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FINANCE COMMITTEE

Hundred and Fifty-eighth Session

Rome, 11 - 13 May 2015

Strategic Utilization of WFP's PSA Equalization Account

Queries on the substantive content of this document may be addressed to:

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*This document can be accessed using the Quick Response Code on this page;
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Other documents can be consulted at www.fao.org*



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EXECUTIVE SUMMARY

- The Programme Support and Administration (PSA) Equalization Account is a reserve that records the difference between indirect support cost revenue and PSA expenses for the financial period. In the event that indirect support cost income does not materialize as forecasted, the reserve covers excess PSA expenditure until the PSA budget is realigned to actual income levels. The Board has approved a target level for the account that is equivalent to four months of PSA expenditure, currently USD 93.9 million. The PSA Equalization Account balance at the end of 2014 was USD 189.8 million, or USD 95.9 million more than this current target level.
- In past years, the Board has approved allocations from the PSA Equalization Account for transfers to other reserves, security expenditures and critical corporate initiatives that support capital and capacity development.
- The Secretariat recognizes that optimal use of the PSA Equalization Account would be on strategic and sustainable initiatives that improve the delivery of services to beneficiaries. Consistent with the parameters for using the account put forward in the ongoing review of the financial framework and the indirect support cost rate, the Secretariat proposes three allocations for a total of USD 95 million:
 - Immediate Response Account (IRA): One-time transfer of USD 50 million in 2015. Donor contributions to the IRA have averaged USD 50 million annually, while the 2014 monthly average balance of the account was just over USD 15 million, severely limiting the Secretariat's ability to provide loans or grants to projects. An injection of funds into the IRA will create capacity to provide loans without needing to rely on specific donor contributions or the volume of repaid (revolved) advances.
 - Wellness Programme Fund: One-time transfer of USD 10 million in 2015. To better fulfil WFP's duty of care to its staff, the transfer will provide seed money for a fund to support staff wellness activities at field locations where other sources of funding may not be assured.
 - Critical corporate initiatives: a total of USD 35 million – USD 18 million in 2015 and USD 17 million in 2016. In 2012, WFP launched the Fit for Purpose initiative to enhance its capacity to address the challenges of global hunger. To accelerate conclusion of these efforts, the Secretariat has identified six focus areas for targeting:
 - i) workforce capabilities and skillsets;
 - ii) nutrition capabilities;
 - iii) national capacity development;
 - iv) interagency/intergovernmental processes and strategic partnerships;
 - v) programme design process, platforms and systems, and evidence-based decision-making;
 - vi) flexibility in funding and efficient resource usage.

Four of these focus areas are proposed for investment in 2015.
- The requirements for 2015, totalling USD 78 million, are presented in this paper for approval. Funding proposals for 2016 will be considered within the 2016–2018 Management Plan at the 2015 Second Regular Session.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to take note of document on Strategic Utilization of WFP's PSA Equalization Account and recommend 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 decisions as outlined in the document "Strategic Utilization of WFP's PSA Equalization Account".**



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STRATEGIC UTILIZATION OF WFP'S PSA EQUALIZATION ACCOUNT

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the focal points indicated below, preferably well in advance of the Board's meeting.

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EXECUTIVE SUMMARY

The Programme Support and Administration (PSA) Equalization Account is a reserve that records the difference between indirect support cost revenue and PSA expenses for the financial period. In the event that indirect support cost income does not materialize as forecasted, the reserve covers excess PSA expenditure until the PSA budget is realigned to actual income levels. The Board has approved a target level for the account that is equivalent to four months of PSA expenditure, currently USD 93.9 million. The PSA Equalization Account balance at the end of 2014 was USD 189.8 million, or USD 95.9 million more than this current target level.

In past years, the Board has approved allocations from the PSA Equalization Account for transfers to other reserves, security expenditures and critical corporate initiatives that support capital and capacity development.

