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# FINANCE COMMITTEE

**Hundred and Sixty-eighth Session**

**Rome, 2 - 3 November 2017**

**WFP Management Plan (2018–2020)**

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EXECUTIVE SUMMARY

- The “WFP Management Plan (2018–2020)” is submitted to the Board for approval.
- The Executive Summary of the “WFP Management Plan (2018–2020)” 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 (2018–2020)” 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 (2018–2020)”.**

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**For approval**

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

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## **WFP Management Plan (2018–2020)**

### **Executive summary**

#### **A new way of working**

After a decade of decline, hunger is on the increase, with 815 million people suffering from chronic undernourishment, including more than 100 million facing severe food insecurity. Hunger and undernutrition are significantly worse in countries affected by conflict, which account for 60 percent of the world's undernourished population and nearly 80 percent of the world's stunted children. Conflict and hunger have contributed to a doubling in the number of internally displaced persons in 10 years. These are the stark realities in the area of WFP's core humanitarian work, where it has its largest operations.

Yet, for the people that WFP reaches, distinctions between humanitarian assistance, development support and peace building are meaningless. The current reality demands that WFP find new ways of working that enable it to deliver more efficiently, effectively and economically in support of host governments, within the United Nations system and with the private sector and civil society.

Food assistance is one of the most important areas of action and investment at the humanitarian–development–peace nexus. Extending well beyond handouts of food, food assistance comprises a comprehensive range of instruments, activities and platforms that together empower vulnerable and food insecure people and communities to obtain nutritious food in various contexts. Through the investments and reprioritizations in this 2018 Management Plan, WFP will continue to improve its food assistance operations through the progressive implementation of country strategic plans and transformed financial and corporate results frameworks; enhance its capabilities in respect of cash-based transfers; and improve its organizational risk management. Together, these initiatives will boost WFP's contributions to Sustainable Development Goal 2, on zero hunger, and the 2030 Agenda for Sustainable Development as a whole.

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Recognizing the demands on the entire United Nations family to do more with less, WFP proposes also to lower its indirect support cost recovery rate from 7 percent to 6.5 percent beginning in 2018. WFP will also maintain a zero nominal growth programme support and administrative (PSA) budget of USD 335.4 million in 2018. The 2018 Management Plan also transforms the way in which PSA funds are presented, transparently connecting resources budgeted under the headings of “strategy and direction”, “services to operations” and “governance, independent oversight and fundraising” to planned results defined in accordance with key performance indicators.

### **Financial outlook: funding**

WFP is a 100 percent voluntarily funded organization. Donations are therefore its lifeblood and a top priority of the Executive Director. The funding forecast for 2017 points to income of USD 6 billion – a record amount. While that is good news, the top 10 donors to WFP accounted for 85 percent of its 2016 income, while contributions from other donors dropped in both absolute and proportional terms. WFP is determined to reduce this dependence and from 2018 will make a concerted effort to broaden its donor base, including by targeting private sector and individual giving. The strategic alignment of WFP programmes with SDG 2 and SDG 17 will also provide greater opportunities for collaborative financing with host governments. The forecast income of USD 5.7 billion in 2018, while reflecting some continued funding uncertainty, remains significantly above the 2017 Management Plan forecast for 2018 of USD 5.2 billion.

### **Needs and the WFP implementation plan**

The continued complex and protracted emergencies that challenge the organization and the international community result in estimated operational requirements of USD 9 billion for 2018. WFP is currently supporting six Level 3 and six Level 2 emergencies. With the exception of Nigeria and most recently Bangladesh/Myanmar, all have been at Level 2 or 3 for more than two years, and with the exception of the Horn of Africa drought, they are all primarily driven by conflict.

The implementation plan for 2018 is aligned with projected resources for the year. With a projected gap of 35 percent between operational requirements and the implementation plan (lower than the 40 percent gap in the previous Management Plan), prioritization is inevitable. In order to minimize the effects of this gap, WFP must prioritize based on the geographical areas that are worst affected, target only the most vulnerable households or reduce the size of rations and other assistance. Activities can also be affected to varying degrees, with life-saving activities prioritized over preventive activities and individual capacity strengthening, asset creation, livelihood support and prevention of malnutrition subject to the most significant decreases.

The 2018 implementation plan focuses primarily on relief and emergency response, with 74 percent of the projected resources directed towards the crisis focus area. The remaining resources under the implementation plan are directed to the resilience (16 percent) and root causes (10 percent) focus areas.

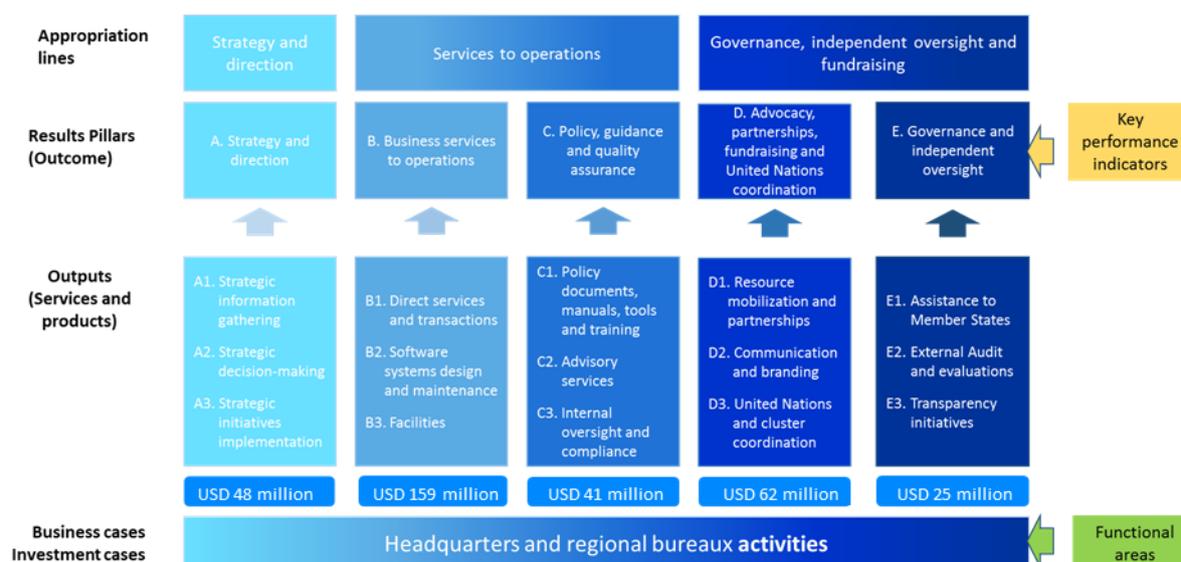
In 2018, in-kind food accounts for the largest portion of projected WFP assistance (53 percent) while cash-based transfers are estimated to increase to 37 percent of total transfers, establishing WFP as the largest humanitarian agency in terms of cash programming.

As country strategic plans are finalized there may be some reallocation of resources across focus areas and activities. Evidence of the returns on investment on prevention interventions and asset creation, for example, is growing, and as countries move to long-term multi-year planning, activities aimed at building community-level resilience while addressing the underlying causes of individuals’ inability to support themselves and their families should receive greater attention and funding.

### **2018 programme support and administrative budget**

The programme support and administrative (PSA) budget covers the indirect support costs (ISC) required to deliver the implementation plan. The PSA budget is funded by the ISC charged against contributions, which follow the full-cost-recovery principle.

The PSA budget will be revamped, broken down according to newly proposed appropriation lines and results pillars that summarize the main results jointly delivered by headquarters and the regional bureaux in support of WFP’s Strategic Results, as shown in the following figure.



Each of the five results pillars in the figure captures the main products and services produced for programme support and administration, and the results chain will facilitate cross-organizational aggregation of budgets and performance management.

Following years during which WFP has received contributions significantly in excess of the levels forecast in its management plans, the PSA equalization account (PSAEA) is expected to show a healthy balance at the end of 2017 (see Table 1). This allows the Secretariat to propose several investments in key corporate priorities to support the effective and sustainable delivery of WFP's implementation plan. A reduction in the corporate ISC rate from 7 percent to 6.5 percent from 2018 is also proposed, and a dialogue with the Executive Board is foreseen during 2018 to refine WFP's ISC policies.

The proposed zero nominal growth 2018 PSA budget of USD 335.4 million is below the level of anticipated indirect support cost income for the year of USD 342.9 million arising from forecast contributions of USD 5.7 billion using the reduced ISC rate of 6.5 percent. Using current forecasts, at the close of 2018 the PSAEA is expected to have a balance of USD 190.7 million, equivalent to 6.8 months of PSA expenditure.

	2014	2015	2016	2017	2018
PSA budget	281.8	281.8	290.3	335.4	335.4
Critical corporate initiatives	9.2	27.2	20.0	13.5	35.6
Proposed transfer to reserves and special accounts				15.0	17.0
PSA equalization account year-end balance/forecast	191.8	138.3	197.4	229.3	190.7

The Secretariat has continued to reprioritize PSA resources (including USD 5.3 million arising from reductions in standard staff costs and other savings) to higher priority areas including training, cash-based transfers, enterprise risk management activities, development of partnerships and governance.

### Transfers from PSA equalization account to reserves and special accounts

The Secretariat proposes to inject USD 9 million into the immediate response account (IRA) from the PSAEA. The IRA is a critical tool for WFP in reacting quickly to life threatening situations by allocating funds to projects. This transfer supplements the transfer of USD 15 million made at the start of 2017. The Secretariat also proposes to transfer USD 8 million to the Wellness special account. This will allow WFP to continue its support for its employees in the field through implementation of the Wellness Strategy with regard to matters such as medical and psychosocial health initiatives, work and living conditions, safety and workforce stewardship.

### Critical corporate initiatives funded from PSA equalization account

Critical corporate initiatives strengthen WFP's programming, operational and administrative capacity to fulfil its mission, and deliver value for money. The Secretariat proposes critical corporate initiatives of USD 35.6 million as follows:

Appropriation lines	Strategy and direction	Services to operations		Governance, independent oversight and fundraising	
Results pillars	Strategy and direction	Business services to operations	Policy, guidance and quality assurance	Advocacy, partnerships, fundraising and United Nations coordination	Governance and independent oversight
Investments in critical corporate initiatives (USD million)	0.4	27.2	0.7	6.5	0.8

Within business services to operations, the drawdown is proposed principally for the Integrated Road Map budget in 2018 (USD 14 million), for strengthening WFP's organizational risk management and management oversight (USD 5 million) and for cross-department work on the development of enhanced corporate capabilities in respect of cash-based transfers (USD 5 million). The pillar for advocacy, partnerships, fundraising and United Nations coordination will also benefit from investments in resource mobilization from individual donors (USD 3 million), the scaling up of digital fundraising and awareness activities (USD 2 million) and a reinvigoration of the goodwill ambassador programme (USD 1.5 million).

### Strategic use of the PSA equalization account for programmes or safety nets

Further proposals for strategic use of the PSA equalization account to assist with the efficient and effective implementation of programmes will be presented for discussion with the Executive Board during 2018. While the range of ideas is only intended to be indicative, initiatives under consideration by the Secretariat include a foreign exchange reserve for centrally managing risk exposure, an expanded reserve to provide a safety net for internal project lending, revitalization of the Emerging Donor Matching Fund, funding for private sector fundraising and a financial safety net for innovative financing initiatives.

### Corporate services and business services

The self-insurance special account, established in 1993, enables WFP to provide insurance coverage for food and other goods in transit. Coverage is provided up to the delivery point, i.e., when title passes on to the recipient governments, usually at the discharge port, or the first warehouse in the case of landlocked countries. WFP, however, now retains custody and control beyond the delivery point. WFP is responsible and accountable for the loss of commodities while they remain in its custody and control but its insurance coverage ceases once title passes to a recipient government. The Secretariat therefore proposes to extend the scope of the self-insurance scheme to provide coverage from when WFP takes possession of goods up to the moment it hands them over to a government, cooperating partner or beneficiary and to provide coverage for losses that are non-insurable under an external insurance cover.

## Draft decision\*

Having considered WFP's Management Plan (2018–2020) (WFP/EB.2/2017/5-A/1/Rev.1), the Board:

- i. **takes note** that the 2018 programme support and administrative appropriation assumes a funding level of USD 5.7 billion in 2018;
- ii. **takes note** of the projected operational requirements of USD 9.0 billion for 2018 and the prioritization proposals to align the activities of WFP with anticipated funding, as outlined in section III of the Management Plan (2018–2020);
- iii. **approves** the establishment of the “strategy and direction”, “services to operations”, and “governance, independent oversight and fundraising” appropriation lines;
- iv. **approves** a 2018 programme support and administrative appropriation of USD 335.4 million, to be allocated as follows:
 

strategy and direction	USD 48.2 million
services to operations	USD 200.1 million
governance, independent oversight and fundraising	USD 87.1 million
<b>Total</b>	<b>USD 335.4 million</b>
- v. **approves** the following uses of the programme support and administrative equalization account:
  - a transfer of USD 9 million to the immediate response account reserve
  - a transfer of USD 8 million to the staff wellness special account
  - allocation of USD 35.6 million for critical corporate initiatives
- vi. **approves** a single corporate indirect support cost recovery rate of 6.5 percent for 2018;
- vii. **approves** a proposal to extend the scope of the self-insurance retention scheme from the moment WFP takes possession of goods up to their physical hand-over and to provide coverage for losses that are non-insurable under an external insurance cover;
- viii. **approves** a ceiling of USD 82 million for corporate services advances from 2018 and looks forward to reviewing this as part of future Management Plans; and
- ix. **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.

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\* 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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## Section I: Introduction

### Reader's guide

1. The three-year Management Plan is among WFP's principal governance documents, intended for internal and external oversight and accountability purposes.
2. The starting point for the Management Plan (2018–2020) is the level of resources anticipated to be received during the first year of the Plan period. The resources anticipated in 2019 and 2020 are also included.
3. The document presents an implementation plan aggregating all planned activities of all countries based on their individual funding projections. The funding projections for each country are the result of detailed donor discussions. These projections are matched with assessed needs through a prioritization process to produce the country-level implementation plan.
4. Programme support and administrative (PSA) activities are presented in a separate budget, set consistently below the forecasted level of indirect support cost (ISC) income for the forthcoming year. Departmental budget levels have been subject to internal reprioritization to keep PSA expenditure focused on corporate priorities.
5. The executive summary, draft decision and introduction to each section explain the flow and logic of the Plan. The body of each section contains the detailed provisions of the Plan.

### Structure of the document

6. The Management Plan (2018–2020) comprises an Executive Summary, draft decision and:
  - *Section I: Introduction.* This section contains a discussion of the global economic and political context of WFP's management proposals.
  - *Section II: Funding context and resourcing assumptions.* This section provides details of the resourcing assumptions underlying projected income for 2017 and an overview of the financial context and assumptions supporting WFP's 2018 revenue forecast.
  - *Section III: Implementation plan for 2018.* This section presents information following the structure of the approved Strategic Plan 2017–2021 and Corporate Results Framework (CRF) based on inputs from all country offices. Since 2018 will be a year of transitions, the implementation plan contains a mix of scenarios, including country strategic plans (CSPs) and interim country strategic plans (ICSPs) begun in 2017; CSPs, ICSPs and transitional ICSPs (T-ICSPs) starting in 2018; and information on those countries where existing projects will continue in 2018.
  - *Section IV: Programme support and administrative budget.* This section sets out the proposed 2018 PSA budget, proposed at a level below the anticipated ISC income for the year. The section also contains background on the proposal to reduce the corporate ISC rate from 7 percent to 6.5 percent effective from 2018. A further change proposed for 2018 is to adjust the appropriation lines under which the Executive Board approves the PSA budget.
  - *Section V: Corporate services and business services; special accounts.* This section presents the status and proposed use of the USD 82 million corporate services financing mechanism and other special accounts established by the Executive Director.<sup>1</sup>
  - The annexes provide further detail in support of the information in the body of the document.

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<sup>1</sup> Special accounts enable WFP to provide non-profit business services, improve institutional capacities and mobilize country-specific complementary resources for programmes.

## **Global economic and political context**

7. WFP's presence in over 80 countries combined with its low level of softly earmarked or unearmarked funding – 6.4 percent of total funding in 2016 – create a situation whereby its plans can be affected by circumstances over which it has little or no control.
8. The following paragraphs outline the exacerbating factors that could further intensify the challenges and requirements of today characterized by protracted large-scale conflicts with regional spill-over effects and increased inflexibility and unpredictability in donor funding.
9. More positively global developments, such as the emergence of new powers in the global South, expanding markets, changing relationships between States and markets, and technological innovation, offer new opportunities to end hunger and achieve sustainable development.

## **Climate**

10. Climate and natural hazards are significant drivers of malnutrition and food insecurity. One of the longest and most intense El Niño events on record resulted in one of the most severe multi-season droughts in Southern Africa for a generation. The weak La Niña that followed significantly improved crop production across the region despite the emergence of new pests in some countries. However, serious concerns remain in Angola and, especially, Madagascar, where drought conditions persisted throughout most of the growing season, adding further stress to poor and vulnerable households already affected by drought over the previous two growing seasons.
11. The extreme drought during the final growing season of 2016 led to the inclusion of Somalia as one of four looming famines. That drought also affected parts of Kenya, southeastern Ethiopia and wider areas across East Africa. Drier-than-average conditions persisted until the early stages of the growing season from March to May 2017. In Somalia, relatively better rains from mid-April onwards prevented yet another consecutive severe drought, which would have led to a humanitarian disaster worse than 2010/11. Still, the late start to the growing season, combined with occasional intense rainfall and the potential recurrence of dryness late in the season, may result in only a modest recovery and continuing elevated humanitarian assistance needs in Somalia, Kenya and parts of Ethiopia.
12. While WFP, based on the current data and forecasts available, does not expect significant climatic events, vigilance and constant monitoring continue. WFP remains aware of a possible El Niño event later in 2017. WFP's enhanced preparedness includes participation in an inter-agency global El Niño unit that will provide a unified view on the likelihood and possible impacts of such an event and identify countries where early action should be prioritized. Should an El Niño materialize, WFP expects the most immediate impacts to occur during the subsequent growing seasons in Southern Africa, with likely drought, and East Africa, with heightened flood risk.

## **Political instability and conflict**

13. Four looming famines, multiple protracted large-scale conflicts and increasing geopolitical risks mean that the challenges and requirements of 2018 are significant. Recent political developments, inward-looking policies and acts of terror around the world signal a backlash against globalization and reflect changing relationships among States.
14. The number of people experiencing food crises and emergencies has risen from 80 million to 108 million in 48 countries over the last 12 months – a 35 percent increase. Ten of the thirteen largest food-insecurity crises are driven by conflict. Forced displacements continue at a record rate, with 65 million people, or 1 in every 113 people, displaced, approximately two thirds of them internally. The acute and far-reaching effects of conflict left significant numbers of food-insecure people in need of urgent assistance in Yemen (17 million), the Syrian Arab Republic (7 million), South Sudan (4.9 million), Somalia (2.9 million), northeast Nigeria (4.7 million), Burundi (2.3 million) and Central African Republic (2 million). The immediate outlook suggests worsening conditions in most of these locations.

## Economic outlook

15. Global economic growth is expected to pick up pace in 2017 and 2018, at 3.5 percent and 3.6 percent, respectively. Growth in emerging markets and developing economies is projected at 4.5 percent in 2017.<sup>2</sup> However, there is a high degree of uncertainty. Notable negative risks include a possible shift towards inward-looking policies and protectionism, whereby increased restrictions on global trade and migration would constrain productivity and incomes; and continue to increase geopolitical tensions.
16. Prospects differ sharply among countries. As extreme poverty declines globally, the regional poverty profile has been changing. This is a direct result of uneven progress, mainly at the expense of sub-Saharan Africa, which has the world's highest poverty headcount ratio (41.0 percent) and houses the largest number of poor people (389 million), more than all other regions combined.
17. Many emerging economies are experiencing high depreciation of their currencies against the United States dollar, heralding serious trouble. The currencies in greatest turmoil are those of Egypt, South Sudan and the Syrian Arab Republic, while the Democratic Republic of the Congo, Nigeria, Sierra Leone, Uzbekistan and Turkey are also facing problems.<sup>3</sup>
18. Many oil export dependent countries continue to face significant economic challenges as the international crude oil prices have remained stubbornly low over the last couple of years. In 2017, Brent crude oil prices have fluctuated between USD 42.7 and USD 54.42 per barrel.<sup>4</sup> Put into historical context, these prices are less than half the average price between 2011 and mid-2014, and actual prices in 2017 have remained slightly below International Monetary Fund (IMF) near-term projections. Many oil-exporting poor countries cannot therefore expect a quick and substantial reduction in their current account deficits and end up sharply reducing social sector spending.
19. Metal prices have recovered considerably since January 2016. The IMF Metal Price Index in May 2017 was up 18 percent compared to May 2016, improving the competitiveness of some countries, such as Zambia with regard to copper exports. However, developing economies still face significant challenges in adjusting to low primary commodity export revenues which add to their financial vulnerabilities in the near-term.
20. Global food prices are generally low but rising. The Food Price Index of the Food and Agriculture Organization of the United Nations (FAO) averaged 172.6 points in May 2017, up 10 percent from May 2016. This trend is largely attributable to steep global price increases for dairy and meat products. Conversely, the FAO Cereals Price Index has declined by about 25 percent since May 2013 as a result of abundant production and ample stocks.
21. Despite the positive outlook at the global level, local food prices remain under pressure in countries affected by El Niño, conflict or economic turmoil. Most domestic markets in Southern Africa, including Malawi, Mozambique, the United Republic of Tanzania and Zambia, exhibited abnormally high maize prices in the first quarter of 2017, driving up the cost of the basic food basket almost everywhere in the region compared to the five-year average. The cost of the basic food basket increased sharply (by more than 10 percent) in the first quarter of 2017 in Burundi, the Democratic Republic of the Congo, Egypt, the Gambia, Somalia, the United Republic of Tanzania, Viet Nam and Yemen.

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<sup>2</sup> IMF, World Economic Outlook, April 2017: Gaining Momentum?

<sup>3</sup> Source: WFP Vulnerability Analysis and Mapping (VAM), Economic Analysis – Currencies, [Hotspots](#). Accessed June 2017.

<sup>4</sup> Source: [www.tradingeconomics.com](http://www.tradingeconomics.com). West Texas Intermediate crude oil.

## International humanitarian assistance

22. An estimated 164.2 million people in 47 countries required international humanitarian assistance in 2016 as a result of crises. International humanitarian assistance rose for a fourth consecutive year to a record of USD 27.3 billion – an increase of 6 percent from 2015, which was less significant than in previous years, indicating a slowdown in the pace of growth. Despite the increase, there was still a shortfall in funding for the United Nations Consolidated Appeals Process of 40 percent. That funding gap affected the 43 appeals unevenly, with a 95-percentage-point difference in funding levels between the best- and worst-funded appeals. More than half of all crisis-specific humanitarian assistance was concentrated among five crises – those in Ethiopia, Iraq, South Sudan, the Syrian Arab Republic and Yemen. Multilateral development banks are increasingly prominent providers of crisis-related financing, with their humanitarian assistance financing increasing by 65 percent in 2015.
23. Humanitarian access is severely constrained and presents increasingly complex challenges in countries including Iraq, northeast Nigeria, South Sudan, the Syrian Arab Republic and Yemen, preventing humanitarians from carrying out their work and leaving those affected without basic services or protection.

## Organizational context

24. The Integrated Road Map (IRM) charts the way for organizational transformations that will enable WFP to contribute to achieving the goals of the 2030 Agenda for Sustainable Development. Following approval by the Executive Board of the IRM and its four components<sup>5</sup> in November 2016, 2017 will see WFP go through a major transformational shift, with 13 CSPs, 4 ICSPs and 40 T-ICSPs scheduled to begin in January 2018. Together these plans, and the 14 approved Wave 1A and Wave 1B CSPs/ICSP, account for 66 percent of the estimated programme of work for 2018.

