC) • Namibia CSP • Nepal CSP • Nicaragua CSP • Philippines (The) CSP • Senegal CSP • Syrian Arab Republic ICSP • Zambia CSP | <ul style="list-style-type: none"> • Lesotho CSP • Liberia CSP • Madagascar CSP • Mali CSP • Niger (The) (CSP) • Rwanda CSP • São Tomé and Príncipe CSP • Sierra Leone CSP | |

| TABLE A.IV.3: OEV EVALUATION PLAN FOR 2022 AND OUTLOOK FOR 2023 AND 2024 (6 September 2021) | | | |
|--|---|--|--|
| Type | 2022 | 2023 | 2024 |
| Corporate emergency response | <i>New start</i> <ul style="list-style-type: none"> One corporate emergency response evaluation to be determined | <i>Continued from 2022:</i> <ul style="list-style-type: none"> One corporate emergency response evaluation to be determined <i>New start:</i> <ul style="list-style-type: none"> One corporate emergency response evaluation to be determined | <i>Continued from 2023:</i> <ul style="list-style-type: none"> One corporate emergency response evaluation to be determined <i>New start:</i> <ul style="list-style-type: none"> One corporate emergency response evaluation to be determined |
| Inter-agency humanitarian | <i>Continued from 2021:</i> <ul style="list-style-type: none"> Response to the humanitarian crisis in Yemen COVID-19 response <i>New starts:</i> <ul style="list-style-type: none"> Two topics to be determined | <i>Continued from 2022:</i> <ul style="list-style-type: none"> Two topics to be determined <i>New starts:</i> <ul style="list-style-type: none"> Two topics to be determined | <i>New starts:</i> <ul style="list-style-type: none"> Two topics to be determined |
| Joint | <i>Continued from 2021</i> <ul style="list-style-type: none"> <i>Joint evaluation of efficiency and sustainability (UNAIDS/UNFPA)</i> <i>New start:</i> <ul style="list-style-type: none"> One topic to be determined | <i>Continued from 2022:</i> <ul style="list-style-type: none"> One topic to be determined <i>New starts</i> <ul style="list-style-type: none"> One-two topics to be determined | <i>Continued from 2023:</i> <ul style="list-style-type: none"> One-two topics to be determined <i>New starts</i> <ul style="list-style-type: none"> One-two topics to be determined |
| Syntheses | <i>New start:</i> <ul style="list-style-type: none"> One topic to be determined | <i>New start:</i> <ul style="list-style-type: none"> One topic to be determined | <i>New start:</i> <ul style="list-style-type: none"> One topic to be determined |

* Planning for CSP evaluations is based on information as of 31 August and current planning cycles of ICSPs and CSPs.

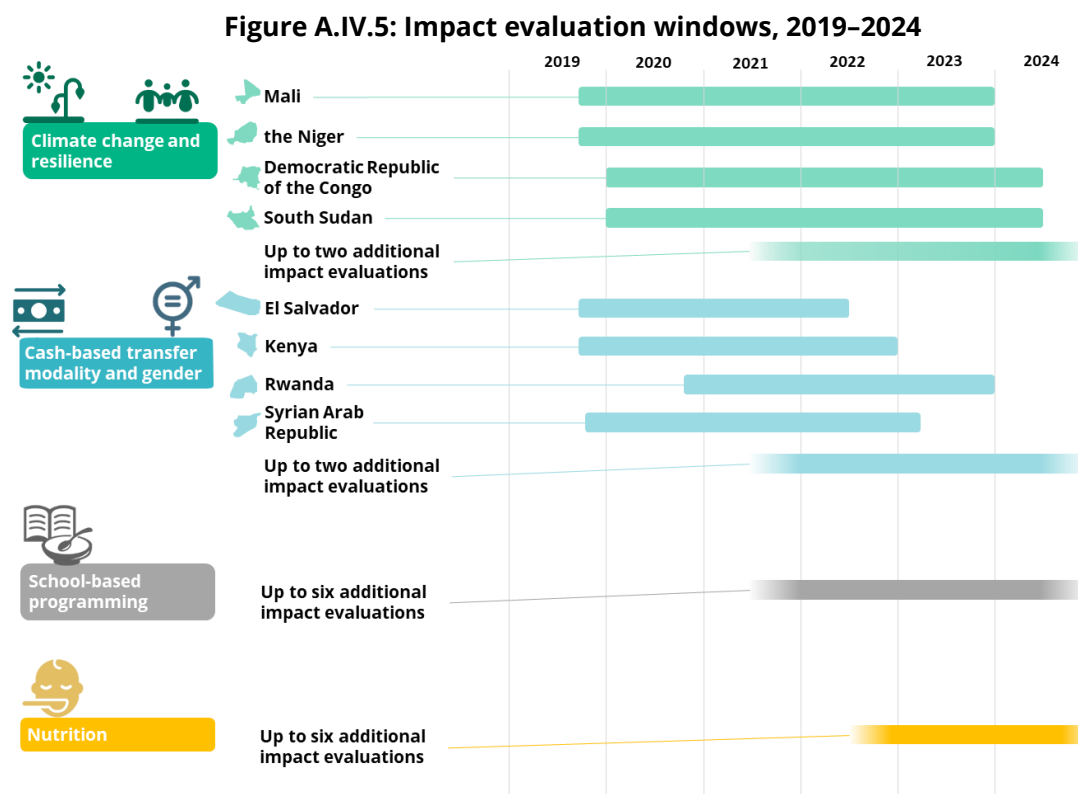
Letters and figures in brackets refer to the Board sessions at which the evaluations will be presented:

A = annual session; 1 = first regular session; and 2 = second regular session. For example, A/22 refers to the 2022 annual session.

ICSP = interim country strategic plan.

36. *Impact evaluations.* Figure A.IV.5 shows the evolution of impact evaluations from 2019 to 2024 in line with the impact evaluation strategy. OEV has launched three impact evaluation windows – on cash-based transfers and gender, on climate change and resilience and, in 2021, on school-based programming – and is planning a fourth on nutrition in 2022, subject to the availability of funding. OEV expects to increase the number of impact evaluations from 11 in 2021 to 14 in 2022, 16 in 2023 and 20 in 2024.

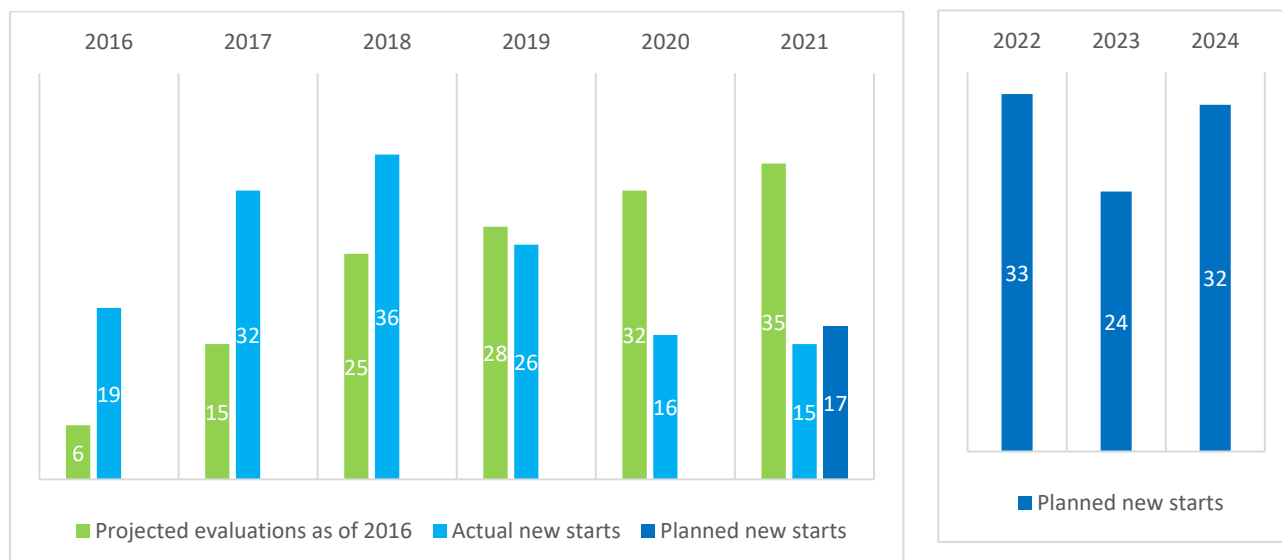
37. OEV has also initiated work on generating evidence from impact evaluations in fragile and humanitarian settings. This cross-cutting workstream is in line with the impact evaluation strategy and will build on lessons learned from the thematic evaluation windows.
38. Findings from the mid-term review of the impact evaluation strategy conducted in 2021 will inform decisions with regard to any adjustments or improvements required in implementation of the strategy going forward.