The Secretariat recognizes that optimal use of the PSA Equalization Account would be on strategic and sustainable initiatives that improve the delivery of services to beneficiaries. Consistent with the parameters for using the account put forward in the ongoing review of the financial framework and the indirect support cost rate,¹ the Secretariat proposes three allocations for a total of USD 95 million:

- Immediate Response Account (IRA): One-time transfer of USD 50 million in 2015. Donor contributions to the IRA have averaged USD 50 million annually, while the 2014 monthly average balance of the account was just over USD 15 million, severely limiting the Secretariat's ability to provide loans or grants to projects. An injection of funds into the IRA will create capacity to provide loans without needing to rely on specific donor contributions or the volume of repaid (revolved) advances.
- Wellness Programme Fund: One-time transfer of USD 10 million in 2015. To better fulfil WFP's duty of care to its staff, the transfer will provide seed money for a fund to

¹ WFP/EB.A/2015/6-C/1

support staff wellness activities at field locations where other sources of funding may not be assured.

- Critical corporate initiatives: a total of USD 35 million – USD 18 million in 2015 and USD 17 million in 2016. In 2012, WFP launched the Fit for Purpose initiative to enhance its capacity to address the challenges of global hunger. To accelerate conclusion of these efforts, the Secretariat has identified six focus areas for targeting:
 - i) workforce capabilities and skillsets;
 - ii) nutrition capabilities;
 - iii) national capacity development;
 - iv) interagency/intergovernmental processes and strategic partnerships;
 - v) programme design process, platforms and systems, and evidence-based decision-making;
 - vi) flexibility in funding and efficient resource usage.

Four of these focus areas are proposed for investment in 2015 (see Annex I).

The requirements for 2015, totalling USD 78 million, are presented in this paper for approval. Funding proposals for 2016 will be considered within the 2016–2018 Management Plan at the 2015 Second Regular Session.

DRAFT DECISION*

Having considered document WFP/EB.A/2015/6-D/1, the Board approves transfers from the Programme Support and Administration Equalization Account of:

- USD 50 million to the Immediate Response Account;
- USD 10 million for the creation of a Wellness Programme Fund; and
- USD 18 million for critical corporate initiatives in 2015.

* 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.

INTRODUCTION

Balance on the PSA Equalization Account

1. The Programme Support and Administrative (PSA) Equalization Account was established in 2002 to record the difference between WFP's indirect support cost (ISC) revenue and its PSA expenses for the financial period. The account is available as a safety net for periods when the annual PSA appropriation approved by the Board exceeds the ISC income derived from donor contributions. Any use of the balance in the PSA Equalization Account requires the Board's approval and is generally limited to support costs, including developing capital and capacity development costs. The account is described in greater detail in "Progress on the Financial Framework Review, including Indirect Support Costs".¹
2. The audited annual accounts of WFP for 2014² disclose a substantial balance on the PSA Equalization Account. This balance has grown significantly in recent years, particularly in 2014 because of the unprecedented level of ISC income received from funding provided for Level 3 (L3) emergencies. The account's movements in 2014 are shown in Table 1.

TABLE 1: MOVEMENTS ON THE PSA EQUALIZATION ACCOUNT DURING 2014	
2014 Financial Statements	<i>million USD</i>
Account balance on 1 January 2014	121.3
ISC income in 2014	357.7
PSA expenditure in 2014	280.5
Critical corporate initiatives	8.7
Account balance on 31 December 2014	189.8
Account target level	93.9
Surplus over target	95.9

3. In 2006, the Board determined that the account should have a target level linked to the annual PSA appropriation approved by the Board. It was estimated that it would be prudent to keep the equivalent of four months indirect PSA expenditures in reserve to cover the period needed to adjust to a longer-term reduction in ISC income and implement the associated PSA cost reductions.¹
4. Table 1 shows that the actual balance of the PSA Equalization Account at the end of 2014 was USD 95.9 million above the target level. This surplus provides an opportunity for boosting WFP's reserves or spending on critical corporate initiatives.

² WFP/EB.A/2015/6-A/1

Proposed uses of PSA Equalization Account surplus

5. The Secretariat proposes that this surplus be allocated to uses that contribute to improved services for beneficiaries, as summarized in Table 2.