## Strategic plan and Corporate Results Framework

25. The Strategic Plan and the CRF have been in effect since January 2017. The Strategic Plan creates a framework for strengthening WFP's ability to engage in emergency and logistics activities and to contribute to the fight against hunger and chronic malnutrition. The Strategic Plan draws on WFP's traditional strengths in humanitarian response and recovery, identifying opportunities to apply them across the spectrum from emergency relief to development in support of achieving the Sustainable Development Goals (SDGs).
26. The CRF has informed the design of the CSPs, ICSPs and T-ICSPs, which represent the programmatic tools through which the vision of the Strategic Plan is being implemented. The CSP framework will enable WFP to engage ever more closely with governments in developing programmes geared towards achieving the SDGs. The CSP framework comprises CSPs, ICSPs, T-ICSPs and limited emergency operations.<sup>6</sup>
27. The CRF has informed the design of the CSPs, ICSPs and T-ICSPs already approved or being developed, ensuring that activities under the plans are aligned with the Strategic Plan and the relevant SDGs.

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<sup>5</sup> Strategic Plan (2017–2021), Policy on Country Strategic Plans, Financial Framework Review and Corporate Results Framework.

<sup>6</sup> In the event of an unforeseen and sudden-onset emergency, limited emergency operations – which may include service delivery or capacity-strengthening support, as required – may be implemented in countries where WFP does not have a presence. Limited emergency operations, planned for an initial period of up to six months, are approved by the Executive Director and, if required, the Director-General of FAO.

## **Financial Framework Review**

28. Each CSP, ICSP, T-ICSP and limited emergency operation is supported by a country portfolio budget (CPB), which presents the activities and required resources for implementation in a single document. In line with the CSP framework and the Strategic Plan, the CPB provides a holistic view of WFP's operational portfolio at the country level and ensures optimal use of resources.
29. As the implementation of the CSP framework transforms WFP, the CPB budget structure will gradually replace the existing project-based model to support a country-portfolio approach to strategy, planning, implementation, budgeting and reporting to enhance results-based management.

## **Governance**

30. The kind of organizational change under way in WFP through the CSPs and the Financial Framework Review demands a review of the Programme's corporate governance documents with regard to the application of full-cost recovery and the introduction of new cost categories, delegations of authority for the approval of activities, and terminology.
31. Interim guidance is in place for 2017 and will be expanded for 2018. Lessons learned during these two years of implementation will inform final guidance to be submitted to the Executive Board at its second regular session of 2018.

## **Summary**

32. IRM implementation represents once-in-a-generation transformational change on a scale not seen since the Resourcing and Long-Term Financing Policy was approved in 1995. WFP is undertaking this transformation at the same time as it responds to four famines and addresses the need for greater contributions to enable it to assist the growing number of people in need. This is a major opportunity to improve the way WFP works and better demonstrate results, but delivering the change will require great effort across WFP. The Management Plan (2018–2020) describes how WFP will implement this change through programming and the prioritization of resources.

## **Section II: Funding context and resourcing assumptions**

### **Overview**

33. This section provides an overview of the financial context and assumptions supporting WFP's 2018 revenue forecast of USD 5.7 billion, including trust fund and Immediate Response Account (IRA) income. The forecast is based on donor positions and trends and reconciled with local funding projections for each project in each country, which are aggregated to form the basis of the Management Plan.
34. Given the importance attached to flexible and predictable funding, the present section presents a detailed trend analysis in respect of such funding.
35. As WFP responds to unprecedented global humanitarian needs, including through emergency operations, changes are likely to occur with respect to the anticipated funding trends and resourcing requirements presented in the present Management Plan, prepared six months in advance of the budget period.

### **Keeping pace with global trends**

36. In November 2016, taking account of global commitments reached in summits and conferences, the Executive Board approved the Strategic Plan (2017–2021). The supporting financial architecture and related planning and programming instruments have been established to optimize the efficiencies and increased effectiveness that come from predictable, multi-year, flexible funding.
37. CSPs are part of this effort and are in the spirit of the “New Way of Working”: spanning up to five years, they outline the outcomes, outputs and activities that WFP plans in a given country. This planning tool provides a sound basis for donors to commit resources over multi-year periods. Country portfolio budgets (CPBs), which accompany CSPs, present WFP's operational portfolio in a holistic fashion and enable country-based management to ensure optimal use of resources and demonstrate value for money.
38. To meet operational requirements in the light of changing donor priorities, WFP continues to partner with a broader range of supporters. Efforts include strengthening partnerships with financial institutions, the private sector and individuals, with a view to more effectively and efficiently using capacities and resources to address root causes, build resilience and reduce humanitarian needs. Consideration is also being given to how digitization can contribute to more effective fundraising.

### **WFP funding trends: 2017–2019 forecast**

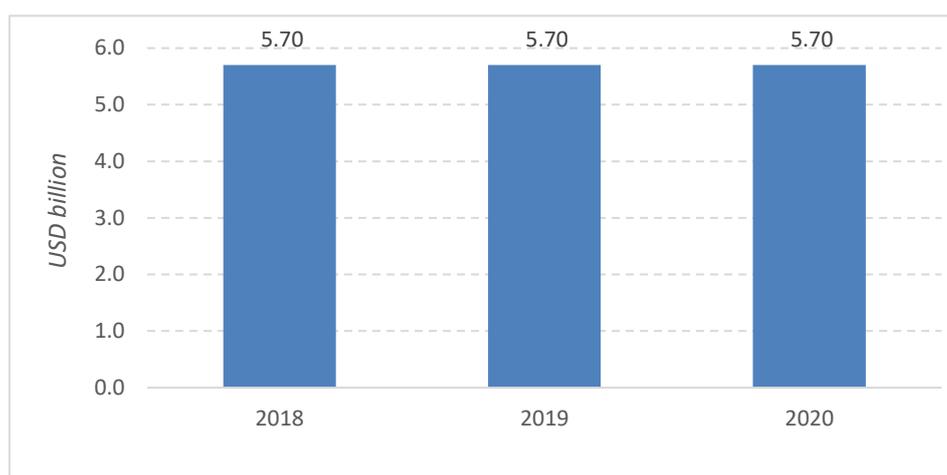
39. Available donor intelligence and a review of funding trends suggest that resources for 2017, including trust funds, will surpass USD 6.0 billion. While political changes in several of WFP's largest donors have led to a potential downturn in support from 2018 onwards, the critical need to address food insecurity, coupled with significant access challenges, means that WFP will continue to play a key role in efforts to address many of the largest global challenges. While WFP remains confident that funding will reach at least USD 5.7 billion in 2018, we believe that our strengthened fundraising efforts will enable us to further reduce the gap between needs and available resources through 2020.

### **Possible effects of changing political landscapes on WFP income**

40. In 2016, the United States of America, WFP's largest donor, contributed USD 2.02 billion to WFP, a USD 17 million increase from 2015. The recent change of administration and new federal budgetary proposals signal a potential shift in its funding priorities. However, the gravity of the humanitarian situation in those countries threatened by famine has stimulated a positive response and a widening recognition of the critical role that food assistance plays in stabilizing populations and building resilience.

41. Ongoing global political developments affecting leading WFP donors may also affect future humanitarian budgetary allocations. With growing domestic demands on national budgets, several donors of the Development Assistance Committee of the Organisation for Economic Co-operation and Development are experiencing increasing political challenges to maintaining their official development assistance budgets.

**Figure II.1: Three-year funding forecast, 2018–2020**



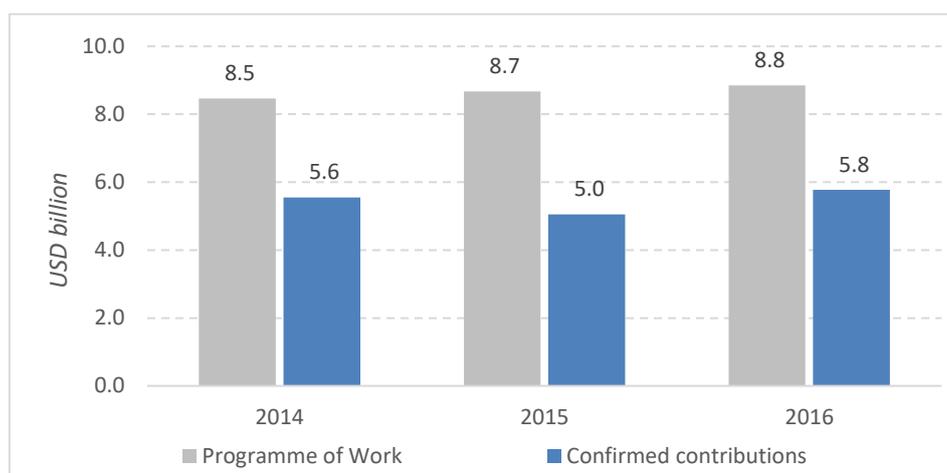
### Effects of currency fluctuations on WFP income

42. Income forecasts are underpinned by prevailing exchange rates for contributions in currencies other than United States dollars. Forecasts in other currencies may therefore be under- or over-estimated depending on the movement in exchange rates between the time of the forecasts and confirmation of actual contributions. While a realized gain or loss will only materialize from exchange rate movements between the date of confirmation of a contribution and its actual receipt, income forecasts for future years contain estimates of income in currencies other than United States dollars based on projected exchange rates.

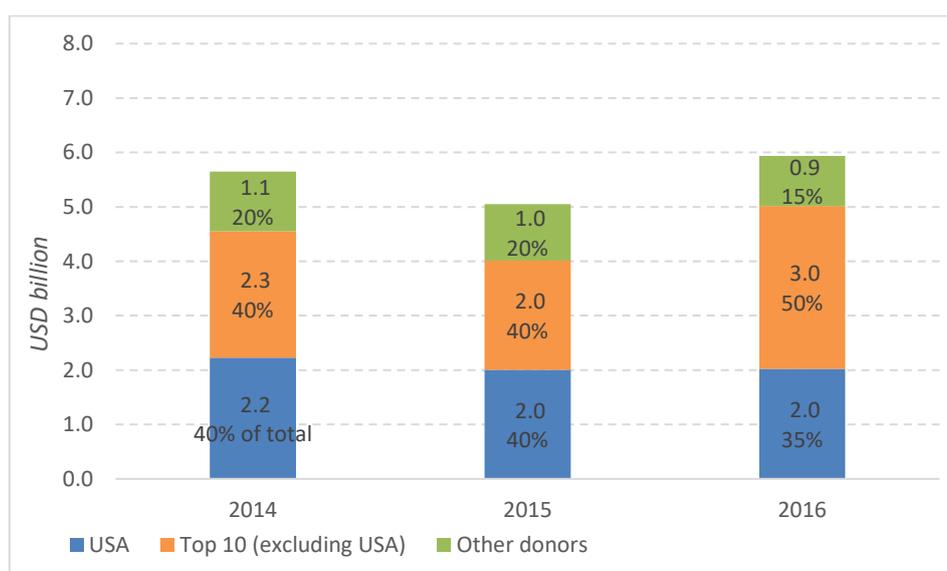
### Keeping pace with needs – WFP contribution trends

43. While WFP continues its efforts to optimize operational efficiency in responding to crises it also faces increasing demand. Assessed operational requirements for 2017 are currently at USD 9.0 billion, 4 percent above the record high set in 2016. The operational funding gap for 2017 is estimated at 34 percent. The continued high level of operational needs is a result of unchanged requirements for Level 3 emergency responses, which account for approximately half of WFP's Programme of Work.
44. WFP received its highest annual level of confirmed contributions in 2016, at USD 5.77 billion.<sup>7</sup>

<sup>7</sup> WFP's financial statements currently recognize contributions, including multi-year contributions, as revenue for the year or years stipulated by the donor when the contributions are confirmed in writing.

**Figure II.2: Programme of Work and confirmed contributions, 2014–2016**

45. The proportion of contributions from the top 10 donors increased from 80 percent in 2014 and 2015 to 85 percent in 2016, due mainly to the significant increase in support provided by the European Commission and Germany. Contributions from donors outside of the top 10 dropped to their lowest level in 2016 in absolute and proportional terms alike, signalling WFP's greater dependence on a smaller number of donors.

**Figure II.3: Donors to WFP by value of contributions and percentages of total, 2014–2016<sup>8</sup>**

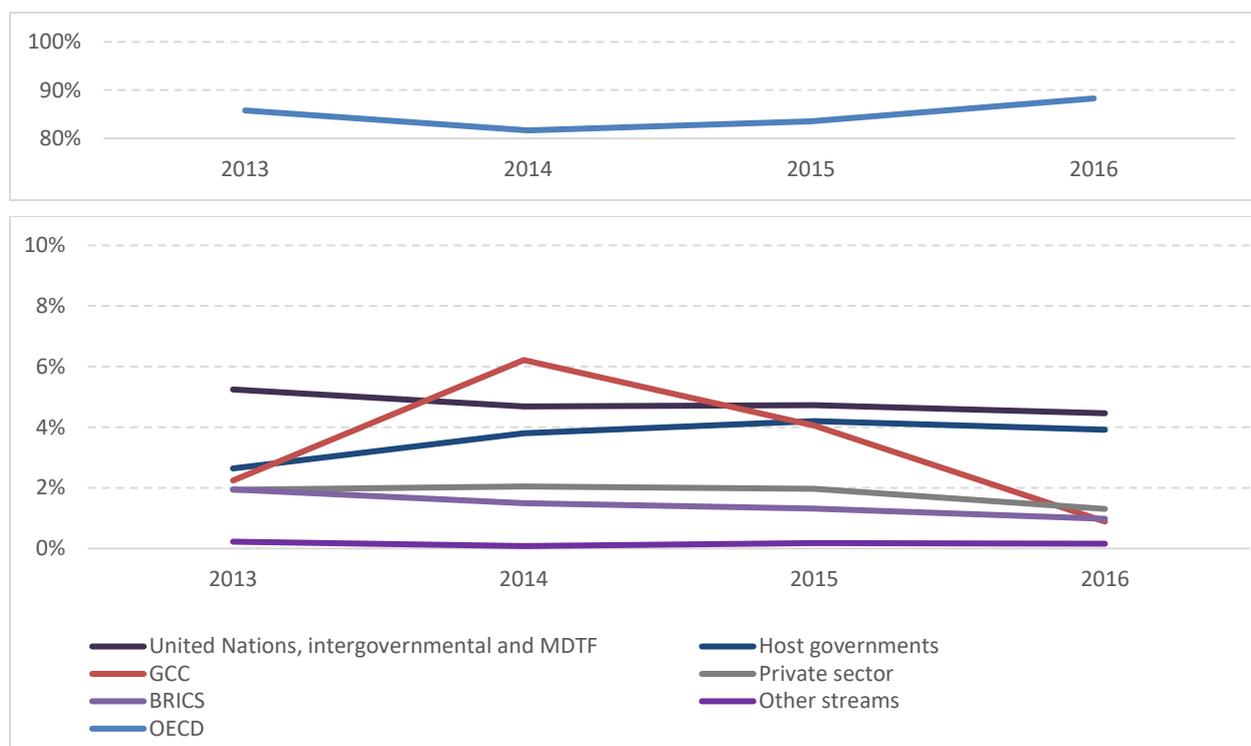
### Host governments and expanding the donor base

46. Host government contributions reached a record high in 2016 at USD 236 million, an increase of 7 percent from 2015. WFP's strategic alignment with SDGs 2 and 17 will provide greater opportunities for collaborative financing of mutually agreed action. Regular donations are encouraged from host governments through twinning in the short term, with a view to meeting full-cost recovery from their own resources in the long term.

<sup>8</sup> The difference between the 2016 contribution revenue of USD 5.8 billion in the annual accounts (Figure II.2) and the 2016 contribution revenue disclosed by the Government Partnerships Division of USD 5.9 billion (Figure II.3) is due to the exclusion of accounting adjustments (write-downs, adjustments for contribution unspent balances) from numbers disclosed by the Division.

47. There are opportunities for Gulf Cooperation Council (GCC) member states to enhance their support for WFP operations. Confirmed contributions from the GCC and the broader Middle East region declined by 85 percent, from USD 345 million in 2014 to USD 53 million in 2016.
48. Contributions received from international financial institutions (IFIs) increased significantly in 2016, accounted for primarily by an increase in the World Bank's contribution by USD 48.6 million from 2015. WFP continues to step up its partnership with IFIs as key financing partners as well as source donors for host government contributions.

**Figure II.4: Contributions, by donor category, 2013–2016**



BRICS = Brazil, Russian Federation, India, China and South Africa; GCC = Gulf Cooperation Council and Middle East; MDTF = multi-donor trust funds; OECD = Organisation for Economic Co-operation and Development.

49. WFP continues to develop innovative approaches to resource mobilization, including micro-donations and individual giving, although investment is needed to strengthen them. WFP's ShareTheMeal mobile application is the world's first such application to support the fight against global hunger, enabling people to donate cash quickly and easily through their mobile phones.

### Flexible and predictable funding

50. Softly earmarked contributions to WFP decreased by 10 percent from 2015 to 2016, from USD 422 million to USD 380 million, accounting for 6.4 percent of total contributions – the lowest level of softly earmarked and unearmarked contributions received since 2011.
51. The rise in the value of the United States dollar had a significant negative effect on WFP's softly earmarked contributions and multi-year revenue since most such contributions were made in non-USD denominations. The effect was noticeable in 2016: WFP would have received an additional USD 40 million in softly earmarked contributions and USD 36 million in multi-year contributions had the revenue from those contributions been confirmed when the average exchange rate was similar to that of 2015.
52. Multi-year funding decreased by 3 percent in 2016, when WFP received USD 497.5 million compared to USD 514 million in 2015.

53. WFP continues to encourage the establishment of strategic partnership agreements (SPAs) with donors to provide for predictable and flexible funding for a set of jointly agreed, relatively long-term objectives. At present, WFP has 12 SPAs with donors, including Canada and Luxembourg, who renewed their SPAs in 2017.
54. Donors are increasingly attaching conditions to contributions with the aim of supporting aid effectiveness while satisfying domestic constituents and national accountability mechanisms. Donor conditions affect WFP's ability to respond rapidly and to operate in the most efficient and effective manner.

**Figure II.5: Strategic partnership agreement donors, 2012–2021**

Donor with SPA	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Australia										
Canada										
Denmark										
Finland										
Iceland										
Ireland										
Luxembourg										
New Zealand										
Norway										
Republic of Korea										
Russian Federation										
Sweden										
United Kingdom										

\* To be confirmed.

Light green = past SPAs.

Dark green = current SPAs.

Yellow = under negotiation.

55. Contributions with long duration also enable WFP to plan and procure food more effectively and flexibly. The proportion of contributions with a duration of more than a year, including multi-year contributions, decreased from 73 percent in 2015 to 62 percent in 2016. WFP will continue to monitor this trend. Tight timelines on contributions significantly reduce flexibility and increase transaction costs.
56. Contributions eligible for use in internal project lending<sup>9</sup> increased from USD 2.1 billion in 2015 to USD 3.2 billion in 2016 – 53 percent of all contributions. The advantages of utilizing such contributions during project lifecycles, particularly in the early stages, are essential for efficient planning and implementation. Such flexibility enables WFP to buy food at optimal times, prevent disruptions in the provision of food and cash-based transfers, and reduce transaction costs, thereby ensuring that beneficiaries receive maximum support.

<sup>9</sup> Internal project lending provides budget authority for projects using forecast contributions to the projects as collateral for loans.

57. The reduction of donor earmarking and conditions in respect of contributions enhances WFP's efficiency and effectiveness. WFP's enhanced financial management systems have been designed to optimize accountability and transparency in supporting implementation of the Strategic Plan and, in turn, to foster sufficient confidence on the part of donors that they will be inspired to ease restrictions on their contributions. A thorough analysis of donor requirements will be conducted in 2018 with the aim of understanding what information and incentives are needed to further inspire donors to reduce earmarking and to provide more flexible funding.

### **Immediate response account**

58. Total contributions to the IRA in 2016 of USD 47.6 million were significantly lower than the annual income target of USD 200 million, continuing the pattern of recent years. The Secretariat proposes that USD 9 million be transferred from the programme support and administrative equalization account to the IRA to boost its ability to mitigate pipeline breaks in life-threatening situations or in sudden-onset emergency responses.

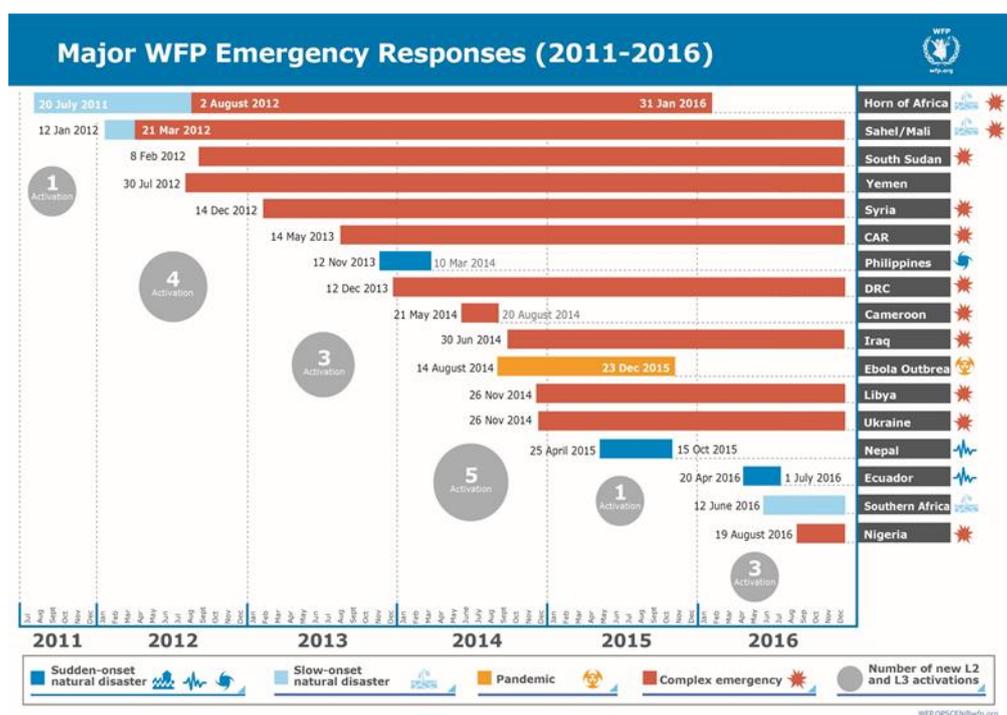
## Section III: Implementation plan for 2018

### Overview

59. With the SDGs challenging the international community to "move beyond saving lives to changing lives", this implementation plan reflects WFP's commitment to supporting countries in ending hunger and malnutrition and its initial investment to that end. The new model of strategic and programmatic planning at the country level set out in the new country strategic plans (CSPs) presents an enhanced programmatic approach as WFP commits to aligning and integrating its food assistance capacities and programmes with those of national authorities and other partners. WFP maintains its focus on emergency life-saving work in a way that contributes to building resilience and is at the same time embarking on an ambitious partnership-building endeavour that leverages its work and its influence with others to end hunger.
60. The Management Plan (2018–2020) has been refined to accommodate the new approach incorporated into the WFP Strategic Plan (2017–2021) and rolled out through the Integrated Road Map (IRM). As a result, country planning is gradually being re-aligned with a view to contributing to attainment of the SDGs.
61. Adopted in 2013, the planning approach used in developing the Management Plan is resource-based, whereby operational requirements based on assessed needs are prioritized according to forecast contributions and incorporated into the implementation plan.
62. The overall plan for 2018 is aligned with the projected resources for 2018, which amount to USD 5.9 billion, a 9 percent increase from the 2017 plan. This implementation plan comprises all prioritized planned activities to the end of 2018. Operational requirements – the funds required to meet the aggregated needs as determined by WFP's assessments – remain at USD 9 billion, in line with previous years.