B. Decentralized evaluations

39. Figure A.IV.6 shows the projected number of decentralized evaluations under the evaluation policy for 2016–2021 compared with the number actually started and the projections for 2022–2024. Delivery of the decentralized evaluation work plan was significantly hampered in 2020 by the COVID-19 pandemic, with two evaluations cancelled and nine postponed until 2021. Given the continued effects of the pandemic, similar trends are likely in 2021 and 2022. As of August 2021, 32 evaluations had started or were expected to start in 2021; the projected number for 2022 is 33, assuming adherence to the minimum coverage norm of one decentralized evaluation per CSP cycle; and a modest increase in the number of joint evaluations and multi-country thematic decentralized regional evaluations is foreseen, with estimates of 24 in 2023 and 32 in 2024.

Figure A.IV.6: Projected number of decentralized evaluations under the evaluation policy for 2016–2021, August 2021*



Evaluations recorded by year of start, excluding baseline evaluations and cancelled evaluations.

40. With support from OEV, regional evaluation officers will follow up on the recommendations from the mid-term reviews of regional strategies that were completed in 2020. Following the approval of an updated evaluation policy, the six regional evaluation strategies will be updated.
41. WFP will continue its efforts to ensure sufficient capacity for the effective planning and management of decentralized evaluations and the maximization of their use in evidence-based policy and programme design. In 2022, these efforts will focus on strengthening the:
 - support to country offices and regional bureaux for evaluation planning and the promotion of decentralized evaluations that address specific learning gaps and ensure maximum complementarity with other evaluation types;
 - inclusion of evaluation costs in country portfolio budgets and engagement with donors to ensure that financial resources are in place for the delivery of independent, credible and useful decentralized evaluations; and
 - learning from ongoing work on the development of national evaluation capacity, drawing on good practices in country offices and regional bureaux, providing tailor-made advice and support to staff engaging in regional and national evaluation networks and initiatives related to the 2030 Agenda and fostering engagement in joint evaluations.
42. OEV will continue to invest in and enhance support mechanisms with the aim of strengthening the quality, credibility and usefulness of decentralized evaluations, including by:
 - periodically updating guidance on the decentralized evaluation quality assurance system and ensuring its dissemination throughout WFP;
 - maintaining its internal decentralized evaluation helpdesk with dedicated staff to support decentralized evaluations commissioned by headquarters divisions;
 - managing an outsourced quality support service for decentralized evaluations; and

- facilitating access to evaluation expertise for country offices and regional bureaux, enabling them to identify experienced and qualified evaluators.

C. Overall evaluation function

43. In 2022, OEV will prioritize:

- the strengthening of its provisions for safeguarding impartiality and ethics in evaluations, with implementation of an action plan for adherence to UNEG ethics guidelines and an integrated package of measures aimed at pre-empting situations in which impartiality and ethics are at risk and facilitating prompt resolution of any issues that arise;
- the piloting of the use of an evaluation methods advisory panel to provide advice on evaluation approaches and methods based on global good practices and innovations in evaluation;
- the further adaptation of approaches, tools and processes to meet the challenges of producing high-quality and timely evaluations during the COVID-19 pandemic, leveraging WFP's wide range of datasets and building on lessons from remote data collection and hybrid models of evaluations;
- efforts to ensure that inclusion and accountability to affected populations are central to the evaluation function, including through updates of the evaluation quality assurance system and capacity development initiatives;
- coordination with the Human Resources Division in a strategic workforce planning exercise aimed at addressing the human resource implications of the various evaluation processes, work with the Research, Assessment and Monitoring Division and other divisions on workforce planning for monitoring and evaluation, and strengthening of the staffing for the evaluation function throughout WFP through an updated Future International Talent pool for monitoring and evaluation; and
- efforts to ensure the functioning of sustainable and predictable financing mechanisms for all evaluation types including through management of the contingency evaluation fund with a broadened scope.

D. Promoting systematic access to and availability of evaluation evidence

44. The theory of change for the evaluation function in the draft updated evaluation policy includes a new outcome focused on ensuring that evaluation evidence is systematically accessible and available to meet the needs of WFP and its partners.
45. Building on work started in 2021 on implementation of the WFP evaluation communications and knowledge management strategy, WFP will promote the use of evaluation and the sharing of and access to knowledge. Active communication of evaluation results to all stakeholders aims to maximize their use in policy, strategy and programme design, and there will be continued emphasis on ensuring that second-generation CSPs are informed by evaluation evidence.