TABLE 2: PROPOSED USES OF PSA EQUALIZATION ACCOUNT SURPLUS <i>(in million US dollars)</i>			
	2015	2016	Total
a) IRA	50	0	50
b) Wellness Programme Fund	10	0	10
c) Critical corporate initiatives	18	17	35
TOTAL	78	17	95

6. By allocating USD 50 million to the Immediate Response Account (IRA), WFP aims to create conditions for establishing permanent minimal internal capacity to provide loans for emergencies without needing to rely on the availability of specific donor contributions to the IRA. The Wellness Programme Fund would support activities for enhancing staff's wellness at field locations where other sources of funding may not be assured. Critical corporate initiatives would provide support in identified focus areas to ensure that WFP can better tackle the challenges of global hunger, now and in the future.
7. For critical corporate initiatives, this document seeks the Board's approval of an allocation of USD 18 million for 2015. The requirements for 2016 will be presented in the Management Plan (2016–2018) for approval at the Board's Second Session in November 2015.

PROPOSED USES OF PSA EQUALIZATION ACCOUNT SURPLUS BALANCE

Immediate Response Account: USD 50 million (2015)

8. The IRA, established in 1991, is a multi-year, multilateral lending and grant facility for emergency situations and for preventing critical shortfalls in life-threatening situations.³ It gives WFP the ability to provide immediate assistance when forecast or actual contributions to a project are not present.⁴
9. The IRA's ability to lend to projects is limited to the unallocated balance of funds in the account and confirmed contributions to the account not yet received. The IRA does not benefit from the leveraging that is allowed under WFP's internal project lending mechanism, where an operational reserve of USD 95 million serves as a safety net to allow up to USD 570 million of internal project lending.

³ WFP/EB.3/2004/12-A

⁴ WFP/EB.A/2015/6-J/1

10. The target level of the IRA was USD 70 million from 2004 to November 2014, when it was increased to USD 200 million. However, the actual balance available for deployment to projects has recently been considerably below target, with donor contributions to the IRA amounting to approximately USD 50 million annually, and monthly closing balances averaging just over USD 15 million in 2014.
11. Recognizing the benefits of the IRA as a revolving/lending and grant/replenishable facility, the Secretariat proposes transferring USD 50 million from the PSA Equalization Account to the IRA to create a minimum revolving/lending capacity of USD 50 million for emergencies. This minimum loan capacity would be sustained by subsequent repayment of loans by recipient projects or from donor contributions to the IRA.
12. This allocation would immediately improve the loan-making ability of the IRA, without changing the revolving and replenishable nature of the account. Judicious lending practices – such as defining a tentative repayment schedule before granting a loan – coupled with periodic review of available sources of repayment and timely repayments from recipient projects would ensure that the IRA maintains capacity to provide a minimum of USD 50 million in loans.
13. Improved financial management of the IRA will also enhance reporting to the Board by including details of IRA allocations through grants as well as loans so as to provide a complete picture of the deployment of IRA resources in support of emergencies.

Wellness Programme Fund: USD 10 million (2015)

14. WFP's 2014–2017 Strategic Plan recognizes the increasingly challenging environment in which WFP works, including in locations where infrastructure and services are less than optimal.
15. WFP's duty of care to its employees includes providing secure premises and other facilities and services that fall under the umbrella of employee wellness.
16. In recent years, the costs of providing security have been supported through project budgets and the WFP Security Emergency Fund (SEF). WFP also contributes annually to the global United Nations Department of Safety and Security (UNDSS) cost-shared budget, covering many of the field support and field security operations managed by UNDSS. In recent management plans, the Board authorized WFP to draw up to USD 10 million from the General Fund to cover a portion of these costs, which were not provided for through the PSA or project budgets. Recognizing that this was not a sustainable long-term solution, the Management Plan (2015–2017) incorporated these costs within the standard costs of positions. This provides a sustainable means of financing the SEF.
17. The Secretariat recognizes that staff wellness is a priority, requiring more certain funding – similar to that provided through the SEF. In 2015, WFP proposes to create a Wellness Programme Fund, utilizing USD 10 million from the PSA Equalization Account to start up activities for improving staff wellness at duty stations with limited funding from country operations.
18. The transfer would provide seed money for the fund. Through the Management Plan (2016–2018), the Secretariat would propose a system for providing sustainable funding for wellness services from the PSA and project budgets. For example, the inclusion of financial provisions for staff wellness within the standard costs of staff positions would generate funding for the Wellness Programme Fund from both PSA-funded and non-PSA-funded positions, creating a sustainable, multi-year source of funding for addressing critical wellness issues.