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Operational requirements	8 687	9 007	9 011
Implementation plan	4 744	5 385	5 878
% gap	46	40	35

63. Today WFP is operating in a changing global context where the "new normal" is complex, protracted, conflict-driven food security emergencies. The current 11 declared emergencies comprise five Level 3 emergencies in Iraq, Nigeria, South Sudan, the Syrian Arab Republic and Yemen and six Level 2 emergencies in the Central African Republic, the Democratic Republic of the Congo (DRC), the Horn of Africa, Libya, Mali and Ukraine. With the exception of Nigeria, all have been Level 2 or Level 3 emergencies for more than two years, and except for the Horn of Africa drought they all have conflict as the primary driver.
64. WFP's emergency responses at Level 2 and Level 3 in the Sahel/Mali, South Sudan, Syrian Arab Republic and Yemen will all have lasted for more than five years by the end of 2017.



65. The magnitude of the overall requirements reflects the complex and protracted nature of many Level 3 emergencies such as those in Iraq and the Syrian Arab Republic, as well as the increasing food insecurity in the four countries threatened with famine in 2017 – Nigeria, Somalia, South Sudan and Yemen. Because large numbers of beneficiaries are paired with significant gaps between requirements and the resources available – in South Sudan the gap is 46 percent, and in Yemen it is 50 percent – serious attention is warranted.
66. Of WFP’s country offices, 67 – accounting for 66 percent of WFP’s programme of work – have opted to move to the IRM framework as of 1 January 2018, either through a CSP, an ICSP or a T-ICSP. It is anticipated that 15 country offices – accounting for 34 percent of the programme of work – will continue to implement the current framework for part of 2018 and will move to the IRM framework by January 2019.<sup>10</sup>
67. To date, thirteen CSPs and one ICSP have been approved by the Executive Board – seven CSPs in February 2017 and six CSPs and one ICSP in June 2017; a further seven CSPs and four ICSPs will be submitted for approval at the Board’s 2017 second regular session. Thirty-nine country offices have developed T-ICSPs on the basis of project documents that have been or are about to be approved.

<sup>10</sup> Two additional countries, not part of the IRM framework, have been excluded from this analysis.

<b>TABLE III.2: PROGRESS IN THE DEVELOPMENT OF CSPs</b>				
	<b>Executive Board approved</b>	<b>Consideration at EB.2 2017</b>	<b>Approved by the Executive Director</b>	<b>Under consideration</b>
CSP*	13	7		
ICSP**	1	4		
T-ICSP***			25 (at 18 August 2017)	14 (at 18 August 2017)

\* CSPs are WFP's unique programmatic framework at the country level. They replace previous programme categories and project documents. CSPs, which can be designed for up to five years and need to be approved by the Board, are informed by country-led national zero hunger reviews.

\*\* In situations where a strategic review cannot be undertaken, WFP will operate through ICSPs, which are based on existing strategies, assessments and analysis. ICSPs can be designed for up to three years and are approved by the Executive Board. Country offices are expected to submit CSPs as soon as the conditions for completing a strategic review exist.

\*\*\* T-ICSPs are used to cover the gap during the transition from project documents to Board-approved CSPs and ICSPs. T-ICSPs are implemented for up to 18 months and approved by the Executive Director. They are based on existing project documents approved or revised in 2017.

68. At mid-August 2017, 25 T-ICSPs had been approved by the Executive Director; approval of the remaining 14 is expected soon. T-ICSPs are based on previously approved project documents, and they do not embody the transformative nature of the CSP planning process and hence resemble the traditional WFP country portfolio. During the 2018/19 transition period, country offices working under T-ICSPs will submit CSPs or ICSPs for approval by the Executive Board, thereby consolidating WFP's Strategic Plan.

### **From operational requirements to implementation plan**

69. The following sections analyse the operational requirements and the implementation plan by Strategic Result, Strategic Objective, activity category and focus area.
70. In the 2018 implementation plan, WFP plans to spend USD 5.9 billion through a combination of activities and policy support for governments, contributing to SDG goals 2 and 17.
71. Emergency assistance in the focus area of crisis response accounts for 74 percent of the 2018 implementation plan. The remaining 26 percent is composed of activities related to resilience building – 16 percent – and root causes – 10 percent. The overall anticipated funding gap between operational requirements and the implementation plan is 35 percent. The gap is not consistent in all focus areas, however: the largest funding gap is anticipated for activities in the resilience focus area
72. With an expected gap in resources, prioritization is inevitable. WFP has a number of options: life-saving activities are prioritized over preventive activities, and analysis by activity category shows that individual capacity strengthening, asset creation, livelihood support and prevention of malnutrition are subject to the most significant decreases as a result of prioritization.
73. The magnitude of needs that WFP aims to address is established through evidence-based assessments. Further prioritization becomes necessary if needs cannot be met. The current options are to prioritize geographical areas that are worst affected, to prioritize the most vulnerable households or to reduce the size of rations.
74. All of the above prioritization options will affect the extent to which WFP can achieve its objectives at the individual and country levels. WFP's monitoring shows that measurable effects of prioritization at the household level are reduced food consumption and the adoption of negative and sometimes irreversible coping strategies; increased malnutrition and pressure on local health and social protection systems are also likely. At the national level, the effects of prioritization include reduced contributions to SDG 2 and 17 and continued focus on emergency assistance that does not sufficiently address root causes.

<b>Focus area</b>	<b>Operational requirements (USD million)</b>	<b>Implementation plan (USD million)</b>	<b>Gap (%)</b>
Crisis response	6 618	4 356	34
Resilience building	1 656	934	44
Root causes	736	589	20
<b>Total</b>	<b>9 011</b>	<b>5 878</b>	<b>35</b>

75. The largest part of the Management Plan reflects activities that span the three-year period 2018–2020 and focus primarily on relief and emergency response. Longer-term investments that tackle resilience and the root causes of hunger constitute a smaller portion of the Plan, reflecting limited projected funding. It will take time to improve the well-being of families: hence the five-year planning horizon of the Strategic Plan in alignment with the 2030 Agenda and the New Way of Working will facilitate, funds permitting, gradual progress.
76. There is a projected 34 percent gap between operational requirements and the implementation plan in the crisis response focus area – WFP’s core emergency portfolio. To minimize the effects of this gap, WFP’s country offices have had to make hard choices: a 66 percent reduction in the planned number of children under 5 and pregnant and lactating women receiving assistance aimed at preventing malnutrition is one example. This affects malnutrition and mortality rates in the short term and also increases the likelihood of lifelong health and nutrition challenges, which will slow national economic growth in the long term.
77. The largest gap between operational requirements and the implementation plan – 44 percent – is in the resilience building focus area. This reflects, for example, a 79 percent reduction in climate-adaptation and risk-management activities such as measures to ensure safe access to cooking fuel for displaced women and girls. Asset-creation and livelihood activities have been reduced by 31 percent in Afghanistan, Côte d’Ivoire, Iraq, Lebanon, Madagascar, Nepal and Somalia.
78. The smallest difference between operational requirements and the implementation plan is in the root causes activity area, which accounts for a much smaller portion of WFP’s project planning for 2018. The small investments in this area, however, have an important multiplier effect on families and communities; support for governments in developing food and nutrition policies, for example, affects large numbers of people and contributes to the SDG goal of ending hunger.

### **The cost and reach of food assistance**

	<b>Projected operational requirements</b>	<b>Implementation plan</b>	<b>Difference (%)</b>
Funding (USD million)	9 011	5 878	-35
Direct beneficiaries (million)	87	69	-23
Daily rations (USD billion)	21	15	-28

79. WFP plans to assist 69 million people – at a cost of USD 5.9 billion – during 2018 and to maximize the variety of transfer modalities and value for money to achieve programmatic goals. This conservative goal is in line with previous implementation plans and reflects an expectation that WFP and the humanitarian community will act as generously as in the past.

80. In view of climate change, protracted emergencies and unresolved political situations, WFP believes that there is an urgent need for increased preparedness measures. At the community level, WFP's work with national authorities as first responders and its resilience work in support of community preparedness measures are critical. Funding gaps unfortunately limit WFP's ability to support countries fully in this area. At the institutional level, WFP revitalized its emergency preparedness and response mechanisms in 2017; the new policy will be considered at the Board's 2017 second regular session.
81. To improve the quantification of the effects of WFP's work beyond the 69 million beneficiaries who receive direct assistance, countries will report on beneficiaries receiving direct assistance from WFP – young girls receiving school meals in Tier 1, for example; on people who benefit indirectly – inhabitants of towns where WFP has repaired roads in Tier 2, for example; and on people who could benefit from WFP's assistance or policy support such as Tier 3 children receiving school meals under a government policy that WFP helped to draft.
82. Although the majority of Tier 1 beneficiaries are served within a dynamic protracted crisis context, Tier 2 and Tier 3 beneficiaries in many countries show the true nature of change within WFP as it moves to the use of CSPs. Many countries that are still home to large numbers of food insecure people are seeing WFP move into more of an enabling role, primarily working through government safety nets.

### Analysis by Strategic Objective and Strategic Result

83. Of the total resources planned for the 2018 implementation plan, 83 percent is allocated to SDG 2 in line with WFP Strategic Results 1–4, and 17 percent to SDG 17 in line with Strategic Results 5–8. Under SDG 2, 80 percent of WFP's implementation plan is related to Strategic Result 1 – Access to food.

Strategic Objective		Strategic Result		Operational requirements (USD million)	Implementation plan (USD million)	Gap (%)
1	End hunger by protecting access to food	1	Everyone has access to food	6 349	3 925	38
2	Improve nutrition	2	No one suffers from malnutrition	941	606	36
3	Achieve food security	3	Smallholders have improved food security and nutrition through improved productivity and incomes	385	243	37
		4	Sustainable food systems	197	129	35
4	Support SDG implementation	5	Developing countries have strengthened capacities to implement the SDGs	105	58	45
		6	Policies to support sustainable development are coherent	2	1	62

<b>TABLE III.5: OPERATIONAL REQUIREMENTS AND IMPLEMENTATION PLAN BY STRATEGIC RESULT AND STRATEGIC OBJECTIVE</b>						
<b>Strategic Objective</b>		<b>Strategic Result</b>		<b>Operational requirements (USD million)</b>	<b>Implementation plan (USD million)</b>	<b>Gap (%)</b>
5	Partner for SDG results	7	Developing countries access a range of financial resources for development investment	0.3	0.2	40
		8	Sharing of knowledge, expertise and technology, [to] strengthen global partnership support to country efforts to achieve the SDGs	1 032	916	11
<b>Total</b>				<b>9 011</b>	<b>5 878</b>	<b>35</b>

84. Ninety-five percent of the nearly USD 3 billion shortfall between operational requirements and the implementation plan would have funded activities that contribute to SDG 2. The remaining 5 percent – USD 164 million – would have funded activities that contribute to SDG 17.
85. Seventy-seven percent of the gap between operational requirements and the implementation plan falls within Strategic Result 1, challenging WFP’s ability to contribute to ending hunger on the basis of assessed needs in all countries. Thus, the number of beneficiaries of high-profile emergency responses such as those in Afghanistan, the Central African Republic, the Democratic People’s Republic of Korea, Iraq, Senegal and Yemen is being reduced by 50 percent or more.
86. Under Strategic Result 2 there could be a gap in resources of USD 335 million; under Strategic Results 3–8, which account for most of WFP’s investments addressing resilience and long-term hunger, the gap could be USD 374 million. As a result, activities such as improving value chains with a view to providing high-quality nutrition-dense foods and promoting the aggregation of smallholder farmers in food value chains have been removed from the implementation plan
87. It is important to note that although Strategic Results 5, 6 and 7, which account for USD 59 million, constitute only 1 percent of the 2018 implementation plan, they also reflect the largest gap – 45 percent – between operational requirements and the implementation plan. As a result, WFP’s technical assistance to enable national authorities to prepare for and respond to emergencies in Uganda under Strategic Result 5, and its technical support for improving the efficiency of social-protection and disaster-risk management programmes supporting the most vulnerable populations in Peru, also under Strategic Result 5, could be at risk. Technical support for policies and legislation on social protection, nutrition, local food fortification and smallholder farmers under Strategic Result 6, in Ghana and the Gambia, for example, have a significant multiplier effect in terms of impact on beneficiaries, thereby supporting work to end hunger.

## Analysis of the implementation plan

**TABLE III.6: OVERVIEW OF ACTIVITIES**

<b>Activity category</b>	<b>Operational requirements (USD million)</b>	<b>Implementation plan (USD million)</b>	<b>% reduction</b>
Unconditional resource transfers to support access to food	5 767	3 850	33
Asset creation and livelihood support activities	982	520	47
School meal activities	620	451	27
Malnutrition prevention activities	546	310	43
Nutrition treatment activities	413	306	26
Common services and platforms	365	252	31
Capacity strengthening activities	205	110	46
Other	110	79	28
<b>Total</b>	<b>9 011</b>	<b>5 878</b>	<b>35</b>

88. For WFP to provide hunger solutions adapted to the CSP model, country-level activities are presented in a way that shows their effects by Strategic Result. For example, “asset creation” contributes to access to food under Strategic Results 1, 2, 3 and 4. Similarly “capacity strengthening” contributes to Strategic Results 1–5 and 7–8. This reflects the multi-dimensional nature of WFP’s work and the range of its influence on outcomes that link to the SDGs.
89. The fact that most resources are allocated to unconditional resource transfers to support access to food masks the variety of WFP’s programming. This ranges from programmes in Jordan and Turkey involving 99 percent cash-based transfers (CBTs) to mixed modalities in Afghanistan and the DRC involving 31 percent CBTs to predominantly in-kind food in South Sudan and the Syrian Arab Republic, where the CBT element is only 9 percent. It also reflects an increase in unrestricted cash transfers that help to protect food-security outcomes while increasing beneficiary choice and flexibility, giving beneficiaries a sense of normalcy and empowering them to manage their own priorities. CBTs help significantly in supporting local economies: in the Syria +5 response, for example, WFP has injected nearly USD 2 billion into local economies in Egypt, Iraq, Jordan, Lebanon and Turkey.
90. Asset-creation and livelihood activities based on food assistance for assets (FFA) using the Three-Pronged Approach (3PA) process and food assistance for training (FFT) provide immediate relief and support long-term outcomes by including nutrition and health education and training and by enabling smallholder farmers to access markets. In Nepal, Pakistan and the Philippines, for example, 39 percent of WFP’s budget is allocated to asset creation in line with Strategic Objectives 2 and 3 to address the drivers of malnutrition, indirectly improving the quality of life of people who are not direct beneficiaries of WFP activities. School meals programmes have been part of WFP’s work since it was established in 1961. They are multi-faceted safety nets that encourage school attendance and improve the nutrition, health and learning capacities of pupils. WFP’s current role ranges from providing meals, take-home rations or snacks in emergencies to enhancement of government programmes and policies. In 2016, WFP provided meals for 16.4 million children as Tier 1 beneficiaries and improved school meals programmes for another 45 million children as Tier 3 beneficiaries. WFP’s work on school meals accordingly falls under Strategic Result 1 and Strategic Result 5, among others. Capacity strengthening and eventual hand-over to governments are part of the design of most school meals programmes: WFP has moved to provide technical assistance to governments in nearly 40 countries – Brazil, India and Turkey are examples – in the past four decades. In 46 countries,

such as Haiti, Kenya and Nepal, WFP helps governments to source school meals locally through home-grown school meals programmes. WFP's role as direct implementer remains essential in fragile or crisis-affected countries: in the Central African Republic, the Syrian Arab Republic and Yemen, 700,000 children benefited from WFP school meals in 2015 – but the difficult context coupled with a lack of funding meant that no children received WFP school meals in 2016. It is in such fragile countries that WFP faces the largest funding gaps.

91. To contribute to the elimination of all forms of malnutrition, WFP is ensuring that diets meeting the nutrition needs of targeted vulnerable groups are available, accessible and consumed. Under Strategic Objective 2 addressing nutrition in emergencies and providing life-saving treatment are the priority, especially in the contexts of crisis response and the possible four famines. Treatment of malnutrition involves meeting the immediate needs of the most vulnerable and strengthening linkages with health facilities and community-based services. WFP is increasing its focus on prevention in all contexts. Prevention reduces suffering, facilitates access to nutritious diets and helps to provide the foundation for sustainable development. It also includes work to ensure that food consumption does not lead to excess intake of nutrients, particularly in contexts of urbanization and changing diets. The size of the nutrition programmes in WFP's operations varies; they are particularly large in operations addressing high levels of stunting, as in the Niger where stunting levels are above 40 percent and a third of WFP's beneficiaries are in nutrition programmes.
92. Capacity strengthening, although modest in dollar terms, has major effects in terms of reaching Tier 2 and Tier 3 beneficiaries through improved government programmes. Examples include Purchase for Progress (P4P) and smallholders' access to market support; WFP has pledged to source 10 percent of its food purchases from smallholder farmers, thereby encouraging governments and the private sector to buy food in ways that benefit smallholders with a view to enabling countries to feed themselves. Although these activities account for only a small part of the implementation plan, it is important to note that many other activities provide indirect benefits in terms of capacity strengthening. In countries where large numbers of CBTs are provided, the support for local financial and retail systems is considerable.
93. Table III.7 shows resource allocation in WFP's 2018 implementation plan by activity category, focus area and Strategic Result.

Activity category	Focus area	Strategic Result								
		1	2	3	4	5	6	7	8	Total
Total	Crisis response	3 262	214						880	<b>4 356</b>
	Resilience building	385	152	216	125	34			21	<b>934</b>
	Root causes	278	240	26	4	25	1		14	<b>589</b>
Unconditional resource transfers	Crisis response	3 088							661	<b>3 749</b>
	Resilience building	62	10							<b>72</b>
	Root causes	47								<b>47</b>
Asset creation and livelihood support	Crisis response	12								<b>12</b>
	Resilience building	203		192	109					<b>504</b>
	Root causes		0.2	6						<b>6</b>

**TABLE III.7: IMPLEMENTATION PLAN FOR EACH ACTIVITY CATEGORY AND FOCUS AREA, BY STRATEGIC RESULT (USD million)**

Activity category	Focus area	Strategic Result								
		1	2	3	4	5	6	7	8	Total
School meals	Crisis response	90								<b>90</b>
	Resilience building	107	1			1				<b>109</b>
	Root causes	217	35.6			1				<b>254</b>
Malnutrition prevention	Crisis response	70	43							<b>113</b>
	Resilience building		91							<b>91</b>
	Root causes		107.4							<b>107</b>
Nutrition treatment	Crisis response	1	172							<b>172</b>
	Resilience building	1	51							<b>52</b>
	Root causes	4	79.7							<b>84</b>
Common services and platforms	Crisis response	15						214		<b>229</b>
	Resilience building					2		15		<b>17</b>
	Root causes					1		7		<b>7</b>
Capacity strengthening*	Crisis response	0.7						5.5		<b>6</b>
	Resilience building	7	1	10	1	20		3		<b>41</b>
	Root causes	10	17	5	2	21	1	7		<b>63</b>
Other**	Crisis response	1						4		<b>6</b>
	Resilience building	6		16	15	10		4		<b>51</b>
	Root causes	1	1	15	2	2		0.2	1	<b>23</b>
<b>Total</b>		<b>3 925</b>	<b>606</b>	<b>243</b>	<b>129</b>	<b>58</b>	<b>1</b>	<b>0.2</b>	<b>916</b>	<b>5 878</b>

\* Institutional and individual capacity strengthening.

\*\* Smallholder agricultural market support, climate adaptation and risk management, emergency preparedness, analysis and assessment and other activities.

94. Of the total resources planned for the 2018 implementation plan, 83 percent is allocated to SDG 2 and Strategic Results 1–4, and 17 percent to SDG 17. Under SDG 17, WFP has a plan of work totalling USD 980 million. All the activities under Strategic Results 5 (1 percent), 6 (0.3 percent) and 7 (<0.01 percent) fall in either the resilience (56 percent) or root causes (44 percent) focus areas. Enhance Global Partnership, Strategic Result 8, constitutes 16 percent of WFP's total programme of work in 2018 and includes the provision of common services and platforms (25 percent) and unconditional resource transfers through government systems (71 percent), as is the case in Turkey.

## **Analysis by Strategic Result**

### **Strategic Result 1 – Access to food**

95. Of the resources prioritized in the implementation plan, 67 percent are allocated to Strategic Result 1. Activities in this category include unconditional resource transfers accounting for 81 percent, school meals, 11 percent, and asset creation and livelihoods, 5 percent. Resources allocated to this Strategic Result account for 75 percent of WFP's total crisis response activities. In the Sudan, for example, integrated conditional and unconditional food assistance packages are provided for 1.7 million beneficiaries; in the Syrian Arab Republic packages of 15 different foods are distributed to 4 million people in 13 of the country's 14 districts every month. In Cameroon, 85,000 primary schoolchildren are part of school meals and home-grown school meals programmes in target regions.

### **Strategic Result 2 – End malnutrition**

96. Resources allocated to Strategic Result 2 account for 10 percent of WFP's 2018 implementation plan. The primary activities under Strategic Result 2 are nutrition treatment, accounting for 50 percent, and malnutrition prevention, accounting for 40 percent. The remaining resources are allocated to school meals and unconditional transfers. WFP will seek to enhance the nutrition outcomes of these activities by strengthening nutrition-sensitive approaches. In the Syrian Arab Republic, food vouchers enable mothers to purchase fresh fruit, vegetables and meat to support their ability to breastfeed, particularly during the first 1,000 days of their children's lives. In Malawi, food insecure communities in shock-prone areas are creating and repairing latrines and boreholes to ensure access to clean water for food preparation, thereby reducing the risks of disease and malnutrition. In Ecuador, schoolchildren are developing healthy eating habits and increasing their dietary diversity by consuming foods sourced from animals, fruits and vegetables from nearby farmers, who are encouraged by the opportunity to sell nutritious foods to schools.
97. To deliver on its nutrition targets WFP is building internal capacities and enhancing the capacities of governments to identify and address the drivers of malnutrition at the operational and policy levels. This will be achieved by using analytical tools in the CSP process, for example, to support governments in designing strategies and policies to meet but not exceed the nutrition needs of vulnerable groups. The embedding of nutrition in national processes brings mutually reinforcing outcomes under all Strategic Results, from ensuring access to food and improving the production and incomes of smallholders to making food systems more sustainable and strengthening national capacities to achieve the SDGs.

### **Strategic Results 3 – Smallholder productivity and incomes and 4 – Sustainable food systems**

98. Strategic Results 3 and 4 account for 6 percent of WFP's 2018 implementation plan. The activity categories include asset creation and livelihood support – 82 percent – smallholder agricultural market support, climate adaptation, risk management, emergency preparedness and analysis and assessment – 13 percent – and capacity strengthening – 5 percent. WFP's portfolio of smallholder farmer food assistance initiatives has been developed progressively over many years and is now broad and deep, covering the bulk of WFP's countries of operation. In 2016, WFP's food assistance for assets programmes directly and indirectly benefited 23.7 million people in 53 countries, most of them smallholders. Purchase for progress initiatives supported more than 1.5 million members of 1,000 smallholder farmer organizations, generating benefits for up to 7.5 million people in 35 countries. Home-grown school meals programmes were implemented in 45 countries. In Uganda 93,000 smallholders received support under a post-harvest loss initiative. The Rural Resilience Initiative reached 40,000 farmers in four African countries, supporting benefits for 200,000 people, and the recently-launched Farm to Market Alliance reached over 70,000 farmers with training and other forms of support in three pilot countries.