46. In 2022, the priorities will be:
- strengthening established mechanisms and systems for promoting and utilizing evaluation evidence to inform decision making such that, for example, OEV will continue to share lessons learned and summaries of evidence gathered with the Board and will present evaluation evidence of strategic importance to the Oversight and Policy Committee;
 - developing an expanded range of targeted and accessible evidence products and engaging with technical divisions at headquarters and regional bureaux to map opportunities to embed evaluative evidence further in relevant processes throughout WFP;
 - working with regional bureaux to foster innovation in evaluations commissioned at the regional and country levels and to facilitate cross-fertilization between regions; and
 - enhancing data visualization in evaluation reports in order to facilitate more effective sharing of evaluation information and evidence and to increase the accessibility of evidence from all WFP centralized and decentralized evaluations for internal and external users.
47. OEV will further increase its efforts to promote the use of evaluations by:
- fostering a greater understanding of the role of evaluations in transformative change among WFP staff through peer-to-peer learning and other initiatives aimed at strengthening WFP's learning culture;
 - engaging in learning partnerships with United Nations and other entities to promote the synthesizing of evidence regarding topics of common interest and to enhance the use of evidence, particularly in the system-wide evaluation office currently being established;
 - actively contributing to lessons learned exercises conducted by the COVID-19 global evaluation coalition, whose membership comprises OECD-DAC member states and United Nations entities, and releasing OEV lessons learned from relevant past evaluations; and
 - working closely with the Corporate Planning and Performance Division on optimizing use and analysis of the data in the R2 corporate risk and recommendation tracking tool.

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

48. To ensure adequate capacity in evaluation management throughout WFP, and in alignment with the UNEG competency framework and ongoing discussions on the professionalization of the evaluation function in the UNEG forum, OEV will continue to roll out the evaluation capacity development strategy for 2020–2024. The strategy caters to a variety of staffing levels and functions, including programme and policy advisers, WFP management and staff who are part of WFP's evaluation cadre at the headquarters, regional bureau and country office levels.

49. Priorities in 2022 will include:

- complementing ongoing learning initiatives such as the EvalPro series with the phased development of a recognition scheme for evaluation that will enable the WFP evaluation cadre to develop capability for high-quality evaluation management and provide a framework of recognition for the cadre itself; and
- launching a foundation course on evaluation in WFP, targeting evaluation officers and monitoring and evaluation officers but also available to all WFP staff members who are interested in learning more about evaluation.

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

50. WFP will continue to engage in the international evaluation system, focusing on where it can add the greatest value and on the areas of most relevance to its work. In 2022, specific priorities include:

- further developing WFP's network of organizations engaged in generating evidence from impact evaluations in priority areas;
- actively participating in the work of the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP), to UNEG's work on ensuring that evaluations contribute to the delivery of results under the 2030 Agenda and the COVID-19 response, and in the COVID-19 global evaluation coalition;
- continuing to enhance collaboration among the evaluation offices of the Rome-based agencies, informed by the outcomes of the 2021 United Nations food systems summit;
- cooperating on the establishment of systems and processes for facilitating the effective and efficient commissioning and management of UNSDCF evaluations;
- engagement in the stocktake and renewal of the Global Evaluation Agenda (2016-2020) through the strategic partnership with EvalPartners;
- operationalizing the memorandum of understanding with the global evaluation initiative led by the World Bank's Independent Evaluation Group on enhancing the results of national evaluation capacity development through a coordinated approach involving relevant partners at the global, regional and national levels; and
- enhancing partnerships with a wide range of stakeholders at the regional and country levels (United Nations organizations, national governments, civil society, etc.) to promote joint evaluation, cooperation with voluntary organizations for professional evaluation, South-South learning and the development of tools for assessing national evaluation capacity.

G. Evaluation function reporting

51. The annual evaluation report presented to the Board at its annual session is the main channel for reporting on the performance of the evaluation function. It is informed by key performance indicators (KPIs) corresponding to the six areas of reporting identified in the evaluation policy.

52. In addition to continuous collection of the data needed to inform measurement of the core evaluation policy KPIs currently available, new indicators relevant to the updated policy will be developed.
53. Reporting and management information systems will continue to be strengthened, taking into account the updated evaluation policy and future corporate developments such as the new strategic plan and corresponding results framework.

ANNEX VIII

Terminology and acronyms

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

Account

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

Activity

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

Activity category

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

Annual performance report (APR)

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

Appropriation

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

Appropriation line

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

Baseline

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

Beneficiaries

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

Board

The Executive Board of WFP, and its predecessors.

Capital Budgeting Facility

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

Contribution

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

Corporate results framework (CRF)

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

Critical corporate initiatives

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

Directed multilateral contribution

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

Direct support cost

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

Executive Director

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

Extrabudgetary funding

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

Financial regulations

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

Focus areas

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

Full cost recovery

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

Functional areas

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

Funding compact

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

General Fund

The accounting entity established for recording, under separate accounts, indirect support cost recoveries, miscellaneous income, operational reserve and contributions received which are not designated to a specific programme category fund, trust fund, or special account.