19. Calls on the fund would depend on managers identifying wellness priorities, and articulating how wellness issues may be resolved by investing resources. The costs, sources of funding and added value of such investments would be processed in the same way as other investment requests for corporate funds. However, if resourcing through country operations were insufficient for the proposed staff wellness initiative, the manager would be able to apply for a subsidy from the Wellness Programme Fund. Senior management would consider and prioritize each application. All field-based capital projects, including the purchase, construction or upgrading of WFP premises for improved security and employee wellness, would be managed through the Capital Budgeting Facility, ensuring that initial costs and sources of cost recovery were clearly identified and managed.

Critical Corporate Initiatives – Accelerating the Change: USD 35 million (2015 and 2016)

20. An investment of USD 35 million is proposed for critical corporate initiatives in 2015 and 2016. These initiatives are aligned to support Fit for Purpose, the organizational strengthening effort launched in 2012, originally comprising specific investments for which WFP requested approval from the Board in 2013. Additional resources for follow-on Fit for Purpose investments were subsequently approved in 2014 and 2015.
21. Initiatives under the Fit for Purpose umbrella have helped WFP emerge as a stronger organization, reinforcing its capacity to respond to emergencies, support resilience-building, and improve food and nutrition security. As part of the Fit for Purpose process, WFP has engaged in two major reflections with its Board – the Corporate Partnership Strategy and the People Strategy; brought all its staff under one set of WFP rules and regulations; reviewed its global presence through country offices and offices in major donor cities; completed a comprehensive business process review; improved its supply chain management; and initiated a review of its financial framework.
22. The phrase “Fit for Purpose” also conveys the essence of the organizational, cultural, process and systemic changes needed for WFP to deliver more effective food assistance to those in need. Fit for Purpose has evolved to meet the rising demands placed on WFP. As such, a considerable volume of organizational strengthening work over the past three years has received generous support from corporate trust funds and has not always appeared as a critical corporate initiative as part of Fit for Purpose organizational strengthening efforts.
23. 2014 has been a challenging year for WFP. Already stretched to near its limit by responding to four L3 emergencies in January, the organization had to respond to four new crises – two L3 and two L2 emergencies – as the year progressed. WFP rose to the challenge but the unprecedented level of operational response highlighted areas where its capacity needs to be strengthened, particularly regarding the robustness of its programmes and systems. In addition, as the world comes together to discuss the post-2015 development framework, WFP needs to ensure that it can better tackle the challenges of global hunger, both now and in the future.
24. Specifically, WFP needs to enhance its emergency response capacity while expanding its capacity to address hunger – including chronic hunger – in the medium and long terms.