### **Strategic Results 5 – Capacity enhancement, 6 – Policy coherence and 7 – Diversified resourcing**

99. Although activities under Strategic Results 5, 6 and 7 comprise just 1 percent of the implementation plan, they include programmes such as on-site meals for orphans and vulnerable children provided at neighbourhood care points in Swaziland, training for community caregivers in food management and sound nutrition, and sensitization to gender and protection issues. These activities bring short-term and long-term benefits.
100. In China, in line with Strategic Results 5, 6 and 7, WFP collaborates with the Ministry of Agriculture in the development of food policies and partnerships and provides technical training to foster leadership in a new generation of farmers. WFP will also support the development of partnerships with the private sector and civil society to fill gaps in China's food security and nutrition systems. The number of direct beneficiaries cannot yet be estimated, but indirect beneficiaries include an estimated 34 million under-nourished children in "poverty counties", 16 million people benefiting from technical advice to the Government and farmers, and 10 million people benefiting from advice and assistance with regard to responding to shocks. The Government is committed to substantial investment in the CSP and will also support WFP's Centre of Excellence for enhancing South-South cooperation.

### **Strategic Result 8 – Enhance global partnership**

101. WFP provides common services for the humanitarian community through its Emergency Telecommunications Cluster (ETC) and its logistics, bilateral services and aviation units. Services amounting to USD 300 million will be provided in 2018 as part of WFP's contribution to SDG 17. The United Nations Humanitarian Air Service (UNHAS) carries 80,000 passengers per year, airlifts food and medicines to remote locations and evacuates staff from conflict settings. In South Sudan WFP's aviation team manages three air operations that provide the humanitarian community with passenger and cargo services; in May 2017 alone, UNHAS transported 8,270 passengers from 192 organizations. The Logistics Cluster helps to coordinate movements of humanitarian cargo in complex settings: in the Syrian Arab Republic in June 2017 it transported 5,158 m<sup>3</sup> of humanitarian cargo and supported joint humanitarian convoys. WFP's recent responses to cholera in Yemen and the Ebola resurgence in the DRC demonstrate the value of logistics coordination that enables rapid responses at scale to threats to public health.
102. Most of Strategic Result 8 reflects WFP's work in Turkey. Through its Emergency Social Safety Net, the Turkish Ministry of Family and Social Policies, the Disaster and Emergency Management Presidency and the Turkish Red Crescent ensure that 1 million refugees in Turkey have access to cash assistance through a national safety net. WFP's technical advice and assistance for the Government and non-governmental organization (NGO) partners will support stakeholders responding to the needs of the refugees now and in the future.

### **Analysis of rations**

103. The use of CBTs and in-kind transfers has increased significantly over the last five years. In-kind food assistance increased by 30 percent from 3 million mt in 2012/13 to 3.8 million mt in 2016/17. The use of CBTs doubled from USD 500 million in 2012/13 to USD 1 billion in 2016/17, and is expected to increase in 2018. This reflects significantly increased needs in recent years, and in view of the current protracted, complex emergencies there may be further increases in 2018. About 60 percent of WFP's transfers are spent locally, either in the form of local or regional procurement or as CBTs.
104. Cost per ration is an important benchmark for WFP. The main drivers of differences in cost per ration are the operational context and the type of assistance. Because WFP focuses on the most vulnerable groups, its crisis-response activities are more prominent in areas affected by conflict, failed harvests or other shocks. This drives up the cost of providing assistance, largely because of limited access during rainy seasons or periods of insecurity or because of seasonal price increases.

105. Rations for crisis response are provided in many of WFP's unconditional resource transfers; they usually comprise five or six foods, whereas targeted distributions such as those for malnutrition treatment or prevention often consist of only one or two foods to supplement beneficiaries' blanket assistance. Costs per ration in countries with significant access challenges such as Iraq, Libya and South Sudan may be higher than USD 1.0, whereas in countries where WFP works in partnership with governments to address the root causes of food security and undernutrition the cost per ration can be as low as USD 0.13.

<b>Strategic Result</b>	<b>Planned rations as % of implementation plan</b>
1: Everyone has access to food	80
2: No one suffers from malnutrition	14
3: Smallholders have improved food security and nutrition through improved productivity and incomes	4
4: Food systems are sustainable	2

106. The projected cost of an average daily ration in the 2018 implementation plan is USD 0.36. The average masks a range of costs, depending on the type of intervention, but the analysis of cost per ration by focus area confirms that the cost is highest in activities focusing on crisis response (see Table III.9). There was a slight increase in the USD value from USD 0.34 in 2016, mainly because of the increased focus on local capacity strengthening and multiplier effects. By favouring local procurement and cash transfers and improving the cost effectiveness of its operations, WFP is enhancing the indirect outcomes for Tier 2 beneficiaries.

<b>Focus area</b>	<b>% of implementation plan</b>	<b>Average cost per ration (USD)</b>
Crisis response	74	0.48
Resilience building	16	0.33
Root causes	10	0.13

107. WFP constantly strives to minimize costs per ration and continues to make significant savings in a variety of approaches such as long-term agreements with suppliers, purchasing in bulk during seasonal windows through the Global Commodity Management Facility (GCMF) and optimizing its sourcing and delivery plans.

## **Cross-cutting issues**

### **Gender**

108. WFP is committed to advancing gender equality as a fundamental aspect of realizing a world without hunger. It is also a goal in its own right as the basis for inclusive, equitable and sustainable development. WFP's work will accordingly be gender-transformative and its interventions will contribute to the food and nutrition security of all people, with equality as the hallmark.
109. WFP is therefore accelerating the mainstreaming of gender in its programmes, operations, offices and units. Gender is being embedded in the IRM. Other mechanisms for translating concepts into action include the United Nations System-wide Action Plan, WFP Gender Transformation Programme and application of the Gender and Age marker, which will supersede the gender marker in 2018.

110. A workforce with gender competencies is essential. Investments will accordingly be made to enhance the knowledge and skills of staff and partners and increase the number of gender specialists. Partnerships will be established for joint programming, knowledge generation and advocacy with entities ranging from community-based organizations to the IASC Gender Reference Group and the Gender Equality Task Team of the United Nations Development Group.
111. The WFP Gender Policy (2015–2020)<sup>11</sup> establishes the target of allocating 15 percent of project funds to gender equality activities by 2020. In the 2018 implementation plan, 12.3 percent of resources are allocated to gender equality activities. With the adoption of the WFP Strategic Plan (2017–2021) and financial framework, a gender-responsive budgeting process has been developed to support WFP offices in planning and tracking their gender-equality-related expenditures.

### **Accountability to affected populations**

112. WFP is accountable first and foremost to the affected people it serves. WFP is accountable both for achieving hunger results and for the manner in which programmes are implemented. Its commitments are founded on respect for affected people's right to be actively involved in the decisions that affect their lives and the recognition that engaging affected people in programme decisions makes food assistance more effective.
113. The objective of WFP's commitments regarding its accountability to affected populations is to facilitate participation by affected people in programmes by ensuring that programme design and implementation and monitoring and evaluation processes and decisions are informed by and reflect the views of affected people. To operationalize these commitments, WFP focuses on mechanisms for ensuring the provision of information, consultation with affected communities and the establishment of complaint and feedback mechanisms. WFP has adopted a two-phase approach to achieving its vision for more accountable programmes. The first phase focuses on ensuring that basic mechanisms are in place and used effectively in a consistent manner across operations. This will entail assisting country offices to develop guidance on providing information and conducting consultations and establishing and running complaint and feedback mechanisms. Good practices will be documented and disseminated.
114. In the second phase, WFP will work to enhance the basic mechanisms developed during the first phase by adopting innovative approaches and taking them to scale. Initiatives that will be explored include adapting private sector customer satisfaction assessment techniques, such as perception surveys and online rating systems, and establishing community engagement units in country offices.

### **Protection**

115. Protection is intrinsically linked to food security. The degree of access to and control over food can affect all aspects of people's lives. Hunger causes and exacerbates existing protection risks, and people's access to food is affected by the protection risks that they face. This is amply demonstrated by the current crises in South Sudan, Somalia, Yemen and Nigeria, where widespread human rights abuses and violations of international humanitarian law are significant contributing factors to hunger and malnutrition.
116. WFP's Strategic Plan (2017–2021) identifies respect for human rights as a core value for WFP and commits the organization to integrating humanitarian protection concerns into all its activities. Work to strengthen the integration of protection into WFP operations will focus on capacity strengthening, expanding WFP's knowledge base and integrating protection into relevant management processes. WFP will also continue its engagement on protection at the inter-agency level, where recent global developments have placed human rights and protection more firmly on the agenda of the humanitarian response.

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<sup>11</sup> WFP/EB.A/2015/5-A.

117. WFP is a key partner in the Call to Action on Protection from Gender-based Violence in Emergencies and the Secretary-General's Human Rights Up Front initiative. WFP was instrumental in the drafting of the IASC Policy on Protection in Humanitarian Action and will be engaged in efforts to ensure its implementation. WFP's policy on humanitarian protection is undergoing an external evaluation during the course of 2017 that will inform the organization's strategy on protection going forward.

### **Climate change**

118. Climate change multiplies the threats to food security and nutrition and is affecting vulnerable food insecure populations. Between 2003 and 2012, half of WFP's emergency and recovery operations responded to climate-related disasters. The combined budget was USD 23 billion as WFP helped people to recover from climate disasters on at least 5 occasions in 20 countries with persistently high levels of hunger.
119. In view of this situation and the priorities established by governments, innovative programme tools and investments are needed to address the complex and increasing risks. Analysis of the shocks to inform risk-aware programming must accordingly be at the centre of WFP's operations. To support risk-aware programming in the Strategic Plan (2017–2021) and the CSPs, the Board approved WFP's first climate change policy at its 2017 first regular session.<sup>12</sup> The goal of the policy is to support governments and vulnerable food insecure communities in building resilience and capacities to address hunger caused by climate change.
120. WFP bases its work on the integrated climate risk management approach, which unifies work streams through innovative programming instruments aimed at enhancing national capacities for emergency preparedness and response and analysing climate risk and food security to inform national planning, early-warning and climate-information services. WFP has developed forecast-based financing mechanisms to provide assets for vulnerable populations before climate shocks and index-based insurance products to transfer residual risk. These tools enhance long-term community resilience, social protection and climate change adaptation through improved management of natural resources and productive capital.
121. WFP is transferring experiences from its climate risk management and adaptation initiatives to support national climate change adaptation planning processes and countries' nationally determined contributions under the United Nations Framework Convention on Climate Change. It is also supporting governments by facilitating access to climate finance instruments such as the Green Climate Fund and the Adaptation Fund.

### **Environment**

122. The interdependent environmental, social and economic dimensions of the 2030 Agenda must be consistently reflected in WFP's work. The environmental policy<sup>13</sup> approved at the Board's 2017 first regular session commits to identifying, avoiding and managing environmental risks arising from WFP's activities and recognizes that WFP's food assistance can generate environmental benefits that should be exploited.
123. WFP is committed to integrating environmental considerations into its work by developing environmental standards that lay out protection measures and minimum requirements; a process for identifying and managing environmental risks; and an environmental management system consistent with standard ISO 14001 of the International Standards Organization. These will be integrated into the CSPs and other programmes. Guidance manuals will be provided for programme and support operations from emergency humanitarian assistance to long-term development activities. Environmental accountability will be incorporated into WFP's monitoring, evaluation and reporting mechanisms.

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<sup>12</sup> WFP/EB.1/2017/4-A/Rev.1.

<sup>13</sup> WFP/EB.1/2017/4-B/Rev.1.

124. The tools and processes in the environmental policy will be applied in WFP's diverse operations. Capacity development, from fostering environmentally sustainable behaviour to ensuring that technical specialists and managers are suitably trained, is essential. An environmentally responsible workforce will contribute to the sustainability of WFP's interventions.
125. In 2017 the Strategic Resource Allocation Committee allocated USD 650,000 from multilateral funding to start implementation of the environmental policy. Further funding will be sought to mainstream the processes into WFP's mechanisms, roll out policy implementation to all country operations and build the capacities of WFP staff at headquarters, the regional bureaux and country offices.

### Analysis by transfer and associated costs

<b>Transfer and associated costs</b>	<b>Implementation plan (USD million)</b>	<b>Share of direct costs (%)</b>	<b>Share of total transfers (%)</b>
Food	2 510	45	53
CBTs	1 755	32	37
<i>Cash</i>	1 294	23	27
<i>Value vouchers</i>	462	8	9.7
Commodity vouchers	100	2	2.1
Capacity strengthening	187	3	3.9
Service delivery	197	4	4.2
<b>Total transfers</b>	<b>4 750</b>	<b>86</b>	<b>100</b>
Implementation costs	350	6	
Direct support costs	419	8	
<b>Total direct costs</b>	<b>5 519</b>	<b>100</b>	
Indirect support costs	359		
<b>Total</b>	<b>5 878</b>		

### In-kind food

126. Of the transfer costs for the 2018 implementation plan, USD 2.5 billion – 53 percent – is allocated to in-kind food, which will provide 2.92 million mt for beneficiaries.
127. WFP continues to increase the sophistication of its procurement and logistics with a view to supplying in-kind food where doing so makes the most sense – for example where markets are disrupted by conflict, inflation or poor harvests. Donated food constitutes a third of such transfers, with the remainder procured by WFP in local, regional and international markets.
128. Nutritious foods, which form a large part of the food basket, range from fortified wheat flour to products such as SuperCereal Plus and ready-to-use supplementary foods, which are used to prevent and treat malnutrition in young children and pregnant and lactating women. WFP will continue to focus on ensuring that such fortified foods constitute at least 30 percent of its food baskets and that nearly all beneficiaries receive some kind of fortified food in in-kind baskets. WFP is implementing capacity strengthening programmes to enable local suppliers to start fortifying their own products, thereby reducing the need for imports from developed countries.

### **Analysis of the cost of delivery**

129. WFP has benefited from lower food prices in recent years, which has enabled it to procure more food. There are, however, signs that some foods and shipping costs will increase in 2018.
130. More importantly, the cost of the WFP food basket is due to rise as a result of increased malnutrition programming and the subsequent use of specialized nutritious products such as SuperCereal Plus, ready-to-use foods and lipid-based nutrition supplements, which are costly.
131. The prices of globally traded cereals such as wheat and rice are expected to remain low. Locally procured cereals such as maize and sorghum depend on harvests in certain countries. The prices of pulses such as yellow split peas and beans are expected to remain low, but chickpeas and lentils are less traded and their prices could fluctuate. The estimated costs of edible oils and fats for 2017 are in line with current price projections and are expected to decline slightly during 2018.
132. The low shipping costs of recent years have reduced WFP's operational costs, but a gradual upward trend of 5 percent to 10 percent is expected in 2018. Transport costs in each country depend on local demand and supply, but continued low fuel prices and optimal use of WFP's truck fleet and local transporters should keep in-country logistics costs stable during 2018.
133. The WFP supply chain takes an end-to-end approach to food basket programming, and WFP recommends items that provide value for money and maintain nutritional standards. This generates significant operational savings, as discussed below.
134. In Iraq, WFP was able to reduce the cost of family food parcels by 17 percent, saving USD 1.1 million per month through the use of Optimus software.<sup>14</sup> WFP also saved 10 percent on Jet A1 fuel prices following a wholesale tender for supplying fuel at 107 locations. Efforts to increase the efficiency of retail supply chains by reducing costs and increasing the variety of goods available in stores in Kenya and Lebanon produced a 10 percent reduction in prices. Judicious use of WFP's truck fleet saves USD 6 million per year in logistics costs. WFP will continue to use the re-opened Berbera corridor for deliveries to Ethiopia, thereby saving USD 1 million per year. The end-to-end approach to supply chain optimization will deliver significant cost savings and enhance the speed and agility of operations. This is just one initiative aimed at enhancing value for money.

### **Cash-based transfers<sup>15</sup>**

135. The use of CBTs has increased to account for 37 percent of all WFP assistance. WFP is the largest humanitarian agency in terms of cash programming, which is becoming more sophisticated and achieving better outcomes as lessons are learned in various operational contexts. CBTs cover a variety of programmes that vary in value and duration, reflecting WFP's ability to mix programming modalities to achieve cost effectiveness and programme outcomes. More operations are exploring the possibilities of supplying most of their beneficiaries CBTs during post-harvest periods and returning to in-kind transfers during lean seasons with a view to maximizing efficiency. An interesting trend is the increased use of unrestricted cash transfers, which account for 25 percent of the total; used in the right environment CBTs give beneficiaries greater choice and diversify diets.

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<sup>14</sup> Optimus is a software that identifies the items in a food basket, the various possible destinations and the costs of food and transport and provides the optimum combination in terms of nutritional value and calories to achieve on-time delivery, cost savings and operational agility.

<sup>15</sup> Figures in this section exclude implementation costs, direct support costs and indirect support costs.

<b>TABLE III.11: IMPLEMENTATION PLAN AND OPERATIONAL REQUIREMENTS FOR CBTs, BY TYPE (USD million)</b>		
	<b>Operational requirements</b>	<b>Implementation plan</b>
CBTs	2 181	1 632
Cash	1 578	1 202
Value vouchers	603	429
Transfer-related costs	219	124
<b>Total</b>	<b>2 400</b>	<b>1 755</b>

136. In 2016 WFP provided CBTs in 60 countries, transferring USD 880 million to 14.3 million beneficiaries – the highest figures since WFP started to use CBTs as a transfer modality in 2006. Of the overall population reached, half were in sub-Saharan Africa and 51 percent were women.
137. The scale of WFP’s CBT assistance is expected to increase in 2017 in line with the current trend. By the middle of 2017, WFP had transferred USD 505 million to beneficiaries in the form of CBTs. In 2018, CBT transfers are expected to account for USD 1.76 billion – 32 percent of the 2018 implementation plan. Compared to the 2017 Management Plan the previous year, the CBT share of the implementation plan has increased substantially from a quarter to a third of the direct costs.
138. In terms of cash-based delivery, WFP works through 70 financial service providers (FSPs) such as banks, micro-finance institutions, mobile money operators and money transfer agents. Nearly three quarters of CBTs flow through these FSPs, with WFP providing oversight, monitoring and vulnerability analysis. This contributes to the development of vital infrastructure in the countries concerned. In locations where FSPs cannot operate WFP partners with governments, NGOs and the Red Cross and can also rely on its corporate digital beneficiary and transfer management platform (SCOPE).
139. Related to the Management Plan for 2018, unconditional resource transfers to support access to food are the main form of CBT transfer costs, amounting to USD 1.38 billion. The second largest CBT activity is asset creation and livelihood support, accounting for USD 237 million. In terms of types of CBT, 74 percent take the form of unrestricted cash and 26 percent restricted value vouchers.
140. Value vouchers account for 8 percent of implementation plan transfer costs. Beneficiaries can choose what to buy with this form of assistance, and WFP must ensure that commodities available at contracted shops are of high quality and as cheap as possible by providing technical assistance to retailers and wholesalers. WFP is thus able to increase the purchasing power of beneficiaries, resulting in reduced costs for all customers – Tier 2 beneficiaries – and not just those receiving direct assistance as Tier 1 beneficiaries.
141. The effect of CBTs on nutrition is significant because they facilitate access to fresh and diverse food. As overweight and obesity increase, however, often in a single country where communities, families and individuals suffer from undernutrition, nutrition outcomes related to CBTs will be monitored to ensure healthy consumer choices.

### **Commodity vouchers**

142. In contexts where markets are fragile, commodity vouchers are critical. Direct transfers account for USD 93 million – 2 percent of the 2018 implementation plan transfers. Unconditional resource transfers to support access to food are the main form of commodity vouchers, totaling USD 90 million. The largest operation relying on them is in Yemen, with a target of USD 67 million for 1 million people.

143. Related to commodity vouchers, as is the case with value vouchers, WFP must ensure that commodities to be redeemed by beneficiaries at contracted shops are as high-quality and as cheap as possible, to which end it must provide technical assistance to retailers and wholesalers.

<b>TABLE III.12: IMPLEMENTATION PLAN AND OPERATIONAL REQUIREMENTS FOR VOUCHERS (USD million)</b>		
	<b>Operational requirements</b>	<b>Implementation plan</b>
Commodity vouchers	199	93
Transfer related costs	20	7
<b>Total</b>	<b>219</b>	<b>100</b>

### Capacity strengthening

144. The capacity strengthening transfer modality will represent USD 187 million or 4 percent of the total transfers under the 2018 implementation plan.
145. As WFP works to operationalize the Strategic Plan (2017–2021), and as a testament to WFP's commitment to enabling countries to achieve their SDG targets through greater support for country capacity strengthening, CSPs are gradually increasing the proportion of funds allocated to country capacity strengthening. In fact, while non-CSP portfolios have allocated on average 3.6 percent of total costs to supporting capacity strengthening CSP portfolios have allocated 5.8 percent. As more countries finalize their CSPs this difference is likely to increase.
146. Regionally, differences in this direction are most evident in the regional bureaux in Bangkok, Johannesburg and Cairo, where proportional allocations to country capacity strengthening have increased by 15.2 percent, 3.4 percent and 1.1 percent respectively. This is consistent with the increasing number of middle-income countries emerging in these regions and indicates that the organization is gradually finding its niche in these diverse contexts.
147. In terms of activities, the proportional allocation of funds to capacity strengthening has increased most in respect of emergency preparedness (38 percent), school meals (31 percent), malnutrition prevention (26 percent), climate adaptation and risk management (15 percent), institutional capacity strengthening (for governments and civil society) (5 percent) and analysis and assessment (3 percent).

### Service provision and logistics augmentation

148. Out of the total transfers, WFP's service provision activities, UNHAS and the cluster activities are estimated to require USD 283 million. Currently a 30 percent funding gap is foreseen between needs and the resources, based on which the implementation plan for 2018 allocates USD 197 million for these activities.

### Direct support costs

149. WFP continues to monitor its direct support costs with a view to optimizing their use through the Financial Framework Review. The reduced costs also reflect more accurate separation of transfer and support costs, an important step in quantifying the success of WFP's interventions from the point of view of beneficiaries.

<b>TABLE III.13: DIRECT SUPPORT COSTS AS PERCENTAGE OF THE IMPLEMENTATION PLAN</b>			
2015 actual	2016 actual*	2017 estimated	2018 estimated
13.7	12.7	12.3	7.6

\* Actual data for 2015 and 2016 based on Statement V of the 2015 and 2016 Audited Annual Accounts.

## Section IV: Programme support and administrative budget

### Overview

150. This section sets out the proposed 2018 programme support and administrative (PSA) budget of USD 335.4 million. The budget reflects the prioritization exercise carried out by all departments in headquarters and by regional bureaux to ensure that WFP continues to work on behalf of the people it serves to end hunger everywhere, in accordance with the challenges of implementing the 2030 Agenda for Sustainable Development, particularly Sustainable Development Goal (SDG) 2, which focuses on zero hunger and SDG 17 focusing on partnership.
151. The Management Plan (2017–2019) contains contribution forecasts for 2017 and 2018 of USD 5.2 billion. These forecasts have now been increased to USD 6.0 billion for 2017 and USD 5.7 billion for 2018.
152. Despite the increased forecast levels, the proposal for 2018 is to maintain a “zero nominal growth” level of USD 335.4 million in the PSA budget as WFP continues to “live within its means”.
153. The 2018 PSA budget utilizes savings arising from: i) reductions in standard staff costs; ii) reductions in the projected cost of security services provided by the United Nations Department of Safety and Security (UNDSS); and iii) an earmarked reprioritization of USD 2.5 million from the 2017 PSA budget, bringing the total of PSA funding for targeted allocations in 2018 to USD 5.3 million. This funding will be used to support regional bureaux and country offices with additional resources for training and for enterprise risk management, to provide further resources for oversight functions, to assist WFP in further developing partnerships, and to address other internal priorities. Other priorities will be addressed by reallocating resources within the budgets of WFP departments and regional bureaux.
154. The PSA budget for 2018 is being prepared on the basis of a revised set of appropriation lines, designed to provide a better “line of sight” between PSA resources allocated at the divisional level and corporate outcomes that focuses on intended results rather than the geographical location of the PSA spending.
155. Based on the very healthy balance projected for the PSA equalization account (PSAEA) at the end of 2017, the Secretariat is proposing a separate appropriation of USD 52.6 million from the account. The proposed non-recurring investments comprise transfers to reserves and special accounts to provide additional support for the Immediate Response Account, the Wellness Fund and critical corporate initiatives such as the Integrated Road Map (IRM), risk management, CBTs and other corporate priorities including additional support for oversight and field operations. Also included is a proposed allocation to support the mobilization of private-sector donors, focusing on fundraising from individuals.
156. Appropriations from the PSA budget and the PSAEA are supplemented by corporate trust funds dedicated to institutional strengthening.
157. WFP’s principle of “living within its means” coupled with the healthy state of the PSAEA also provide an opportunity for WFP to propose a reduction in the support cost rate to be applied to contributions, from the current rate of 7 percent to 6.5 percent from 2018.