Global Commodity Management Facility

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

Implementation plan

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

Indirect support costs

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

Integrated Road Map (IRM)

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

Internal Project Lending

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

Management cost recovery fees

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

Management plan

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

Multilateral contribution

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

Operational costs

Transfer costs and implementation costs of a programme.

Operational requirements

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

Other services

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

Pillars

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

Programme categories

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

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

Programme of work

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

Programme support and administrative (PSA) budget

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

Project

A separately identified undertaking within a programme category.

Ration

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

Service provision

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

Special account

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

Strategic objectives

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

Strategic outcomes

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

Strategic results

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

Trust fund

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

WFP budget

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

WFP transfer modalities

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

Acronyms

| | |
|---------|---|
| APR | annual performance report |
| ARC | African Risk Capacity |
| BMZ | Germany's Federal Ministry for Economic Cooperation and Development |
| BOS | business operations strategy |
| BUSBE | bottom up strategic budgeting exercise |
| CBF | Capital Budgeting Facility |
| CBT | cash-based transfer |
| CCI | critical corporate initiative |
| CCS | country capacity strengthening |
| CE | centralized evaluation |
| CEF | Contingency Evaluation Fund |
| CFO | Chief Financial Officer |
| CFS | Committee on World Food Security |
| COMET | country office tool for managing effectively |
| CPB | country portfolio budget |
| CPE | country portfolio evaluation |
| CPP | Corporate Planning and Performance Division |
| CRF | corporate results framework |
| CSP | country strategic plan |
| CSPE | country strategic plan evaluation |
| DE | decentralized evaluation |
| DSC | direct support costs |
| EDMF | Emerging Donor Matching Fund |
| FAO | Food and Agriculture Organization of the United Nations |
| FIT | Future International Talent |
| FITTEST | Fast Information Technology and Telecommunications Emergency Support Team |
| FtMA | Farm to Market Alliance |
| GCF | Green Climate Fund |
| GCMF | Global Commodity Management Facility |
| GEN | Gender Office |
| GEWE | gender equality and women's empowerment |
| HGSF | home-grown school feeding |
| IAHE | inter-agency humanitarian evaluation |
| IATI | International Aid Transparency Initiative |

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|----------|--|
| ICSP | interim country strategic plan |
| IFAD | International Fund for Agricultural Development |
| IFI | international financial institution |
| IMF | International Monetary Fund |
| IRA | Immediate Response Account |
| IRM | Integrated Road Map |
| ISC | indirect support cost |
| IT | information technology |
| JAWFP | Japan Association for the World Food Programme |
| KfW | reconstruction credit institute |
| KPI | key performance indicator |
| LESS | Logistics Execution Support System |
| M&E | monitoring and evaluation |
| NBP | needs-based plan |
| NGO | non-governmental organization |
| NUT | Nutrition Division |
| OECD-DAC | Development Assistance Committee of the Organisation for Economic Co-operation and Development |
| OED | Office of the Executive Director |
| OEV | Office of Evaluation |
| OIG | Office of the Inspector General and Oversight Office |
| PSA | Programme Support and Administrative (budget) |
| PSAEA | PSA equalization account |
| PSEA | protection from sexual exploitation and abuse |
| REACH | Renewed Efforts Against Child Hunger and Undernutrition |
| ROAS | Return on Advertising Spend |
| SAFE | Safe Access to Fuel and Energy |
| SBCC | social and behaviour change communication |
| SDG | Sustainable Development Goal |
| SOLVE | Supply Optimization through Logistics, Visibility and Evolution |
| SPA | strategic partnership agreement |
| SRAC | Strategic Resource Allocation Committee |
| STM | ShareTheMeal |
| TEC | Technology Division |
| T-ICSP | transitional interim country strategic plan |
| UNCT | United Nations country team |
| UNDSS | United Nations Department of Safety and Security |

| | |
|---------|---|
| UNEG | United Nations Evaluation Group |
| UNHAS | United Nations Humanitarian Air Service |
| UNHCR | Office of the United Nations High Commissioner for Refugees |
| UNHRD | United Nations Humanitarian Response Depot |
| UNICEF | United Nations Children's Fund |
| UNSDCF | United Nations sustainable development cooperation framework |
| UN SWAP | United Nations System-Wide Policy on Gender Equality and the Empowerment of Women |
| USAID | United States Agency for International Development |
| WHO | World Health Organization |