25. The Secretariat proposes to carry forward and accelerate the Fit for Purpose organizational strengthening efforts in 2015 and 2016, and has identified six focus areas (initiatives) for targeting this work:
- i) workforce capabilities and skillsets;
 - ii) nutrition capabilities;
 - iii) national capacity development;
 - iv) interagency/intergovernmental processes and strategic partnerships;
 - v) programme design processes, platforms and systems, and evidence-based decision-making; and
 - vi) flexibility in funding and efficient resource usage.
26. In immediate support of these six areas, the Secretariat proposes using USD 35 million of the PSA Equalization Account to accelerate the achievement of several deliverables that follow the trajectory set by Fit for Purpose for 2015 and 2016. Conclusion of these critical corporate initiatives would represent the final milestone of the original Fit for Purpose organizational strengthening effort initiated in 2012. It is important to note that the proposed initiatives would be non-recurring and complement other actions contributing to the Fit for Purpose effort.
27. The initiatives for 2015–2016, and estimates of the required resources for 2015 are as follows:
- i) Equipping WFP’s workforce with capabilities and skillsets to support emergency surge response and longer-term hunger approaches by: graduating a significant number of WFP leaders through a new leadership programme; providing field-oriented training for WFP staff, including national staff, in programming areas such as nutrition and cash and voucher (C&V) transfers; and extending access to learning and skills development throughout WFP. USD 2.6 million.
 - ii) Assisting a number of country offices in improving their ability to support governments in enhancing national capacities to eradicate hunger. This will involve building an evidence base, identifying capacity gaps and developing country-specific action plans and programmes focusing on such areas as emergency preparedness and response, nutrition, and resilience. USD 1.0 million.
 - iii) Advancing the development and scale-up of the corporate C&V platform by creating a customizable menu of tools and services, and developing core capacities for continued business and technical development during roll-out. USD 7.9 million.⁵
 - iv) Ensuring that WFP is well-positioned, through better communication and advocacy, so that hunger and nutrition are reflected in major global dialogues, events and processes by the end of 2016. No funding requested in 2015.
 - v) Continuing the evolution of WFP’s financial architecture, including through communication and evidence-based advocacy to improve the flexibility and predictability of funding, and development of a standardized approach to resource-based

⁵ It is envisaged that the PSA Equalization Account will support the one-time development costs of standard platform services for C&V. Capacity development for deployment and change management support at Headquarters and regional bureaux will be covered through extra-budgetary funding for 2015, and is proposed for mainstreaming in the 2016 Management Plan. Country-level funding for the roll-out will come from project funds.

planning across WFP, including the concept for a future “country portfolio budget”. No funding requested in 2015.

- vi) Enhancing WFP’s ability to collect and use evidence for improved decision-making by completing the development of systems that allow WFP to manage information and knowledge systematically, and that support analysis and evaluation of outputs and outcomes. USD 6.5 million.
28. The amounts indicated total USD 18 million and are for 2015 only. Details on the initiatives can be found in Annex I and II.
29. A further estimated USD 17 million will be necessary in 2016 for proposals that will be presented for approval with the Management Plan (2016–2018) at the Board’s Second Regular Session.



ANNEX I: CRITICAL CORPORATE INITIATIVES, 2015 AND 2016

Initiative number	Initiative	Details	Proposed funding		Related initiatives previously funded through MPs*	Deliverables
			2015	2016		
i)	Workforce skillset development	<p>Description Equipping WFP's workforce with the capabilities and skillsets to support emergency surge response and longer-term hunger approaches</p> <p>Outcomes</p> <ul style="list-style-type: none"> ➤ A workforce equipped with better knowledge and skills to support both emergency surge response and longer-term approaches ➤ Humanitarian leaders within the organization with improved capability for decision-making 	USD 2.6 million	USD 2.7 million	<ul style="list-style-type: none"> ➤ Continuation of Local Staff Transfer Project (USD 1.9 million through MP 2015) ➤ Creation of People Strategy (USD 2.8 million through MP 2014) 	<p>2015 deliverables</p> <ul style="list-style-type: none"> ➤ Cross-functional C&V training implemented for 2,500 participants (including 250 external participants) ➤ 125 leaders graduated through a tailored humanitarian leaders' programme ➤ 50 women leaders graduated through a tailored women's career development programme ➤ 2,000 national staff provided with access to learning inputs and targeted training <p>2016 deliverables</p> <ul style="list-style-type: none"> ➤ Additional 225 leaders graduated through a tailored humanitarian leaders' programme ➤ Additional 4,000 staff provided with improved access to targeted learning inputs and training ➤ Training for specific programming (e.g. nutrition, resilience, etc.) developed and implemented