### Purpose of the PSA budget

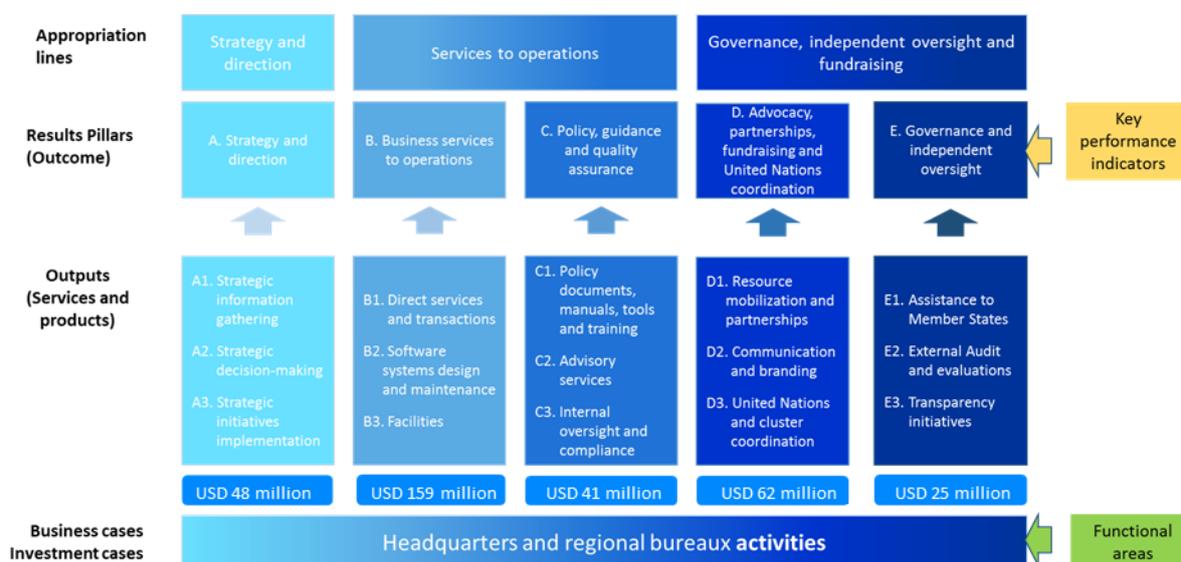
158. The PSA budget covers the indirect support costs (ISC) that support WFP’s operations. It is funded from the ISC recovered from contributions in accordance with the full-cost recovery policy. The ISC rate is approved by the Executive Board on an annual basis.
159. The PSA budget supports changes in operational needs and the implementation of policy commitments made to the Board; there are a large number of requests for PSA funding. The regular PSA budget may be supplemented by funding from the PSAEA for critical corporate initiatives and from donors providing resources for institutional strengthening initiatives through corporate trust funds.

## PSA appropriation lines

160. Financial Regulation 9.3 states that “the proposed Management Plan ... shall show proposed appropriations for programme support and administrative services in such separate main appropriation lines as may be decided by the Board”. The current PSA appropriation lines – which focus on geographical location rather than linking resources to results – have not changed for more than two decades.
161. This Management Plan presents a new set of appropriation lines to be used by the Executive Board when approving the PSA budget. The proposed appropriation lines better reflect the role of regional bureaux and headquarters offices in supporting country offices in achieving their objectives and continuously improving their performance. The proposed appropriation lines thus demonstrate the link between headquarters and regional bureau activities and the achievement of WFP’s Strategic Results. In this way, the proposed appropriation lines are aligned with the Corporate Results Framework (2017–2021).
162. The new appropriation lines are:
  - Strategy and direction;
  - Services to operations; and
  - Governance, independent oversight and fundraising.
163. The appropriation lines are disaggregated into five results pillars that summarize the main results jointly delivered by headquarters, regional bureaux and country offices. The pillars are:
  - A. Strategy and direction: WFP leadership guides the organization with robust and transparent decision-making that is continuously improving to fulfil WFP’s mandate in the best way possible.
  - B. Business services to operations: WFP implements processes and procedures in ways that balance decentralization and segregation of duties with the advantages of economies of scale to support operations in the most effective, efficient and economical way possible.
  - C. Policy, guidance and quality assurance: WFP maintains high standards in its internal norms, policies and tools and has capable staff who ensure that its operations are designed and implemented to meet the needs of the people it serves.
  - D. Advocacy, partnerships, fundraising and United Nations coordination: WFP collaborates with host and donor governments, NGOs and the private sector to align priorities and mobilize resources, advocate for zero hunger and partner with United Nations agencies, including the Rome-based agencies (RBAs), in contributing to the achievement of the Sustainable Development Goals (SDGs).
  - E. Governance and independent oversight: WFP applies good governance, provides assurance to donors and disseminates information on performance.
164. Each results pillar comprises outputs that capture the main services and products produced for programme support and administration. The outputs fall under functional areas, such as supply chain, information technology and human resources, and allow cross-organizational aggregation of budgets and performance management.

165. The new structure of the PSA is as follows:

**Figure IV.1: Management Plan appropriation lines, results pillars and outputs**



166. The revised PSA structure in the 2018–2020 Management Plan is expected to enhance WFP’s ability to plan, achieve and demonstrate results. The structure will provide new information for decision-making, for example on decentralization or centralization of functions and allocation of resources to new policies and initiatives.

167. Internally, the new structure allows simplification of the planning processes, reducing redundant and duplicated efforts.

168. Most importantly, the new structure represents a further step in the implementation of results-based management, by aggregating financial information in a new way and complementing it with KPIs. Consideration of past performance, trends and cost drivers will inform better decision-making on budget allocation and support better implementation and monitoring.

### The 2018–2020 programme support and administrative budget

169. The proposed PSA budget for 2018 is USD 335.4 million, which is the same level as in 2017.

170. The limitations of a “zero nominal growth” budget required departments to reprioritize their activities for 2018 so as to better meet emerging demands with their existing resources. In addition, overall decreases in standard staff costs and other reductions freed up USD 5.3 million for targeted priorities, as tabulated in Table IV.1.

<b>TABLE IV.1: MAIN AREAS OF CHANGE IN THE PSA BUDGET (USD million)</b>		
<b>2017 base</b>		<b>335.4</b>
<b>Reductions in standard staff costs and other investments</b>		
Decrease in staff position costs net of statutory increases	(2.5)	
Reduction in security costs payable to UNDSS	(0.3)	
Reallocation of 2017 investment case for staff skills	(2.5)	
		<b>(5.3)</b>
<b>Pillar A: Strategy and direction</b>		
Training for country directors and heads of sub-offices: delivery of training programme	0.8	
		<b>0.8</b>
<b>Pillar B: Business services to operations</b>		
Support from regional bureaux to the first and second lines of defence	0.5	
Improving FASTER trainings and alignment with the IRM	0.4	
2018 Human Resources Division (HRM) structural requirements	1.6	
		<b>2.5</b>
<b>Pillar C: Policy, guidance and quality assurance</b>		
Cash-based transfers (CBTs)	0.4	
		<b>0.4</b>
<b>Pillar D: Advocacy, partnerships, fundraising and United Nations coordination</b>		
Strengthening relations with the World Bank	0.5	
Implementation of the Rome-based agencies joint paper	0.1	
		<b>0.6</b>
<b>Pillar E: Governance and independent oversight</b>		
Reinforcing centralized evaluation coverage	0.6	
Supplementary allocation for strengthening of the Inspector General function	0.4	
		<b>1.0</b>
<b>2018 proposed PSA</b>		<b>335.4</b>

FASTER = Functional and Support Training for Emergency Response; IRM = Integrated Road Map.

### Technical adjustment for centralized services for country offices

171. The PSA budget for 2018 includes USD 34.8 million for centralized services for country offices. These recurring costs support operations even though they are administered centrally. The reduction of USD 0.3 million from 2017 results from a reduction in the amount payable to the United Nations Department of Safety and Security for jointly funded activities.

<b>TABLE IV.2: CENTRALIZED SERVICES FOR COUNTRY OFFICES (USD million)</b>		
	<b>2017</b>	<b>2018</b>
United Nations Department of Safety and Security (UNDSS) and WFP Security Emergency Fund	13.8	13.5
Employee wellness	0.7	0.7
Information technology per capita	19.1	19.1
Evaluation	1.5	1.5
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<b>Technical adjustment for centralized services</b>	<b>35.1</b>	<b>34.8</b>

172. Centralized services for country offices are disclosed in the PSA budget under Pillar B: Business services to operations.

### **Reductions in standard staff costs and other savings generate funds for providing additional PSA support in important areas – USD 5.3 million**

173. WFP uses standard rates to budget and account for standard position costs (SPCs). These rates are re-calculated each year to reflect: i) the actual costs of employing a staff member at each grade and location; ii) anticipated exchange rates for euro-based expenditure for Rome-based staff; and iii) provisions for other staff-related benefits and allowances.
174. The SPCs for 2018 have been calculated based on 2016 actual costs adjusted for inflation, after-service costs and – at headquarters – currency exchange rates. They also include some charges for security, staff wellness and termination indemnities.
175. A comparison between the total budgeted costs of staff for 2017 based on 2017 SPCs and the corresponding budgeted costs of staff for 2018 based on 2018 SPCs showed a reduction of USD 2.32 million between 2017 and 2018. This was augmented by USD 0.17 million arising from a reduction in the provision for corporate requirements pertaining to the funding of exceptional situations such as long-term medical leave or special leave. For the euro component of these costs incurred at headquarters, WFP makes a forward purchase of the euro amounts to provide certainty regarding the US dollar value of euro-denominated expenditure.
176. The Secretariat is also proposing that USD 2.5 million, previously allocated to staff skills development and acquisition in the 2017 PSA budget, be used for targeted PSA priorities in 2018. This proposal derives from the review of an allocation of USD 2.62 million in the 2017 Management Plan, which was originally set aside for staff skills. This allocation was included in the reprioritization in 2017 to provide funding for the IRM but has not been included in the base budget submission of any unit for 2018.

### **Allocation of resources generated within PSA base (USD 5.3 million)**

#### **a) Pillar A: Strategy and direction**

177. **Training for country directors and heads of sub-offices: delivery of training programme (USD 767,000):** The main objective is to provide newly appointed country directors and heads of sub-offices, within six months of their appointment, with an overview of technical and procedural knowledge relevant to their new roles, creating a strong network with former country directors acting as mentors for sharing challenges and solutions. The country director and head of sub-office learning programme will use a blend of face-to-face training and online modules in a four-month course to be delivered twice a year for each target audience, concurrent with reassignment cycles. The programme will comprise preparation activities delivered online; a main face-to-face instructor-led section delivered by experts in specific subjects and complemented with one-to-one sessions tailored to the individual needs of each participant; and follow-up calls with selected senior mentors.

**b) Pillar B: Business services to operations**

178. **Support from regional bureaux to the first and second lines of defence (USD 500,000):** WFP should continue ensuring the adequate and efficient oversight of country and regional operations. To that end, resources will be allocated to implement relevant recommendations of the Report of the External Auditor on Decentralization. In 2018, WFP will define consolidated roles, responsibilities, and terms of reference for the regional bureaux. The outcome of this exercise will inform any eventual review of responsibilities and allocation of resources to the regional bureaux. Particular attention will be paid to the ongoing review of regional functions and capacities being implemented in connection with reform of the United Nations Development System.
179. **FASTER training (USD 370,000):** Functional and Support Training for Emergency Response (FASTER) is a corporate training that simulates a major emergency response. FASTER simulation allows WFP to test and/or roll out new tools and mechanisms including IRM tools for responding to a Level 3 emergency.
180. So far, 261 participants have been trained in nine sessions. However, the demand for training is greater than the FASTER programme can currently accommodate. FASTER is therefore being revised to reflect the evolving global context and WFP's need to be ready to respond to any type of emergency. The new FASTER strategy will simulate the complex environment in which WFP works and be an essential element in improving staff skills for improved surge capacity.
181. Four emergency surge teams will be selected – two at headquarters and two in the field – to be the first responders in corporate emergencies or when the capacity in the field is overstretched. Surge team members who are fully operational in their respective functional areas will be invited to take part in a six-day FASTER simulation of a complex emergency environment. Members will be evaluated using a professionally prepared assessment tool to validate their ability to apply all the skills for their functional areas and perform in a highly stressful environment.
182. **HRM structural adjustment (USD 1,630,000):** WFP's capacity to deliver results depends on having the right people – with the necessary skills and commitment to its mandate – in the right place at the right time. Emergencies are becoming increasingly numerous and protracted, requiring the longer-term presence of WFP. Security threats, along with pressure on donors to justify their spending choices, are rising. WFP is aligning its strategic direction with the 2030 Agenda for Sustainable Development by adopting new programme strategies in the IRM, requiring adjustment of the structure and staffing of the majority of country offices, to demonstrate improved efficiency and effectiveness. These adjustments will involve attracting staff with new profiles, and in many cases, country offices will need to adjust their sizes as they restructure. This evolving situation requires HRM at headquarters to increase its support to the country offices undergoing these changes. HRM's capacity has remained largely static for the last ten years, in spite of an overall increase in the WFP workforce and significant additional administrative responsibilities associated with the movement of national staff on regular contracts from the United Nations Development Programme (UNDP) to the WFP/FAO contractual framework.

**c) Pillar C: Policy, guidance and quality assurance**

183. **Cash-based transfers (USD 430,000):** A senior position of Global Coordinator, Cash Transfers will be created to ensure continuous management oversight of the corporate cash portfolio and to coordinate the alignment of the portfolio and the work of its many stakeholders with the overall Strategic Plan.

**d) Pillar D: Advocacy, partnerships, fundraising and United Nations coordination**

184. **Strengthening relations with the World Bank (USD 500,000):** WFP and the World Bank are increasingly working together on fighting hunger and ending extreme poverty in diverse contexts. In the past ten years, WFP and the Bank have collaborated on more than 50 projects in 25 countries, with more than USD 360 million in World Bank funds provided to WFP via national governments. In the first half of 2017 alone, a dozen country offices were developing projects for emergency response, nutrition, social protection, school feeding and community resilience

activities, with funds of up to USD 100 million from the Bank under discussion. In addition to resource mobilization, WFP's strategic engagement with the Bank has also strengthened over the past year, with joint studies on bridging humanitarian assistance and social protection systems, and WFP has engaged with other United Nations agencies to develop a broader United Nations relationship with the World Bank in crisis-affected situations. These positive developments are complemented by the Bank's recent accelerated support to fragile states, which provides a unique opportunity to maximize joint efforts to address ongoing and prevent future humanitarian crises.

185. In light of the current momentum of this strategic engagement and resource mobilization, WFP aims to strengthen its relationship with the World Bank further by developing a partnership framework such as a Memorandum of Understanding (MOU) that enables both organizations to commit to engagement and guides their field and headquarters teams. The objective of this framework is to capture the cooperation efforts of WFP and the Bank within a clear vision directed towards the 2030 Agenda for Sustainable Development and achieving zero hunger, firmly embedded within the principles of humanitarian and development cooperation. This will articulate the respective comparative advantages of the two organizations while remaining flexible enough to promote cooperation in other areas such as data analytics and technical cooperation. The MOU should reflect agreement on the ISC rates to be applied, with the aim of reducing exceptions. To realize the full potential of a comprehensive partnership with the World Bank, WFP will require an internal structure that is relevant and well-coordinated and has clear lines of engagement.
186. **Implementation of agreed actions in the RBA joint paper (USD 95,000):** Enhanced synergies among the RBAs are paramount to achieving SDG 2. WFP is committed to working with FAO and IFAD by capturing all available synergies and complementarities and avoiding overlaps in contributing to collective results in both humanitarian and development contexts, and in enhancing RBA advocacy on food security and nutrition at the global level and within the broader United Nations system. The paper presents actions that will facilitate enhanced collaborative efforts by the RBAs and require continuous efforts within WFP and externally with FAO and IFAD at the national, regional and global levels. The actions in the paper will be implemented according to a road map and a results matrix, including a set of performance indicators that is being prepared by the RBAs.

#### e) Pillar E: Governance and independent oversight

187. **Evaluation (USD 600,000):** WFP's Evaluation Policy, approved in November 2015 by the Board, reaffirmed WFP's commitment to evidence-based decision-making and sets the normative framework for a strengthened evaluation function in WFP. The model combines centralized evaluation with demand-led decentralized evaluation. This allocation will facilitate delivery of components of the policy implementation strategy that need to be put in place during 2018 in order to meet the policy goals by 2021 and maintain the minimum levels of centralized evaluation coverage established in the policy norms.
188. **Office of the Inspector General (USD 400,000):** The Office of the Inspector General (OIG) plans to adapt to recent developments and immediate needs for assurance coverage and advisory and investigative services for WFP by strengthening OIG's capacity to engage in and communicate more proactively and dynamically on OIG issues and conclusions and to develop its outreach and engagement with the Member States. The Office of Internal Audit also requires staff with more senior audit profiles to cover the increasing complexity of WFP's risks, including by accompanying WFP in strengthening its second line of defence, risk management, and data analytics as it develops its performance data and automated monitoring capacity.
189. The Office of Inspections and Investigations (OIGI) is conducting an increasing number of complex high-profile fraud investigations that also require specific expertise. OIGI will hire a consultant to meet the increasing demand for the skills required for this type of investigation. This will have direct effects on OIGI's KPIs in conducting high-profile fraud cases within the designated timeframe while adhering to legal requirements.

### Analysis of the PSA budget by pillar

190. Table IV.3 presents a summary of the PSA budget by new appropriation lines and results pillars, and the organizational level of the allocation – country office, regional bureau, headquarters, or corporate; allocations at the corporate level are managed centrally on behalf of all of WFP. As 2018 is the first year for which this analysis is presented there are no comparative figures from previous years.
191. The largest PSA allocation is in pillar B Business services to operations, which brings together activities performed at all levels of WFP and represents 50 percent of the total budget. In contrast, the smallest allocation is in pillar E Governance and independent oversight, which comprises activities that are performed only at headquarters and represents about 7 percent of the total budget. With 17 percent of total allocations, pillar D supports WFP’s funding model based on voluntary contributions and advocacy, in which United Nations coordination is increasingly important. In terms of organizational levels, the highest allocation is to headquarters, with 56 percent of the budget, while allocations to regional bureaux and country offices represent 20 and 24 percent of the budget respectively.

<b>TABLE IV.3: ANALYSIS OF PSA BUDGET BY PILLAR (USD million)</b>						
<b>Appropriation line</b>	<b>Pillar</b>	<b>Country offices</b>	<b>Regional bureaux</b>	<b>Headquarters</b>	<b>Corporate</b>	<b>Total</b>
Strategy and direction	A. Strategy and direction	16.0	3.0	27.9	1.3	48.2
Services to operations	B. Business services to operations	48.2	41.4	62.3	7.6	159.5
	C. Policy, guidance and quality assurance	-	12.3	28.3	-	40.6
	Subtotal	48.2	53.7	90.6	7.6	200.1
Governance, independent oversight and fundraising	D. Advocacy, partnerships, fundraising and United Nations coordination	15.2	10.6	32.6	3.5	61.9
	E. Governance and independent oversight	-	-	23.5	1.7	25.2
	Subtotal	15.2	10.6	56.0	5.2	87.1
<b>Total</b>		<b>79.4</b>	<b>67.2</b>	<b>174.6</b>	<b>14.2</b>	<b>335.4</b>

### Pillar A: Strategy and direction

192. The outcome statement for pillar A is: “WFP leadership guides the organization with robust and transparent decision-making that is continuously improving to fulfil WFP’s mandate in the best way possible.”
193. To achieve this, WFP gathers the information necessary for decision-making through consultations and corporate documents; has well-informed senior staff with the appropriate profiles who participate in internal and external decision-making forums; and monitors the implementation of corporate change management initiatives.
194. Table IV.4 presents the overall PSA budget for pillar A, including the corporate appropriations budget line.

<b>TABLE IV.4: ANALYSIS OF PILLAR A. STRATEGY AND DIRECTION</b> (USD thousand)					
<b>Type</b>	<b>Country offices</b>	<b>Regional bureaux</b>	<b>Headquarters</b>	<b>Corporate</b>	<b>Total</b>
Staff cost	11 947	2 173	21 316	-	35 436
Non-staff cost	4 027	789	6 606	1 339	12 762
<b>Total</b>	<b>15 974</b>	<b>2 963</b>	<b>27 922</b>	<b>1 339</b>	<b>48 198</b>

195. The main type of costs allocated to this pillar are staff costs, which account for 75 percent of the budget, because the pillar includes the majority of WFP's senior and executive management and their recruitment and development costs. Under non-staff costs, the pillar includes the budget lines allocated to internal meetings, such as the Global Management Meeting and regional meetings, and exercises such as the Global Staff Survey.
196. In terms of the organizational level of cost allocations, the pillar comprises senior and executive management at headquarters, regional directors and part of the budget allocated to country directors who participate and are responsible for WFP strategic functions. In addition, some corporate initiatives that affect the entire organization, such as modernization of information technology (IT) and implementation of the IRM are also budgeted in pillar A.
197. To measure progress against implementation of the activities in pillar A, the following KPIs will be used:

A.i. *Category II KPIs*: In the Corporate Results Framework,<sup>16</sup> these are short-term, corporate-level indicators that reflect priorities set by WFP's leadership or relate to specific WFP commitments and that can be replaced by other indicators when no longer necessary or when their targets have been met. As such, they are a clear reflection of performance in the strategy and direction function:

- i) *Percentage of achievement of IRM milestones*: The IRM has been granted priority by senior management so the path of its implementation will be carefully monitored and will be adapted regularly to reflect strategic decision-making. Detailed information on milestones achieved and progress in implementation is provided regularly to the Board. The baseline for this indicator, including achievements from approval to December 2017, will be calculated and reported in the annual performance report for 2017.
- ii) *Percentage of implementation of policies approved by the Board in 2017*: Based on the Compendium of Policies relating to the Strategic Plan,<sup>17</sup> this indicator measures the path of implementation of different approved policies, including the Environmental Policy, the Climate Change Policy and the Nutrition Policy. The baseline for this indicator, calculated up to December 2017, will be included in the annual performance report for 2017.

A.ii. *Employee engagement rate*: This qualitative indicator measures the extent to which employees are motivated to contribute to organizational success and are willing to make efforts to accomplish tasks important to achieve WFP's goals. It is collected through the global staff survey, and the value is a function of the percentage of employees that give positive responses to a series of perception and feeling statements about WFP. The target for each measurement of this indicator is to increase its value compared with the previous value. The baseline for calculation is the 2015 global staff survey employee engagement rate, 70 percent.

<sup>16</sup> WFP/EB.2/2016/4-B/1/Rev.1.

<sup>17</sup> WFP/EB.1/2017/4-D.

**Pillar B: Business services to operations**

198. The outcome statement for pillar B is: “WFP implements processes and procedures in ways that balance decentralization and segregation of duties with the advantages of economies of scale to support operations in the most effective, efficient and economical way possible.”
199. To achieve this, WFP headquarters and regional bureaux perform direct transactions on behalf of operations and develop and maintain software systems used in the daily management of operations. The pillar also includes budget lines for facilities management, allocated to the offices that provide these services.
200. The intervention of regional bureaux and headquarters divisions in processes and in certain functions related to the maintenance of systems, such as granting permission for access to corporate systems or monitoring segregation of duties, constitute an essential part of internal controls, along with the country offices own systems in place.
201. Table IV.5 presents the overall PSA budget for pillar B, including the corporate appropriations budget line.

<b>TABLE IV.5: ANALYSIS OF PILLAR B. BUSINESS SERVICES TO OPERATIONS</b> (USD thousand)					
<b>Type</b>	<b>Country offices</b>	<b>Regional bureaux</b>	<b>Headquarters</b>	<b>Corporate</b>	<b>Total</b>
Staff cost	6 008	25 718	48 202	-	<b>79 928</b>
Non-staff cost	42 225	15 685	14 063	7 650	<b>79 623</b>
<b>Total</b>	<b>48 232</b>	<b>41 404</b>	<b>62 265</b>	<b>7 650</b>	<b>159 551</b>

202. The staff and non-staff budget is balanced in this pillar, with 48 percent of the budget being allocated to staff and 52 percent to non-staff costs. This reflects the fact that a substantial part of business services to operations consist of staff time, supported by systems for gathering and processing information.
203. In terms of the organizational level of fund allocations, most headquarters offices provide direct services to country offices, either as part of a process that is designed to involve headquarters, such as approval or release of documents, or when matters are passed on to higher organizational levels, such as in resolution of disputes. In some cases, headquarters serves as a central hub providing services from experts in specific subjects, such as the transactional work performed by the Finance and Treasury, Budget and Programming and Human Resources divisions; in other cases, the services are provided by headquarters to achieve economies of scale, as in the case of shipping services or provision of certain IT services. Finally, despite WFP’s high level of decentralization, delegations of authority and segregation of duties require the intervention of headquarters in certain processes, such as commodity procurement or programme approval.
204. For these reasons, most of the activities of regional bureaux are in this pillar, as regional bureaux constitute the first point in the reporting line for country offices. The budget lines allocated to this pillar therefore include experts in specific subjects based in regional bureaux and their functioning costs. Although all regional bureaux have comparable structures, the volume of activities and the related budget in each functional area depend on the profile of the specific operations and offices under their oversight; for example, all regional bureaux devote a relatively high proportion of the budget to supporting the programme function, whereas support to the supply chain is greater in the regions with ongoing Level 3 operations. Implementation of the

recommendations in the Report of the External Auditor on Decentralization is likely to have an impact on the budget allocations to this pillar in the future.<sup>18</sup>

205. Design and maintenance of software systems is carried out only at the headquarters level, and concerns the development of new modules or improvement of existing systems, their roll-out to field offices and their maintenance after roll-out. The current budget for these activities is allocated to more than ten divisions that are custodians of systems, and to the Information Technology Division, which provides technical support and safeguards the coherence and integrity of the overall system.
206. To measure progress against implementation of the activities in pillar B, the following KPIs will be used:
- B.i. *Percentage of the staff deployed to emergencies who were selected from internal rosters:* This quantitative indicator reflects the effectiveness and efficiency of WFP's emergency staff deployment system. Ultimately, the indicator reflects the results of different streams of work: the provision of FASTER training, the selection of staff for the emergency roster, and the actual deployment of staff in an emergency. The target for the indicator is 100 percent; the baseline will be published in the annual performance report for 2017.
  - B.ii. *Percentage of tonnage delivered in the right quantity, of the right quality and on time to the targeted populations:* This quantitative indicator measures the extent to which the supply chain provides inputs for operations effectively, reflecting the combined work of country offices, regional bureaux and headquarters in several functions, as well as the extent to which WFP collaborates with local authorities, partners and communities in the field to deliver assistance. The baseline for this indicator will be included in the annual performance report for 2017 and the target is 90 percent.
  - B.iii. *Percentage of CBTs delivered on time to the targeted populations:* This quantitative indicator, calculated as a percentage of the planned CBTs, reflects both the effectiveness and the efficiency of the transfer modality, which is increasingly important in WFP operations. The target for this indicator is 90 percent, and baseline will be defined by November 2017.

### **Pillar C: Policy, guidance and quality assurance**

207. The outcome statement for pillar C is: "WFP maintains high standards in its internal norms, policies and tools and has capable staff who ensure that its operations are designed and implemented to meet the needs of the people it serves."
208. To achieve this outcome, the pillar includes top-down activities such as policy design and implementation, bottom-up interventions such as when a country office requests guidance and support, and monitoring of compliance with policies. Activities included in the pillar constitute a critical second line of defence function and, by their nature, are implemented by headquarters offices and regional bureaux.
209. Table IV.6 presents the overall PSA budget for pillar C.

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<sup>18</sup> WFP/EB.A/2017/6-G/1.

Type	Country offices	Regional bureaux	Headquarters	Corporate	Total
Staff cost	-	7 806	21 660	-	29 467
Non-staff cost	-	4 468	6 671	-	11 139
<b>Total</b>	<b>-</b>	<b>12 275</b>	<b>28 331</b>	<b>-</b>	<b>40 606</b>

210. Staff costs represent 71 percent of the allocation, and 29 percent is for non-staff costs. This breakdown results from the nature of the activities involving staff costs, which are time-intensive, while other costs cover training, which is very often provided remotely, and publication of guidance and materials through internal information and knowledge management platforms.
211. In terms of the organizational level of these budget allocations, the majority of funds are allocated to headquarters and, to a lesser extent, regional bureaux. The policy, guidance and quality assurance function is not performed at the country office level.
212. At the headquarters level, budget allocations focus on the preparation, updating and approval of policy documents, which often require internal and external consultations; and the development of all materials for the implementation of policies, such as guidance, tools and training packages. Because of the impact of the IRM on WFP internal processes, the budget for 2018 includes numerous allocations for updating guidance and tools. Most of WFP's training<sup>19</sup> initiatives are included in this pillar – remote training based in WeLearn, face-to-face training organized by headquarters and regional bureaux or combinations of both.
213. The pillar also includes all advisory work provided by subject experts first in regional bureaux and second in headquarters offices; and internal technical oversight activities, which inform changes to policies and implementation and can also highlight issues for corporate attention. The budget for these activities is allocated to headquarters for central services such as the Legal and Ethics offices, and to regional bureaux for more decentralized functions such as the programme function. The activities included in the pillar complement the direct support provided by the technical units of regional bureaux and headquarters and budgeted in pillar B. As such, any decentralization of activities that decreases budgets allocated to pillar B may lead to increases in staff capacity building and advisory activities to ensure the quality of operations.
214. Finally, pillar C also includes advisory activities performed by OIG, and oversight and compliance activities performed mainly at regional bureaux, either by functional areas – typically Finance and increasingly Supply Chain and Administration – or by specific compliance units in the West Africa, East and Central Africa and Middle East, North Africa, Eastern Europe and Central Asia bureaux. The strengthening of capacities for this function in regional bureaux is likely to have an impact on the budget allocations to this pillar in future budgets.
215. To measure progress against implementation of the activities in pillar C, the following KPIs will be used:
- C.i. *Percentage of country strategic plans that meet quality standards*: This quantitative indicator reflects the extent to which country strategic plans (CSPs) submitted for approval fulfil standards in programmatic areas such as activity design, gender, nutrition, protection; incorporate risk management and take into account evaluation and audit recommendations; are supported by analyses of budgetary, supply chain and office capacities; and include specific commitments such as monitoring and evaluation. WFP's internal process for the development and approval of CSPs is based on the efforts of country offices with support provided by activities under this pillar. The target for this

<sup>19</sup> Except training related to the roll-out of software systems, which is included in pillar B, and training for country directors and heads of sub-offices, which is included in pillar A.

indicator is 80 percent, and the baseline value will be included in the annual performance report for 2017, as the first CSPs are approved during the year.

- C.ii. *Percentage of country offices with complaints and feedback mechanisms in place:* This quantitative and qualitative indicator measures WFP's performance in adhering to the five commitments on accountability to affected populations proposed by the Inter-Agency Standing Committee, for which effective mechanisms are required, and reflects WFP's implementation of its Humanitarian Protection Policy. The target for 2018 is 93 percent, and the baseline is 71 percent.<sup>20</sup>
- C.iii. *Percentage of WFP offices using the emergency preparedness and response package:* This quantitative indicator reflects the extent to which WFP offices are equipped to conduct risk assessments and match their emergency preparedness and response capacity to identified risks, with the ultimate goal of providing more effective, efficient and – when possible – economical emergency responses. The target for 2018 is 100 percent, as the Emergency Preparedness and Response Package (EPRP) will have been fully rolled out. The baseline is 61 percent.<sup>21</sup>

#### **Pillar D: Advocacy, partnerships, fundraising and United Nations coordination**

216. The outcome statement for pillar D is: “WFP collaborates with host and donor governments, NGOs and the private sector to align priorities and mobilize resources, advocate for zero hunger and partner United Nations agencies in contributing to achievement of the SDGs.”
217. To achieve this outcome, the pillar includes WFP's efforts to mobilize resources, communicate, advocate and coordinate with the RBAs, other United Nations agencies and the humanitarian response system; and establish and maintain strategic partnerships with NGOs, the private sector and academia, which can contribute to or facilitate partnerships at the country and operational levels.
218. Table IV.7 presents the overall budget for pillar D, including the corporate appropriations budget line.

<b>Type</b>	<b>Country offices</b>	<b>Regional bureaux</b>	<b>Headquarters</b>	<b>Corporate</b>	<b>Total</b>
Staff cost	11 947	6 583	23 903	745	43 178
Non-staff cost	3 259	3 991	8 666	2 763	18 679
<b>Total</b>	<b>15 206</b>	<b>10 574</b>	<b>32 569</b>	<b>3 508</b>	<b>61 857</b>

219. Reflecting the time-intensive nature of activities in this pillar, the majority of costs are allocated to staff – 73 percent – with non-staff costs accounting for only 27 percent. Non-staff costs in this pillar include budget allocations to fund WFP offices located in donor capitals or fully dedicated to liaison with other United Nations agencies and regular participation in United Nations and NGO meetings and forums.

<sup>20</sup> Reported in the annual performance report for 2016 (WFP/EB.A/2017/4).

<sup>21</sup> Calculated as of 31 December 2016.

220. In terms of the organizational level of fund allocations, because of WFP's funding model, fundraising and advocacy activities are carried out at all organizational levels. At the headquarters level, most of the activities in this pillar fall into the remit of the Partnerships and Governance Department. At the regional level, activities also include advocacy and strategic work with governments to align priorities, such as in the Latin America and the Caribbean and Asia and the Pacific regions. At the country office level, resource mobilization is a central responsibility of country directors.
221. The budget allocated to leading and co-leading the food security, logistics and emergency telecommunications clusters, which is managed by the Emergency Preparedness and Support Response, Supply Chain and Information Technology divisions in headquarters, is included in this pillar. This budget is complemented by local funds and staff dedicated to local clusters where they are active, and reflected in country portfolio budgets.
222. The budget allocated to the corporate level includes contributions to United Nations initiatives, such as the Resident Coordinator System, inter-agency meetings and forums, and services provided by the United Nations. The pillar also includes WFP's participation in United Nations joint initiatives, such as the Committee on World Food Security or the Global Preparedness Partnership.
223. To measure progress in implementing the activities in pillar D, the following KPIs will be used:
- D.i. *Percentage of cluster surveys achieving satisfactory targets*: This quantitative indicator measures the extent to which the clusters in which WFP plays a leading role fulfil the needs and expectations of partners, and therefore also provides an indication of the effectiveness and efficiency of the cluster mechanism. The target for the indicator is 100 percent and the baseline is 100 percent, as 92 percent of users were satisfied with logistics clusters, 95 percent with the global Food Security Cluster, and 86 percent with the emergency telecommunication cluster<sup>22</sup> in the latest measurement of this indicator.
  - D.ii. *Percentage of achievement of outputs in partner operations*: This quantitative indicator measures the effectiveness of WFP's operational partnerships in the field, which have a direct influence on the achievement of WFP outcomes. The target for this indicator is 90 percent and the baseline is 75 percent.<sup>23</sup>
  - D.iii. *Percentage of gross funding needs met*: This quantitative indicator provides a sense of how funding received enables the achievement of operational objectives. WFP orients its resource mobilization efforts towards specific objectives such as increased multilateral, multi-year and private-sector contributions, which will be presented in more detail in annual performance reports. The target for this indicator is 100 percent, and the baseline is 67 percent.<sup>24</sup>
  - D.iv. *Percentage of favourable messages in mainstream media*: This qualitative indicator reflects how WFP is portrayed in international and selected local news, with the aim of building a positive image and managing reputational risks. The target for this indicator is 99 percent, and the baseline is 96 percent.<sup>25</sup>

### **Pillar E: Governance and independent oversight**

224. The outcome statement for pillar E is: "WFP applies good governance, provides assurance to donors and disseminates information on performance."

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<sup>22</sup> Reported on in the Annual Performance Report for 2016 – WFP/EB.A/2017/4.

<sup>23</sup> Calculated as of 31 December 2016.

<sup>24</sup> Reported in Annual Performance Report for 2016 – WFP/EB.A/2017/4.

<sup>25</sup> Reported in Annual Performance Report for 2016 – WFP/EB.A/2017/4.

225. To achieve this outcome, the pillar includes activities related to the operation of the Executive Board; the independent functions of evaluation, investigations, internal and external audit; and initiatives promoting transparency and aiming to provide increasing information to stakeholders, while completing the internal cycle of accountability and performance management within WFP. This fifth pillar constitutes WFP's third line of defence.
226. Table IV.8 presents the overall budget for pillar E, including the corporate appropriations budget line.

Type	Country offices	Regional bureaux	Headquarters	Corporate	Total
Staff cost	-	-	15 014	-	<b>15 014</b>
Non-staff cost	-	-	8 457	1 723	<b>10 180</b>
<b>Total</b>	-	-	<b>23 470</b>	<b>1 723</b>	<b>25 194</b>

227. Allocations to this pillar are divided between staff with 60 percent and non-staff costs with 40 percent. The budget allocated to staff costs covers the divisions in charge of coordination and management of the functions in pillar E: for example, the budget allocated to the evaluation function also covers support to decentralized evaluations and all the activities necessary to increase staff capacity to coordinate independent evaluations, in line with the WFP evaluation policy (2016–2021). The budget for the pillar also includes allocations to internal and external transparency initiatives such as the Annual Conflicts of Interest and Financial Disclosure Programme managed by the Ethics Office, and the publication of WFP financial data in reports and the International Aid Transparency Initiative (IATI) platform, all of which are staff-intensive.
228. The non-staff costs include the organization of Board sessions and similar events for other advisory committees and bodies, other Board-related trips and activities, and the procurement of external services for these activities.
229. Because of the nature of the activities in this pillar, they are carried out exclusively at headquarters by a small number of dedicated organizational units managed centrally.
230. To measure progress in implementing activities in pillar E, the following KPIs will be used:
- E.i. *Percentage of actions requested at Board sessions implemented by the agreed deadlines in the follow-up tables:* The Executive Board is the main governance body of WFP, and the level of implementation of required actions reflects the performance of WFP in facilitating the membership's oversight of the functioning of the organization and the effectiveness of the oversight. The target for this indicator is 100 percent. The baseline will be calculated after the 2017 second regular session of the Board and included in the annual performance report for 2017.
  - E.ii. *Number of overdue high-risk audit recommendations:* This quantitative indicator measures the extent to which management at headquarters, regional bureaux and country offices is responding effectively to major audit recommendations, reflecting the importance of audit as a core component of WFP's internal control infrastructure and the critical role of management's engagement in providing assurances to the Executive Director and the Board. The target for this indicator is to reduce the number compared with the previous measurement; the latest measurement is 8 overdue recommendations out of 26 high-risk audit recommendations pending implementation.<sup>26</sup>

<sup>26</sup> As of 11 August 2017.

- E.iii. *WFP's ranking in the IATI transparency index:* WFP has been an active participant in the IATI since 2012, and the quality of its published data is well recognized. The IATI dashboard assesses all IATI publishers by awarding scores in three dimensions – depending on how timely, forward-looking and comprehensive their publications are – and then adjusting these scores by the proportion (by value) of each publisher's activities covered in its IATI data (coverage) to rank the publishers according to their scores. The baseline for this indicator is number 1, with a score of 95, in 2016<sup>27</sup> and WFP intends to maintain this high ranking.

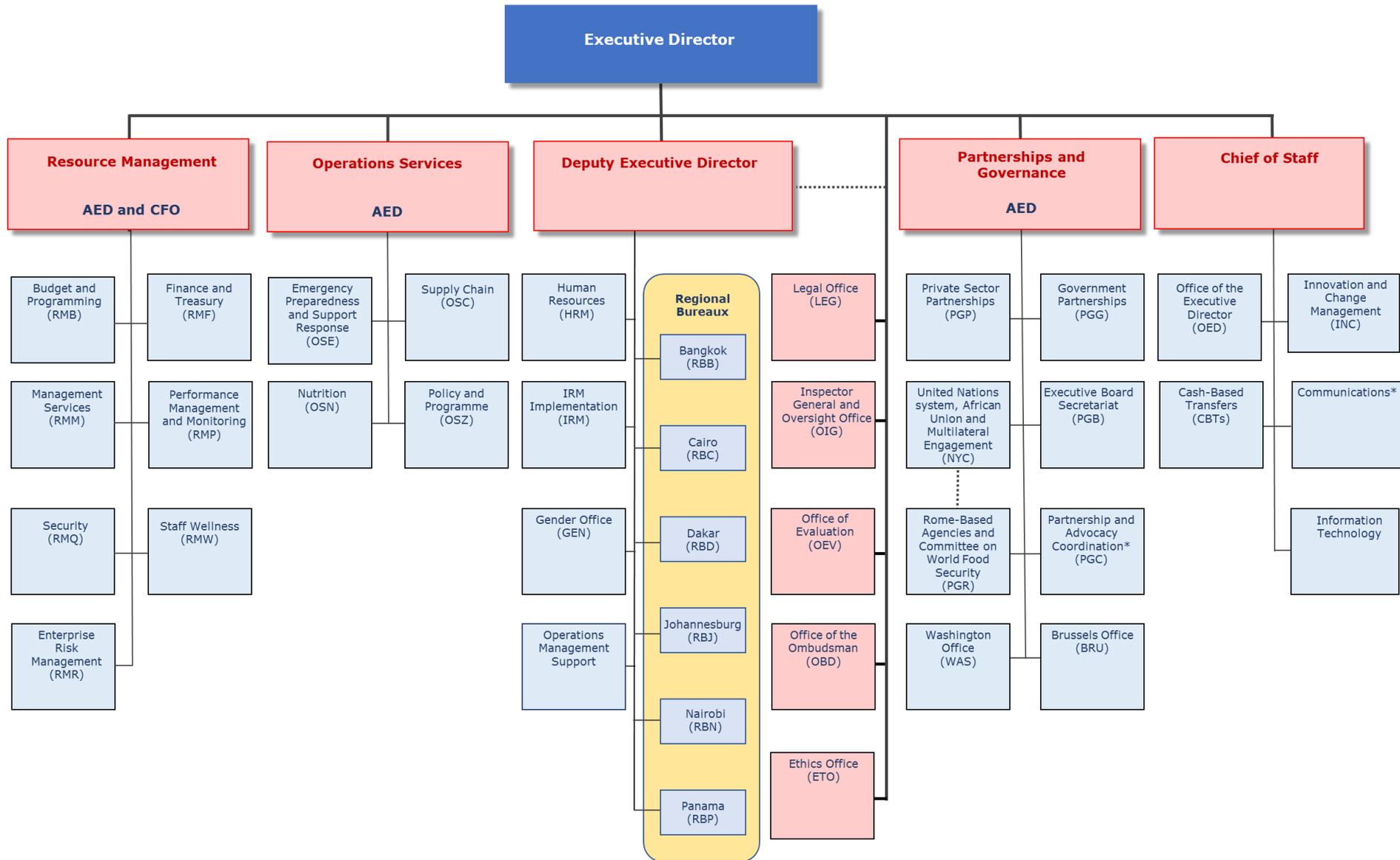
**Organizational change: structure of the Secretariat**

231. To fulfil WFP's mission of achieving zero hunger, a number of organizational changes effective from August 2017 have been made to facilitate further improvements in WFP's systems, structure and processes. WFP's structure and processes will remain under review during 2018 with a view to making further refinements and improvements.
232. A revised structure is shown in Figure IV.2.

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<sup>27</sup> As published in IATI Publishing Statistics.

**Figure IV.2: Organizational chart**



\* PGC Division will be mainstreamed within the organization as of 1 January 2018. The Communications Division will be renamed as Communications and Advocacy Division.

233. Headquarters departments will report to the Executive Director. OIG, the Office of the Ombudsman, the Office of Evaluation, the Ethics Office and the Legal Office will also report to the Executive Director, with support provided by the Deputy Executive Director.
234. The new structure reinforces the core role of the Deputy Executive Director in overseeing WFP's operations. The Deputy Executive Director will directly supervise the regional bureaux, supported by an "Operations Management Support" office. The Deputy Executive Director will retain oversight of implementation of the IRM, to ensure seamless liaison with field operations as they transition to the new approach. The Deputy Executive Director will also oversee critical core functions including human resources and gender.
235. The Operations Services Department leads in emergency response and support to operational excellence. The department will play the main role in supporting operations, continuing to promote greater effectiveness and efficiency in the Policy and Programme, Nutrition, Supply Chain, and Emergency Preparedness and Support Response divisions.
236. The Resource Management Department remains central to the effective stewardship and financial management of WFP. The department is supported by the core functions of Budget and Programming, Finance and Treasury, Management Services, Performance Management and Monitoring, Field Security, and Staff Wellness. A new Enterprise Risk Management Division has been created, in recognition of WFP's responsibility to safeguard the resources entrusted to it while providing the strongest possible assurance to all stakeholders regarding the achievement of its objectives.
237. The Partnerships and Governance Department will focus on strengthening and increasing partnerships with government donors and private-sector organizations with the ultimate goal of increasing WFP's funding resources and maximizing the effectiveness of its mission. Collaboration with the private sector will be an increasingly important element in this approach. The department will also support engagement with the United Nations, particularly in the comprehensive United Nations reform process currently under way, and engagement with the RBAs. The department will continue to support the Board.
238. A new department led by the Chief of Staff will focus on enhancing and strengthening WFP's acknowledged expertise in humanitarian action and innovation. The department will include a new function dedicated to CBTs, along with the established divisions of Information Technology, Innovation and Change Management, and Communications, and the Office of the Executive Director. The department will also support WFP's efforts to expand the ambassadors and celebrity supporters initiative.

#### **Contributions of functions by organizational unit**

239. The five results pillars aim to capture all the potential ways in which regional bureaux and headquarters provide support to country offices. In this structure, different organizational units provide different and often complementary types of support. Nonetheless, the nature of some offices might prescribe certain functions: for example the offices of the Deputy Executive Director and Assistant Executive Directors will provide more services in pillar A Strategy and direction, while OIG provides services that are mostly in pillar E Governance and independent oversight, and the regional bureaux provide more direct services in pillar B Business services to operations.
240. Table IV.9 reflects the contributions of each department to the five results pillars. The majority of the activities performed by regional bureaux are in pillars B and C, as regional bureaux are the first point in the reporting line for country offices. Regional bureaux therefore carry out transactions and approvals on behalf of country offices and are the first point of contact for guidance on the implementation of policies. The regional bureau can also play a role in the standardization of practices within the region, as reflected in pillar C, when the roll-out of systems and initiatives and the development of specific guidance are carried out at the regional level. Finally, the regional bureaux are also the point of contact for the representatives of WFP partners in the region, such as regional organizations, other United Nations decentralized offices and NGOs; managing these relations accounts for most of the activities in pillar D.

241. The PSA allocations to country offices consist mainly of funds to cover country director positions – pillars A and D – and minimum additional resources for operating costs.