ANNEX I: CRITICAL CORPORATE INITIATIVES, 2015 AND 2016

Initiative number	Initiative	Details	Proposed funding		Related initiatives previously funded through MPs*	Deliverables
			2015	2016		
ii)	Targeted investments in focus countries	<p>Description Supporting WFP country offices in building the evidence-base and programme approaches for effective support to national capacities for eradicating hunger</p> <p>Outcomes</p> <ul style="list-style-type: none"> ➤ Increased capacities at the national level and of government partners to implement programmes in areas such as nutrition, resilience and emergency preparedness and response, etc. ➤ Identification of lessons on WFP's contributions as a partner in supporting national capacities with potential to be applied across other target countries 	USD 1.0 million	USD 4.0 million	N/A	<p>2015 deliverables</p> <ul style="list-style-type: none"> ➤ Target countries identified considering progress made and potential for positive impact with additional support ➤ Gap analysis conducted and country-specific action plans designed for target countries ➤ Temporary additional expertise provided in specific areas – nutrition, resilience, etc. <p>2016 deliverables</p> <ul style="list-style-type: none"> ➤ Cost of Hunger studies designed and implemented, as appropriate ➤ WFP county offices augmented with required technical expertise ➤ Funding secured for the introduction of and training in programmatic building blocks



ANNEX I: CRITICAL CORPORATE INITIATIVES, 2015 AND 2016

Initiative number	Initiative	Details	Proposed funding		Related initiatives previously funded through MPs*	Deliverables
			2015	2016		
iii)	Corporate C&V platform	<p>Description Advancing a corporate C&V platform to ensure that WFP country offices can design and deliver C&V-based interventions rapidly, efficiently and effectively</p> <p>Outcomes</p> <ul style="list-style-type: none"> ➤ Average implementation lead time of C&V programme implementation reduced from 8 months to 3 months ➤ C&V cost-effectiveness improved by 33 percent – annual savings of USD 1.3 million per country office ➤ Quality of interventions improved and desired programmatic outcomes ensured, with reduced risk and liability for WFP operations 	USD 7.9 million	USD 1.0 Million	N/A	<p>2015 deliverables</p> <ul style="list-style-type: none"> ➤ A standardized, corporate C&V platform developed for use across WFP ➤ An array of tools and options spanning nine modules incorporated into the corporate C&V platform ➤ “Back-end” systems at Headquarters/regional bureaux and “front-end” support at country offices incorporated into C&V platform, including an emergency solution to be made available to all country offices <p>2016 deliverables</p> <ul style="list-style-type: none"> ➤ Augmented capacity at Headquarters and regional bureaux to support development during roll-out to other country offices



ANNEX I: CRITICAL CORPORATE INITIATIVES, 2015 AND 2016

Initiative number	Initiative	Details	Proposed funding		Related initiatives previously funded through MPs*	Deliverables
			2015	2016		
vi)	Enablement of evidence-based decision-making	<p>Description Developing standardized business processes for monitoring and reporting through appropriate information technology (IT) platforms, training for monitoring and evaluation (M&E) managers and advisors</p> <p>Outcomes</p> <ul style="list-style-type: none"> ➤ Improved transparency and accountability, up to 20 percent savings on current M&E costs, demonstrated sustainable benefits for beneficiaries through the implementation of standardized business processes and appropriate technology platforms ➤ Improved evidence of shift from food aid to food assistance, sustainable impact for beneficiaries 	USD 6.5 million	USD 1.5 million	<ul style="list-style-type: none"> ➤ Support for decentralized evaluations (USD 0.6 million through MP 2015) 	<p>2015 deliverables</p> <ul style="list-style-type: none"> ➤ Performance, monitoring and reporting platform rolled out to 4 regional bureaux and 49 country office by end of 2015 ➤ Programme and M&E staff trained in using the system for project design, implementation and operational performance reporting <p>2016 deliverables</p> <ul style="list-style-type: none"> ➤ Platforms rolled out to all 6 regional bureaux and 79 country offices by end of 2016 ➤ Fewer process steps required to achieve results and up to 20 percent savings on current M&E costs ➤ Appropriate training made mandatory for all programme and M&E staff
Subtotal of initiatives requiring funding in 2015–2016			USD 18.0 million	USD 9.2 million		