	<b>A – Strategy and direction</b>	<b>B – Business services to operations</b>	<b>C – Policy, guidance and quality assurance</b>	<b>D – Advocacy, partnerships, fundraising and United Nations coordination</b>	<b>E – Governance and independent oversight</b>	<b>Total</b>
Country offices	15 974	48 232	0	15 206	0	79 412
Regional bureaux	2 963	41 404	12 275	10 574	0	67 215
Executive Director and Chief of Staff	10 353	12 846	3 865	8 940	15 604	51 609
Deputy Executive Director	3 815	11 235	3 565	338	0	18 953
Operations Services	7 625	13 468	9 501	2 437	0	33 031
Partnerships and Governance	1 248	3 085	2 973	20 855	4 787	32 947
Resource Management	4 881	21 630	8 428	0	3 079	38 018
Corporate	1 339	7 650	0	3 508	1 723	14 220
<b>Total</b>	<b>48 198</b>	<b>159 551</b>	<b>40 606</b>	<b>61 857</b>	<b>25 194</b>	<b>335 405</b>

### Functional areas

242. The functional areas are linked to the activities of headquarters offices and regional bureaux, and therefore to outputs, outcomes and appropriation lines, as shown in Table IV.9. They are defined as the areas of expertise of the organizational units that manage business processes – such as food procurement, staff recruitment or project approval – for each service provided to operations, these are for example the Supply Chain, Human Resources or Policy and Programme divisions. The role of regional bureaux and headquarters offices is to safeguard, maintain and improve these processes, as the services provided to operations are key to the effective, efficient and economical achievement of programmatic results.
243. WFP functional areas are thus the common points between the support provided by headquarters and regional bureaux to country offices – reflected in the PSA budget – and the internal services that are provided within the country office to carry out programmatic activities, which are reflected in the country portfolio budget or project budgets.
244. In terms of functional area, the highest allocations are to the management and programme functions, which are responsible for the overall direction of offices and the design and implementation of programmes. Together, these two functions account for 49 percent of budget allocations, and they appear in all pillars. The donor relations, communications and reporting function receives more than 11 percent of allocations, which is in accordance with WFP's funding model and the amount of staff time dedicated to this function. The majority of the funds for this function are allocated to pillar D, while smaller amounts are allocated to the financial management of contributions, which falls into pillars B and C and which complements a substantial part of the work in the budget and programming functions. Human resources, IT, supply chain and, to a lesser extent, administration and finance are the main support functions, corresponding to the volumes of funds that these functional areas are responsible for managing

in operations, and that are reflected in country portfolio budgets. The budget allocated to these areas is directed to funding activities in pillars A, B and C. The PSA budget allocated to security covers the collection and use of information in pillar A and, in pillar B, substantive services provided directly to operations by headquarters and regional bureaux and WFP's contributions to UNDSS on behalf of country offices.

245. Table IV.10 presents PSA budget allocations by functional area and results pillar.

<b>TABLE IV.10: ANALYSIS BY FUNCTIONAL AREA AND PILLAR</b> (USD thousand)						
	<b>A – Strategy and direction</b>	<b>B – Business services to operations</b>	<b>C – Policy, guidance and quality assurance</b>	<b>D – Advocacy, partnerships, fundraising and United Nations coordination</b>	<b>E – Governance and independent oversight</b>	<b>Total</b>
Management	35 877	7 658	7 482	22 283	15 114	<b>88 413</b>
Programme	2 247	43 136	16 332	8 176	6 993	<b>76 884</b>
Supply chain	2 393	17 636	2 121			<b>22 150</b>
Budget and programming	1 002	9 356		327		<b>10 685</b>
Human resources	3 543	24 376	3 019	200		<b>31 138</b>
Administration	617	8 018	3 251			<b>11 886</b>
Finance	750	5 435	2 739		1 641	<b>10 565</b>
Information technology	1 554	26 123	1 595	725		<b>29 998</b>
Security	215	15 693				<b>15 908</b>
Donor relations, communications and reporting		2 120	4 066	30 145	1 446	<b>37 777</b>
<b>Total</b>	<b>48 198</b>	<b>159 551</b>	<b>40 606</b>	<b>61 857</b>	<b>25 194</b>	<b>335 405</b>

### Summary of 2018 regular PSA budget by 2017 appropriation line

246. The Management Plan contains details of the PSA budget over a three-year period to provide perspective on the PSA budget proposal for the year being approved by providing the figures side by side with those of the previous two years. A recasting of the budgets for 2016 and 2017 under the new appropriation lines is not possible. To facilitate comparison of the Management Plan (2018–2020) with plans of previous years, and as a means of helping the transition from appropriation lines based on geography to those now proposed, the PSA budget under the old appropriation lines is provided to help the reader better understand the current PSA budget proposal.

247. Table IV.11 shows the regular PSA budget using the appropriation lines followed in 2016 and 2017. The total post count includes national staff. Additional details are provided in Annex I.

TABLE IV.11: PSA BUDGET BY APPROPRIATION LINE

	2016 expenditures							2017 estimated							2018 projected						
	Post counts				Staff cost (USD mill.)	Other cost (USD mill.)	Total cost (USD mill.)	Post counts				Staff cost (USD mill.)	Other cost (USD mill.)	Total cost (USD mill.)	Post counts				Staff cost (USD mill.)	Other cost (USD mill.)	Total cost (USD mill.)
	Prof.	GS	Nat.	Total				Prof.	GS	Nat.	Total				Prof.	GS	Nat.	Total			
Programme support – regional bureaux and country offices	259	-	577	<b>836</b>	61.6	47.3	<b>108.9</b>	279	-	582	<b>861</b>	68.9	77.2	<b>146.0</b>	294	-	624	<b>918</b>	72.2	74.4	<b>146.6</b>
Programme support – headquarters	148	84	-	<b>232</b>	34.2	13.9	<b>48.1</b>	169	87	-	<b>255</b>	43.2	9.6	<b>52.8</b>	163	82	-	<b>244</b>	41.8	9.6	<b>51.4</b>
Management and administration	305	248	9	<b>562</b>	79.4	53.2	<b>132.6</b>	315	245	10	<b>570</b>	88.2	48.4	<b>136.6</b>	327	239	5	<b>571</b>	88.8	48.5	<b>137.4</b>
<b>Total</b>	<b>712</b>	<b>332</b>	<b>586</b>	<b>1 630</b>	<b>175.3</b>	<b>114.4</b>	<b>289.7</b>	<b>763</b>	<b>332</b>	<b>592</b>	<b>1686</b>	<b>200.3</b>	<b>135.1</b>	<b>335.4</b>	<b>784</b>	<b>321</b>	<b>629</b>	<b>1 733</b>	<b>202.8</b>	<b>132.6</b>	<b>335.4</b>

## Summary of the 2018 PSA budget by department

### Use of the PSA base – departmental reprioritization

248. The 2018 PSA budget review focused on the alignment of the regular PSA budget with WFP's organizational priorities. To preserve zero nominal growth while maintaining support to operations, all headquarters departments and the regional bureaux were requested to review their respective PSA budgets, identify efficiencies and carry out an internal reallocation of resources to higher priorities. "No-growth" PSA ceilings were set at the departmental level with the requirement that each department reprioritize its work and submit divisional PSA proposals that are aligned with the target levels set for each department head. Once the departmental budgets were consolidated, the overall budget was reviewed by the Strategic Resource Allocation Committee (SRAC).
249. The result of the PSA reprioritization process by organizational entity, including the main areas of change summarized in Table IV.1, is described in the following sections.

### Direct reports to the Executive Director

250. 2018 will be a pivotal year in the life of the evaluation policy, characterized by a rapid expansion of demand-led decentralized evaluations and the re-establishment of coverage norms for centralized evaluations, for which USD 600,000 of targeted PSA is being allocated. The Office of Evaluation is further reprioritizing its PSA budget to fund an increase in staffing support to decentralized evaluations with a view to enhancing programmatic impact through evidence-based programme design and decision-making at the country level.
251. To rationalize the structure of reporting on the provision of legal support and advice for CBT programming and risk mitigation, the Legal Office is adjusting its staffing profile. Given the increasing complexity of protecting the legal interests of the organization in the administrative and employment areas, reprioritized budget will be directed towards these areas, where specialized skills are required.

### Office of the Deputy Executive Director

252. Existing PSA resources are being shifted to support and enhance WFP's capacity to implement the gender policy. The staffing structure for gender-related work will be strengthened to enhance gender mainstreaming in IRM components and advocacy and awareness raising in gender with governments, civil society partners and academic institutions.
253. Other changes being effected in the Human Resources Division (HRM) and in regional bureaux are reflected in the additional PSA reallocations for human resources of USD 1.6 million for HRM, USD 800,000 for training of country directors and heads of sub-offices, and USD 500,000 for the regional bureaux shown in Table IV.1
254. WFP will reprioritize existing PSA resources to achieve immediate structural realignments across the regional bureaux and to increase the effectiveness and efficiency of management oversight, especially with regard to the most critical emergency operations. As part of this reprioritization, USD 1.5 million will be reallocated to the regional bureau in Cairo to ensure that the right structures and capacities are in place to respond to the challenges posed by some of the largest and most complex emergencies facing WFP.

### Partnerships and Governance Department

255. The name of the Partnership, Governance and Advocacy Department will be changed to Partnerships and Governance Department. The advocacy function will be incorporated into the Communications Division, which will be renamed to Communications and Advocacy Division and moved to the Chief of Staff Office.
256. The Partnership and Advocacy Coordination Division (PGC) was established in July 2014. Among PGC's achievements are the corporate advocacy framework; the provision of a range of partnership advisory services, guidance and training through the Partnership Resource Centre; the formulation and delivery of a comprehensive engagement strategy with the NGO sector; the building of a "whole

of society approach” in the IRM; and leadership of WFP’s inter-religious engagement strategy. From January 2018, the work of PGC will be mainstreamed into the organization, particularly the Partnerships and Governance Department, and will focus on supporting WFP’s corporate-wide partnership approach, as envisioned in the management response to the evaluation of the corporate partnership strategy, endorsed by the Board in June 2017.

257. The top management level of the United Nations System, African Union and Multilateral Engagement Division will be strengthened through the establishment of a Deputy Director position at the D1 level and an additional management position at the P5 level to ensure overall coordination and engagement with the United Nations system and the African Union in New York, Geneva and Addis Ababa.
258. The Government Partnerships Division will continue working on the implementation of Sales Force – the corporate on-line platform for managing all of WFP’s resource mobilization partners. The functions of Sales Force include managing partnerships, capturing and centralizing core information on partners, and tracking opportunities for expanding partnerships. All WFP offices are expected to be using Sales Force efficiently for collating and managing information on partners, including forecasting of resources, by the end of 2018.

### **Operations Services Department**

259. The Policy and Programme Division continues to focus its strategies and actions on supporting country-level work towards achievement of the 2030 Agenda SDGs while reorganizing its structure in line with the WFP Strategic Plan (2017–2021). Major focus areas for 2018 include ensuring quality emergency programming, developing operational solutions and technical capabilities in climate and disaster risk management. The division will also ensure adequate technical support to countries after the IRM transition, primarily provided by the country capacity strengthening and South–South cooperation teams, including the WFP centres of excellence.
260. The Nutrition Division is expanding its support to the IRM in 2018 by reprioritizing resources from some nutrition-specific activities to support wider deployment of an analytical and decision-making tool for governments to help them improve their policies and programmes for nutrition. The division is also reorganizing to ensure more efficient use of resources by expanding the profile of senior staff to include greater attention to global partnerships such as the Scaling Up Nutrition (SUN) initiative, Renewed Efforts Against Child Hunger and Undernutrition (REACH) and the Decade of Action on Nutrition.
261. The Supply Chain Division will move into an enabling role – providing capacity strengthening for the private sector, market agents and government food programmes – while retaining a strong focus on direct delivery. Based on estimated figures, the division will continue to assist country offices directly by delivering about 3 million mt of food to beneficiaries, while supporting the significant scale-up of CBTs through a proactive retail strategy aimed at increasing beneficiaries’ purchasing power in retail shops. The division also aims to support hybrid supply chains – of both in-kind food and CBTs – to maximize value for money for beneficiaries, and will continue to focus on common services – aviation services, humanitarian resource depots, bilateral services and the logistics cluster – and mainstreaming of IRM processes into supply chain services.
262. For 2018, the Emergency Preparedness and Support Response Division has prioritized cost-neutral shifts in staffing, which are intended to improve the quality of the division’s support across the organization and the field. This includes establishing a Deputy Director position and upgrading positions to create a Head of Readiness and a Head of the Geospatial Data and Support Unit. A targeted PSA allocation of USD 370,000 is proposed for supporting emergency response training.
263. The NGO Partnership Unit will ensure that the new corporate guidance on managing NGO partnerships is applied throughout all of WFP’s operations. With this strengthened strategic engagement, the return of the NGO team to the Operations Services Department will allow the partnership approach to be embedded in operational practice and reinforced by specialist expertise in the department.

## Resource Management Department

264. The Resource Management Department has prioritized the enterprise risk management and internal control management functions in line with WFP's commitment to providing the strongest possible assurance to internal and external stakeholders on the achievement of organizational objectives. To accelerate the required improvements in enterprise risk management, internal control and assurance reporting, the department has reprioritized resources in its overall budget to establish a single management structure reporting to a Chief Risk Officer. Key elements of enterprise risk management, internal control management and assurance reporting are already in place, in line with best-practice features, but there is scope for further improvement in the implementation of processes supporting the frameworks, the streamlining and integration of sub-functions, and the strengthening of management's anti-fraud and anti-corruption work and accountability. The revised function under a dedicated enterprise risk management division will incorporate existing and new elements, streamline processes, further integrate risk and oversight analysis, and drive the implementation of strengthened risk management measures throughout WFP.
265. The department has also taken a leading role in a number of cost excellence initiatives. Improvements in processes for travel planning will lead to time and cost savings, improved service delivery and a strengthening of internal controls and accountability. A new business model for processing travel arrangements will be part of the next phase of improved travel management. Enhanced management of assets and light vehicles is generating cashable savings and is part of a wider initiative to facilitate more effective tracking, disposal, reporting and management of assets. Priorities include updating the administration manual, adjusting the size of the light vehicle fleet and the inventories of other assets, and optimizing systems and processes to support the management of assets and the light vehicle fleet. Medium-term activities aim also to optimize the Global Vehicle Leasing Programme, which while not directly affecting the PSA budget, will deliver improved services at lower cost.

## Chief of Staff

266. This new department will focus on enhancing and strengthening WFP's rich heritage so that it can not only continue to be the world's leading humanitarian agency but also establish itself as one of the best forward-thinking and technologically advanced global organizations. A number of units critical to the continued advancement of WFP – Information Technology, Innovation and Change Management, Communications, Digitization and Cash-Based Transfers and the Office of the Executive Director – will be parts of this department.
267. The Information Technology Division will drive the digital evolution of the organization for improved efficiency and effectiveness. With a largely distributed workforce and a new assistance model focusing on individual beneficiaries, which relies on digital, collaborative and information intensive solutions, the Information Technology Division provides reliable and innovative systems and platforms that enable WFP's mission. Innovation and Change Management works to build a culture of innovation and identify and manage change initiatives in WFP effectively. WFP's Innovation Accelerator will focus on supporting new innovative initiatives, scaling proven innovations and ensuring that best practices in innovation are shared across the organization. The division will also continue to support high-impact initiatives across the organization aimed at improving efficiency and effectiveness. The Communications Division will play a critical role in developing the messaging, narrative and content required to build and protect WFP's reputation through new branding and outreach strategies with key partners across a range of different platforms – especially those in the digital/social space. The Communications Division will also lead external and internal communications and advocacy, by positioning WFP around four key areas at the national and regional levels: end hunger; improve nutrition; achieve food security; and global partnerships for sustainable development. Advocacy initiatives will focus on SDGs 2 and 17 with additional resources being brought into play through new structures such as the SDG 2 Advocacy Hub, designed to bring greater coordination, coherence and impact into this area. In addition, the Chief of Staff office will create a new function to support CBTs, funded with USD 430,000 from PSA targeted adjustments.

## Central appropriations

268. Central appropriations cover statutory requirements and other centrally controlled appropriations, which are budgeted under management and administration. In 2018, these appropriations are expected to be slightly lower than in 2017 (Table IV.12). The most significant changes from 2017 include an increase in the provision for reassignment costs and a reduction in the charges for services rendered by other agencies, principally FAO through reductions in the scope and cost of medical services provided. There is also a reduction in the provision for inter-agency support arising from elimination of one outposted position in the United Nations Development Operations Coordination Office (DOCO) in New York.

<b>TABLE IV.12: STATUTORY REQUIREMENTS AND OTHER CENTRAL APPROPRIATIONS (USD)</b>		
	<b>2017</b>	<b>2018</b>
<b>Pillar A: Strategy and direction</b>	<b>1 200 000</b>	<b>1 339 362</b>
Chief Executives Board	280 000	304 362
Global management meeting	265 000	265 000
Global Staff Survey	165 000	280 000
Recruitment costs	400 000	400 000
Senior Management and Alumni Network	90 000	90 000
<b>Pillar B: Business services to operations</b>	<b>7 480 335</b>	<b>7 649 909</b>
Emergency medical evacuation	170 000	170 000
International Civil Service Commission	620 000	626 165
Insurance and legal fees	1 674 900	1 649 900
Programme Criticality and Standing Committee on Nutrition	200 000	240 000
Services from other agencies	1 540 435	1 124 526
Reassignment costs	3 000 000	3 514 318
Staff awards, settlement and survey	275 000	325 000
<b>Pillar D: Advocacy, partnerships, fundraising and United Nations coordination</b>	<b>3 819 917</b>	<b>3 507 682</b>
Corporate inter-agency positions and union	1 445 847	1 081 623
Resident Coordinator system cost-sharing and Assessment Centre	1 533 510	1 576 539
United Nations agencies' legal fees	225 000	200 000
Others	615 560	649 520
<b>Pillar E: Governance and independent oversight</b>	<b>1 859 500</b>	<b>1 723 319</b>
Audit Committee	194 000	194 000
External Audit	400 000	400 000
IATI membership fee	85 000	85 000
Advisory services	280 500	129 160
Joint Inspection Unit	900 000	915 159
<b>Total</b>	<b>14 359 752</b>	<b>14 220 272</b>

### PSA Gender Marker

269. The Gender Office has created a programme of work designed to implement the gender policy (2015–2020) successfully and strategically and to support the integration of gender equality in all elements of the IRM. The office’s activities thus build on existing initiatives and constitute core components of organizational gender mainstreaming.
270. WFP is committed to exceeding the 15 performance indicators of the United Nations System-wide Action Plan on Gender Equality and Empowerment of Women by the end of 2017. The non-programmatic gender marker that WFP uses for its PSA budget is based on the IASC gender marker for project resources. The marker measures the level of resources budgeted for activities promoting gender equality and the empowerment of women; in 2018, USD 5.67 million is incorporated in the PSA budget. This includes the costs of personnel whose work is primarily dedicated to gender issues and part of the costs of gender focal points and other staff whose work supports gender-related activities.

### Status of the PSA Equalization Account

271. The PSAEA is used: i) to cover any difference between ISC income and approved PSA expenditure; ii) as a reserve to underwrite the risk of decreases in ISC income or underfunding of the PSA; iii) for critical corporate initiatives or thematic support funds; iv) for strengthening WFP’s reserves. Following the review of the PSAEA target level agreed by the Board at its 2015 annual session,<sup>28</sup> the Secretariat increased the target level of the PSAEA to five months of PSA expenditure and established a “floor” in the account equivalent to two months of PSA expenditure. The portion of the account below the “floor” would be used only for purposes i) and ii) above.
272. The projected opening balance of the PSAEA at 1 January 2018 is USD 235.8 million. This is calculated based on a funding forecast for 2017 of USD 6.0 billion. The balance is equivalent to 8.4 months of PSA expenditure.

<b>PSAEA balance at 1 January 2017</b>	<b>197.4</b>
Estimated ISC income 2017 (based on total income of USD 6.0 billion)	387.3
PSA recurring expenditure	(335.4)
2017 critical corporate initiatives	(13.5)
<b>Projected PSAEA balance at 31 December 2017</b>	<b>235.8</b>

### Indirect support cost rate

273. The efficient, effective management and implementation of WFP’s programmes around the world rely on many essential support activities for which costs cannot be directly attributed to individual projects or activities. These costs are funded from the ISC rate that is levied on contributions and submitted annually to the Board for approval through the Management Plan.
274. A method for deriving the ISC rate was established in 2006,<sup>29</sup> and the derived rate for 2017 was calculated as shown in Table IV.14.

<sup>28</sup> WFP/EB.A/2015/6-C/1.

<sup>29</sup> WFP/EB.A/2006/6-C/1.

<b>TABLE IV.14: ISC CALCULATION (%)</b>	
2016 baseline	6.29
Increase for higher indirect expenditures for 2017	1.61
Decrease for higher funding forecast	(0.53)
Decrease for higher PSAEA balance	(0.81)
<b>Derived ISC rate for 2017</b>	<b>6.56</b>

275. The ISC rate has remained at 7 percent since 2003. The review of ISC carried out in 2014 and 2015 concluded<sup>30</sup> that “the current single-rate ISC model is simple and transparent and should be maintained”.
276. Considering the revised income projections for 2017 and 2018, and the consequent healthy balance projected for the PSAEA, the Secretariat proposes to reduce the corporate ISC rate from 7 to 6.5 percent from 2018. While the level of ISC income generated from the projected total income for 2018 of USD 5.7 billion will fall from USD 367.9 million (at 7 percent) to USD 342.9 million (at 6.5 percent), the reduction in ISC income of USD 25.0 million would be used to augment transfers to beneficiaries as it would be allocated to transfer value, implementation costs or adjusted direct support costs. In addition, the proposed PSA budget for 2018 of USD 335.4 million remains below the projected income and would result in a further transfer to the PSAEA of USD 7.5 million.
277. The ISC rate levied on contributions is approved annually by the Board. In the light of the improved disaggregation of the PSA budget into the five results pillars and other ongoing improvements in WFP’s functional framework made via the IRM, the Secretariat will continue to engage with the Board during 2018 with a view to refining the methodology and application of WFP’s ISC policies. This engagement will be informed by the 2016 Quadrennial Comprehensive Policy Review, in which the General Assembly “invites the relevant entities of the United Nations development system to analyse and explore in a collaborative manner options for harmonized but differentiated cost recovery policies and rates”.<sup>31</sup> This may include further analysis of WFP’s direct and indirect costs and the introduction of criteria enabling flexibility in the application of ISC rates.

### **The PSAEA and critical corporate initiatives**

278. In 2015, the Board endorsed the use of the PSAEA for critical corporate initiatives,<sup>32</sup> which enable WFP to invest in sustainable initiatives that require non-recurring investment and improve the delivery of services to beneficiaries.
279. In light of the healthy PSAEA balance projected for the beginning of 2018, the Secretariat is proposing to strengthen WFP’s reserves and invest in a number of critical corporate initiatives totalling USD 52.6 million. Table IV.15 shows the projection for the PSAEA in 2018, with the projected closing balance of USD 190.7 million equivalent to 6.8 months of PSA expenditure.

<sup>30</sup> WFP/EB.A/2015/6-C/1.

<sup>31</sup> Quadrennial comprehensive policy review of operational activities for development of the United Nations system (A/RES/71/243), para. 35.

<sup>32</sup> WFP/EB.A/2015/6-C/1. The criteria are that a proposal must be: i) one-off; ii) not covered by the regular PSA budget; iii) not related to a project; iv) in need of predictable funding; v) unlikely to generate sufficient additional investment from donors; and vi) focused on organizational change.

<b>TABLE IV.15: PSAEA PROJECTION FOR 2018 (USD million)</b>	
Projected opening balance at 1 January 2018	235.8
2018 ISC revenue based on USD 5.7 billion income	342.9
2018 proposed PSA budget	(335.4)
2018 transfers to reserves and special accounts	(17.0)
2018 critical corporate initiatives	(35.6)
Projected closing balance at 31 December 2018	190.7

280. A summary of the proposed 2018 transfers to reserves and special accounts and the critical corporate initiatives proposed for 2018 is given in Table IV.16.