ANNEX II: CRITICAL CORPORATE INITIATIVES, 2016 ONLY

Initiative number	Initiative	Details	Proposed funding	Related initiatives previously funded through MPs*	Deliverables
			2016		
iv)	Communication, advocacy and positioning in major global events, dialogues and processes	<p>Description</p> <p>Improving WFP's communications and advocacy to ensure that hunger and nutrition are well positioned in major global events, dialogues, and processes</p> <p>Outcomes</p> <ul style="list-style-type: none"> ➤ Hunger and nutrition are appropriately reflected in major events such as the Post-2015 Development Framework and the World Humanitarian Summit ➤ WFP's role in implementing the Sustainable Development Goals is clearly articulated and Zero Hunger remains at highest priority on the G20 agenda 	TBD	<ul style="list-style-type: none"> ➤ Improved communications platform for public advocacy (USD 0.7 million through MP 2015) ➤ Partnership Resource Centre (USD 0.3 million through MP 2015) 	<p>2016 deliverables</p> <ul style="list-style-type: none"> ➤ WFP-led development of engagement strategies in major interagency and intergovernmental fora ➤ Temporary reinforcement of frontline capacity for advocating, positioning and negotiating interagency and intergovernmental dialogue ➤ WFP able to provide direct, regular and substantive inputs into drafting team preparing outcome document for the World Humanitarian Summit, gaining critical insight and influence ➤ WFP's engagement in the World Humanitarian Summit (WHS) coordinated with the WHS Secretariats in New York and Geneva



ANNEX II: CRITICAL CORPORATE INITIATIVES, 2016 ONLY

Initiative number	Initiative	Details	Proposed funding	Related initiatives previously funded through MPs*	Deliverables
			2016		
v)	Evolution of financial architecture	<p>Description</p> <p>Improve resource predictability, flexibility and accountability for operations by optimizing advance financing and improving operational planning</p> <p>Outcomes</p> <ul style="list-style-type: none"> ➤ Efficiency and effectiveness gains quantified through benchmarking and pilots ➤ Consolidated resource-based planning approach for 2016 approved by senior management ➤ Comprehensive review of WFP's project structure with change proposals – including country portfolio budgets – presented at Board consultations during 2016–2017 ➤ Multilateral funding increased from 9 percent to 15 percent of funds raised. IRA receiving support from 20 donors 	TBD	<ul style="list-style-type: none"> ➤ Financial framework review for strengthening accountability systems (USD 3.1 million through MP 2015) 	<p>2016 deliverables</p> <ul style="list-style-type: none"> ➤ Macro advance financing pilots initiated in at least 2 operations ➤ Resource-based planning pilots initiated in at least 2 operations ➤ Standard project status reports for L3 emergencies created, including resource planning, budgeting and expenditures ➤ Processes for macro advance financing developed, proof of concept refined through pilots ➤ Resource-based planning platform developed; roll-out to all operations initiated ➤ Operational budget structure reviewed, including country portfolio budget options ➤ Resource mobilization strategy utilizing major advocacy and communication effort to secure increased amount of flexible and predictable funding developed



ANNEX II: CRITICAL CORPORATE INITIATIVES, 2016 ONLY

Initiative number	Initiative	Details	Proposed funding	Related initiatives previously funded through MPs*	Deliverables
			2016		
vi)	Enablement of evidence-based decision-making	<p>Description</p> <p>Development of systems to support corporate information management</p> <p>Outcomes</p> <ul style="list-style-type: none"> ➤ Improved access to information for staff, through upgrade of internal document storage and content search systems ➤ Implementation of new IT systems to enable better data sharing and visualization 	TBD	N/A	<p>2016 deliverables</p> <ul style="list-style-type: none"> ➤ Implementation of new IT systems – eCMS, Search Engine, and data services ➤ Scoping and development of blueprint for a corporate content management strategy, taxonomy, and document management function, including focal points at regional bureaux and country offices
2016 funding ceiling for the above			USD 7.8 million		

* Critical corporate initiatives previously funded through the Management Plan (MP) in 2014–2015

ACRONYMS USED IN THE DOCUMENT

C&V	cash and vouchers
IRA	Immediate Response Account
ISC	indirect support costs
IT	information technology
L3	Level 3
M&E	monitoring and evaluation
MP	Management Plan
SEF	Security Emergency Fund
UNDSS	United Nations Department of Safety and Security
WHS	World Humanitarian Summit