<b>TABLE IV.16: TRANSFERS TO RESERVES AND SPECIAL ACCOUNTS AND CRITICAL CORPORATE INITIATIVES (USD million)</b>	
<b>A. Transfers to reserves and special accounts</b>	
Immediate Response Account	9.0
Staff Wellness	8.0
<b>Subtotal</b>	<b>17.0</b>
<b>B. Proposed critical corporate initiatives</b>	
<b>A. Strategy and direction</b>	
Create learning programme for country directors and heads of sub-offices	0.4
<b>B. Business services to operations</b>	
COMET monitoring module	1.2
INTTRA-based shipment data management solution	0.4
IRM	14.0
Regional bureaux priorities	1.6
Enterprise risk management and strengthening of internal controls	5.0
CBTs	5.0
<b>C. Policy, guidance and quality assurance of operations</b>	
Ensuring effective documents and information management	0.3
Supporting implementation of the new nutrition policy	0.4
<b>D. Advocacy, partnerships, fundraising and United Nations coordination</b>	
Resource mobilization	3.0
Digital mobile platforms	2.0
Brand-building for public engagement: goodwill ambassadors	1.5
<b>E. Governance and independent oversight</b>	
Reinforcing centralized evaluation coverage	0.4
Expansion of the Executive Board website	0.4
<b>Subtotal</b>	<b>35.6</b>
<b>Total</b>	<b>52.6</b>

## Transfers to reserves and special accounts

281. **Immediate Response Account (USD 9 million):** The Immediate Response Account is a multi-year, multilateral lending and grant facility for emergency situations and for preventing critical shortfalls in life-threatening situations. Its capacity to lend or provide grants to projects is limited to the unallocated balance of funds in the account and confirmed contributions to the account not yet received. The Secretariat proposes transferring USD 9 million from the PSAEA to improve immediately the capacity of the Immediate Response Account to make loans to projects within the established criteria, while not changing the revolving and replenishable nature of the account.
282. **Staff wellness (USD 8 million):** The Secretariat continues to recognize staff wellness as a priority for WFP's operational continuity in achieving zero hunger by 2030. Along with improvements to accommodation in the deep field, major efforts are being made to provide better access to medical prevention and care services and to social security protection for staff serving in operations where health risks are high. This corporate attention to staff wellness requires continuous maintenance and consolidation of services and facilities, and the associated resources. The investment is focused on implementation of the five pillars of the WFP Wellness Strategy: medical health, psychosocial health, work and living conditions, safety, and workforce stewardship. It will ensure, among other elements, staff vaccination campaigns, medical roving teams, psychologically resilient employees, safe road and engineering operations, healthier working and living conditions, and enhanced social protection of WFP employees in the event of death or disability.

## Proposed critical corporate initiatives

### *Pillar A: Strategy and direction*

283. **Create a learning programme for country directors and heads of sub-offices (USD 0.4 million): Headquarters: Other costs – USD 0.4 million.** WFP has a decentralized structure under which the Executive Director delegates to country directors significant authority to lead and manage WFP's operations in the areas of finance, procurement and the management of human resources. While individual training programmes exist across these thematic areas, there is no formal, structured country director training that covers both technical and managerial skills.
284. WFP will develop a programme aimed at training country directors and heads of sub-offices within the first six months of their taking up their duties. The programme will cover the essentials of WFP's operations, programme, supply chain and distribution modalities, including cash-based transfers. It will also cover core human resource, procurement and finance processes. Risk management, internal controls and ethics will be core cross-cutting themes. Participants will have the opportunity to connect with former and existing country directors who will act as mentors, creating a strong network for the sharing of challenges and experiences.
285. WFP sees this programme as an opportunity to enable success for incoming and current country directors and heads of sub-offices and to equip leaders to successfully implement the Integrated Road Map; to promote more effective management of risks; and to contribute to a more effective and productive field workforce.

### *Pillar B: Business services to operations*

286. **COMET monitoring module (USD 1.2 million): Headquarters: Human resources – USD 0.35 million; Other costs – USD 0.73 million. Field: Other costs – USD 0.12 million.** The country office tool for managing effectively (COMET) holds WFP's programme performance data and supports the linking of results and resources. Country offices, however, still plan and execute the majority of monitoring functions using tools and platforms whose utility is limited to their own contexts. This use of local monitoring systems does not allow aggregation and analysis at a global level.

287. WFP will invest in an additional module for the COMET tool that will assist offices in planning their monitoring activities and leverage mobile data collection technologies. Reports and dashboards will be developed. Time gained in automating the data collection and upload process will be spent on data interpretation, performance analysis and support to decision making. The investment will also reduce the cost of the use of local monitoring systems through the introduction of a standardized tool.
288. To have a fully IT-supported monitoring function, WFP will undertake business analysis and finalize system requirements (2017); develop COMET functionalities that facilitate the planning of monitoring activities (2017); develop COMET functionalities to allow the upload, analysis and reporting of data collected using mobile devices (2018); roll out training on the new module (2018); and automate quarterly monitoring reports (2018).
289. **INTTRA-based shipment data management solution (USD 0.4 million): Headquarters: Other costs – USD 0.09 million. Field: Human resources – USD 0.29 million.** Every year WFP ships over 1 million mt of food in around 50,000 containers and manages more than 2,000 vessel bookings. This requires significant staff investments and effort to handle the shipment documents, produce cargo reports and update container data (which is especially important for tracking and tracing high-value specialized nutritious foods). Without a robust and agile IT solution, it is challenging for WFP to optimize the management of container operations and continue to offer high visibility and transactional timeliness to its supply chain stakeholders.
290. Using the latest IT technology and building on container industry standards, WFP will implement a data management platform configured to meet its own specific supply chain needs with regard to containerized shipments. It is common practice for shippers of WFP's size to run an in-house container shipment management system linked to "INTTRA" a platform jointly owned by most of the world's container companies and used by them to manage container bookings.
291. The objectives of the investment are:
- i) To implement a platform that meets WFP's specific requirements, providing enhanced shipment visibility and tangible productivity gains for all supply chain stakeholders involved in container operations;
  - ii) To facilitate the automatic exchange of container-related data with WINGS; and
  - iii) To help WFP further optimize its shipping processes and mitigate risks, including those related to manual data entry.
292. The project is expected to deliver systemic change for container shipment management; a range of system-generated notifications on shipment status, including arrivals; and an extensive reporting and benchmarking facility for monitoring and analysing carrier reliability and performance and supporting crucial market research functions.
293. **Integrated Road Map (USD 14 million): Headquarters: Human resources – USD 5 million; Other costs – USD 2.7 million. Field: Human resources – USD 3.7 million; Other costs – USD 2.6 million.** As part of the Integrated Road Map initiative WFP is making fundamental changes to its approach to designing, financing, implementing and reporting on operations. The changes are aimed at aligning WFP strategically, operationally and financially and supporting its efforts to meet the Sustainable Development Goals and achieve zero hunger. The implementation of the Integrated Road Map is the largest transformation in WFP in the last 20 years and so brings with it all the challenges that are normally associated with a major transformation.
294. In order to manage the transformation successfully, support country offices throughout the process and mitigate implementation challenges, the regional bureaux and affected headquarters divisions need to maintain additional capacity. Since most countries will switch to the IRM framework beginning 1 January 2018, sustained investment will be required to fund the IRM implementation team during the first half of 2018 to ease the transition over the first six months, before mainstreaming during the second half of 2018. The total requirement for 2018 is USD 19 million, of which USD 14 million is sought through a critical corporate initiative and the balance is to be obtained through savings and other funding sources.

295. All WFP countries will have switched to the IRM, with country portfolio budgets, by January 2019 via CSPs, interim CSPs or transitional interim CSPs. Additional deliverables to facilitate the change include changes to the General Rules and Financial Regulations, changes to the donor portal and implementation and roll-out of the budget planning tool.
296. **Regional bureaux priorities (USD 1.6 million): Field: Other costs – USD 1.6 million.** WFP needs to continue strengthening the capacity of regional bureaux to adapt to the “New Way of Working”, aimed at preventing crises and sustainably reducing people’s level of humanitarian need. Regional bureaux should help in removing barriers between humanitarian, peace and development actors as they jointly work towards strengthened investments in sustainable development, people and institutions.
297. As 2018 will be a key year for the implementation of measures to reform the United Nations Development System, the regional bureaux will be reinforced so that they are better able to provide incentives for and facilitate coherence in the field and support regional efforts. Country offices will receive additional support in identifying flexible financing modalities for resilience building and joint humanitarian–development objectives in protracted crises, which in some scenarios should also contribute to sustaining peace. Additional guidance and advice will be provided to country offices to enable them to play a more strategic role on United Nations country teams, facilitating increased responsiveness to national priorities and demands within the broader context of the 2030 Agenda for Sustainable Development.
298. **Enterprise risk management and strengthening of internal controls (USD 5 million): Headquarters: Human resources – USD 2 million; Other costs – USD 2.1 million. Field: Human resources – USD 0.1 million; Other costs – USD 0.8 million.** WFP’s evolving environment and programme of work require additional focus on risk management and internal control to provide the strongest possible assurances to donors and other stakeholders regarding the achievement of organizational objectives. As a voluntarily funded organization, WFP relies on the confidence of its donors to carry out its mandate. WFP has earned its reputation in part by gaining the trust of its stakeholders through transparency, accountability and high standards of integrity. WFP’s innovative culture and “getting things done” attitude are critical strengths and key to achieving its strategic objectives. They are also, however, a source of risk that needs to be well managed. Oversight reports have highlighted the need to strengthen organizational risk assessment and management processes, tools and guidance, including fraud risk assessments, and to ensure that they are embedded in WFP’s day-to-day processes. WFP needs to continue to strengthen organizational risk management and management oversight during 2018, particularly addressing the first and second lines of defence.
299. A new Enterprise Risk Management Division has been created in the Resource Management Department and funded within the PSA budget. The new division will include in a single management structure the risk management function of the Performance Management and Monitoring Division and the internal control and management oversight functions of the Finance and Treasury Division. The new division, along with the offices responsible for cash-based transfers, administration, human resources, operations management support and innovation and change management will carry out a number of initiatives through critical corporate initiatives under the umbrella of strengthening enterprise risk management and internal control.
300. Key outcomes or deliverables envisaged from the initiative include:
- **Field training and support** – Enterprise risk management and internal control frameworks that are fully embedded in operations.
  - **Enhanced administration manual, tools and guidance** – Re-engineered or transformed administration processes and procedures, including an updated administration manual.
  - **Upgraded performance management and tools** – Simplified and streamlined performance assessment processes; integrated promotion exercise; and support for managers in addressing underperformance issues.

- **Regional bureaux oversight, roles and responsibilities and geographic span** – Clarification of roles, responsibilities and terms of reference for the regional bureau regarding the provision of services, management oversight and support to country offices.
  - **Data management and analytics** – Large-scale operational and business intelligence analytics capability to address risk, operational management and monitoring needs.
301. **Cash-based transfers (USD 5 million): Headquarters: Human resources – USD 2.3 million; Other costs – USD 1.4 million; Field: Human resources – USD 0.9 million; Other costs – USD 0.4 million.** To maximize and optimize its contribution to the humanitarian system and to achievement of countries' SDG priorities and targets as set out in the WFP Strategic Plan, it is critical that WFP continues to invest in and mainstream enhanced corporate systems, solutions and capabilities for programming and delivering CBTs where relevant and appropriate to the context.
302. Management therefore proposes to allocate USD 5 million in 2018 for developing and mainstreaming enhanced corporate capabilities in CBTs, with special attention to:
- enhancing staff capability, availability and readiness for including CBTs in rapid emergency response;
  - operational response analysis, decision-making and programme design and delivery for CBTs to achieve food security, nutrition, market availability and partnership objectives where operational and partnership contexts include the basic requirements for multi-purpose cash approaches;
  - cost-effective integration of multiple transfer modalities within unified operational approaches;
  - interoperability or integration of WFP CBTs with or in support of the social transfer instruments and systems of host countries or partners; and
  - corporate solutions for enhanced collection, architecture, analysis and visibility of data to better inform rolling operational decision-making with enhanced performance and risk management.
303. Achieving results in these areas will require coordinated work in several WFP functions including the programme, finance, IT, supply chain and legal functions.

***Pillar C: Policy, guidance and quality assurance***

304. **Library Research Centre (USD 0.3 million): Headquarters: Human resources – USD 0.17 million; Other costs – USD 0.13 million.** WFP's new corporate documents management system GoDocs, which includes a new integrated search engine, is currently being rolled out to the whole organization as part of a critical corporate initiative (2015 investment case "IT systems for documents/information management"). Its main objective is to facilitate quick access to all corporate documents, including Executive Board and other governance documents, by WFP staff and the public. GoDocs is set to be launched no later than December 2017.
305. The project still requires further support to ensure its long-term success. Before it can be fully mainstreamed, funding is required for system governance, maintenance and updates, user training and support in the first year of roll-out to ensure stability.
306. The 2018 investment aims to enable the full potential of the new system to support information and knowledge management through GoDocs user training and user management; GoDocs metadata management; monitoring and management of user feedback to the system; help desk and infrastructure services; necessary system enhancements; quality control; and support during the implementation of taxonomy changes.

307. **Supporting implementation of the new nutrition policy (USD 0.4 million): Headquarters: Human resources – USD 0.1 million; Field: – Other costs USD 0.3 million.** With the aim of implementing world-class nutrition sensitive programmes in the field, WFP is working with the International Food Policy Research Institute (IFPRI) to become a world leader in nutrition sensitive programming. Work in this area will assess the effectiveness and cost-effectiveness of incorporating nutrition sensitive approaches into WFP core programmes in areas such as school meals. This critical corporate initiative will help WFP implement its nutrition sensitive strategy, build the evidence for nutrition sensitive programming and most importantly provide the basis for scale-up within WFP.
308. This initiative is expected to deliver:
- i) **Country strategy and nutrition sensitive programming development:** WFP will assist country offices in developing nutrition sensitive country strategies and programme specific impact pathways to identify opportunities to make selected programmes more nutrition sensitive.
  - ii) **Dissemination of nutrition sensitive guidance:** WFP will continue to roll out nutrition sensitive guidance at the regional and country levels including through training, advocacy and internal and external communications.
  - iii) **Scoping missions and operational research/evaluation proposal development:** With IFPRI, WFP intends to carry out impact evaluations on newly designed nutrition sensitive programmes (food for assets, general food assistance, school meals, etc.). Aside from evaluating each of these different types of programmes, WFP will look for opportunities for multi-country evaluations or evaluations of combinations of different WFP or partner programmes. To date, concept notes for the evaluation of a food for assets programme in Sri Lanka and a school meals programme in Honduras have been developed.
  - iv) **Catalytic funds for nutrition sensitive programme components:** Catalytic funds will be provided to assist country programmes selected to participate in the comprehensive evaluation programme mentioned above. The funds will be used to take advantage of nutrition sensitive opportunities that were not included in the initial programme design and budget. These catalytic funds are designed to decrease the barriers faced by country offices and programme teams to include nutrition sensitive programme components. The funds will be prioritized for new programme activities or to facilitate coordination efforts between WFP or partner programmes that will be integrated or co-located to improve their nutrition sensitivity.

***Pillar D: Advocacy, partnerships, fundraising and United Nations coordination***

309. **Resource mobilization (USD 3 million): Headquarters: Human resources – USD 0.8 million; Other costs – USD 2.2 million.** WFP faces a substantial gap between the funding needs of its operations and the contributions of traditional donors. This gap may grow, as traditional funding sources become increasingly unreliable while humanitarian crises remain, requiring more of WFP's expertise, capacity and life-saving food assistance. WFP receives 98 percent of its funding from government sources, and 2 percent from the private sector. WFP is an outlier in comparison with peer organizations such as the United Nations Children's Fund (UNICEF) and the Office of the United Nations High Commissioner for Refugees (UNHCR), in terms of the lack of sufficient investment to yield the resources and expertise required from the private sector from corporations, foundations and the general public. In particular WFP's private-sector portfolio is risky as it concentrates mainly on one revenue channel, that being Corporates. Market data have shown for years the significant growth opportunity in individual fundraising, and the large potential for unrestricted funding.
310. WFP put together a business case to grow revenue significantly from the private sector by following similar investment patterns as market leaders in this area – some of which started individual fundraising as far back as 70 years ago and some others 20 years ago. The break-even period for some other organizations has been four to five years, and WFP is aiming to break even in three years. The growth business case involves a higher start-up capital amount (and which needs to be continued for several years) than was possible at this time.

311. Therefore, the proposed investment of USD 3 million in 2018 will for the first time allow the Private Sector Partnerships Division to launch individual fundraising for WFP. The investment will be used to pilot in key markets, based on market analysis and data. These efforts will be strategically devised to enable WFP to test and obtain initial results and insights regarding channels such as digital, face-to-face, direct marketing, all in local languages. More information on expected results will be available towards the end of 2018 as WFP analyses the market data.
312. The results from the 2018 pilot will enable WFP to fine-tune its approach and get key performing channels and activities to scale in subsequent years. Depending on the continuing investment, WFP can significantly grow its revenue from the private sector to reach more people in need.
313. **Digital mobile platforms for fundraising (USD 2.0 million): Headquarters: Human resources – USD 1.0 million; Other costs – USD 1.0 million.** Digital mobile platforms are an important component of efforts to build a private donor base and raise awareness of WFP operations. In November 2015, WFP launched ShareTheMeal, an award-winning smartphone application that has been downloaded by approximately 900,000 users who have donated over USD 8 million to children in need, making it the most successful fundraising application to date. ShareTheMeal engages a new generation of individuals in WFP's mission and work: more than one third of users are Millennials (18–34 years of age), for whom ShareTheMeal is often a first entry point into WFP.
314. To date, however, the growth of ShareTheMeal has not reached its potential due to various factors. An investment of USD 2 million in 2018 will enable WFP to add further innovative features to the ShareTheMeal platform and employ marketing tools optimized for mobile applications in order to expand the community of active donors. It is expected that this investment will allow ShareTheMeal to raise USD 13 million in 2018.
315. By using proven mobile marketing channels (e.g., Facebook, Apple Search Ads) and by further increasing brand awareness, this investment will enable WFP to grow market penetration for ShareTheMeal.
316. Ongoing product development is key to realizing ShareTheMeal's full potential and reaching Millennials. In early 2018, the new peer-to-peer giving option, designed to drive regular giving through ShareTheMeal, will be tested and launched. Furthermore, WFP will continue to optimize the user journey on ShareTheMeal. Based on direct feedback from users and real-time segmentation, the messages, frequency, channels and timing of interactions will be targeted to individual users. In a next step, machine-learning algorithms will be used to predict future user behaviour; while this is a best practice among technology companies, this will probably be the first use of such algorithms in the non-profit sector.
317. **Brand-building: Utilizing influencers for public engagement (USD 1.5 million): Headquarters: Human resources – USD 0.86 million; Other costs – USD 0.44 million; Field: Other costs – USD 0.2 million.** To promote public engagement and thus influence and increase individual giving while supporting private sector and government funding, the profile of WFP and its work must be raised, building the WFP brand as the leading humanitarian organization fighting hunger worldwide and establishing the preconditions for individual giving. By leveraging the voices of influencers in high-impact, targeted campaigns, WFP will establish itself in the public consciousness, triggering action to achieve zero hunger by engaged citizens and private companies while powerfully reinforcing WFP's mandate with governments and civil society.
318. WFP is at a crucial juncture in which it must lobby more strongly than ever to retain current levels of government funding. Recognizing this, it has decided to invest in individual giving programmes, hoping, in the competition for funding with other organizations, that they will become a notable option for humanitarian support for engaged citizens. As WFP has traditionally worked directly with government donors, its brand recognition among the general public is relatively low in comparison to other international humanitarian organizations. A strategic brand-building programme that engages the public by utilizing influencers in targeted integrated marketing campaigns will support individual giving initiatives (including platforms such as ShareTheMeal and the Freerice quiz game)

by building brand recognition and, more importantly, brand trust, and thereby establishing the preconditions for fundraising.

319. This initiative will also help to maximize the visibility of WFP's operations by shedding light on stories and challenges from the field. A senior consultant will work with country offices and regional bureaux to maximize the impact of their work with influencers, lending guidance, establishing best practices, providing standardized marketing and presentation materials and advising on resource allocation. When an exceptional opportunity for visibility or fundraising arises, country offices and regional bureaux will be encouraged to submit proposals for supplementary funding.
320. It is vital that WFP's work with influencers be approached strategically, with an understanding of WFP's target markets and demographics. A verified baseline of brand and cause awareness and measured brand attributes against which success can be measured must be established. The last brand measurements were undertaken in 2007. Just as important is an understanding of the most effective and efficient ways to select and utilize influencers through careful testing of content (including digital content) methods and influencer impact. WFP should lead influencers through a journey of support and commitment to WFP and zero hunger, granting the formal title of "Goodwill Ambassador" only after certain benchmarks have been achieved.

#### *Pillar E: Governance and independent oversight*

321. **Reinforcing centralized evaluation coverage (USD 0.4 million): Headquarters: Other costs – USD 0.4 million.** The phased implementation of the 2016–2021 evaluation policy (approved by the Executive Board in November 2016) shifts evaluation from being primarily the business of the Office of Evaluation (OEV) to being an integral part of all WFP's work. One of the four outcomes of the evaluation policy is the attainment of appropriate coverage of WFP's policies, strategies, programmes and activities by evaluations, whether centralized (commissioned by the Office of Evaluation) or decentralized (commissioned by other units in WFP). Achieving the policy's minimum coverage norms is the foundation stone for evidence-based decision making on policy and programme design and improvement.
322. The base PSA budget allocation to OEV for 2018 is insufficient to permit sufficient progress towards meeting the centralized evaluation coverage norms and to respond to corporate demand for evidence from strategic evaluations in 2018. The confirmed critical corporate initiative allocation of USD 400,000 will fund one global strategic evaluation, an evaluation of innovations in constrained environments. This evaluation will explore WFP's experience to date with innovative approaches in areas that are difficult to reach, such as the Syrian Arab Republic, Somalia and countries affected by the Ebola virus. Taking account of the World Humanitarian Summit and the potential of new technology, the evaluation will assess the results and performance of technological and institutional innovations such as remote and mobile vulnerability assessment, third party monitoring, feedback mechanisms, new partnerships and platforms for CBTs.
323. This is a one-time global evaluation that will contribute to advancing WFP's progress towards the minimum evaluation coverage norms set in the evaluation policy, contributing to the higher purpose of embedding an evaluation culture in decision making and practice at all levels of WFP.
324. **Expansion of the Executive Board website (USD 0.4 million): Headquarters: Human resources USD 0.27 million; Other costs – USD 0.13 million.** The current Executive Board website relies on outdated technology no longer technically supported and is in need of revamping. The roll-out of the Integrated Road Map requires timely approval of CSPs for all countries where WFP operates, increasing the need for consultations and discussions among Member States. Expansion of the Executive Board website will fulfil these additional IRM requirements and facilitate access to information about WFP operations, including time-sensitive information that is currently spread across various platforms on the WFP website, making it inefficient for research. WFP has committed to fulfil these requirements with a further upgrading of the Executive Board website in 2018.

325. The further upgrading will aim to provide an interactive platform dedicated to supporting the decision making processes of the Executive Board. In view of the sensitivity of the information to be found on the platform, access to it must be restricted to Member States. Through the platform Member States will be able to provide comments and exchange information on governance documents, which will facilitate the approval process at formal sessions of the Board and expedite the approval of time-sensitive documents such as CSPs and budget revision proposals. As requested by the Board member website revamp working group, Member States will continue to have access to background documents and other sources of information about WFP operations through a one-stop shop specially designed for their needs. This investment will also fund support and maintenance of both the website and the tool for managing the WFP Executive Board calendar, linking it to Board documents discussed at both formal and informal sessions in a single area.
326. The outcome of this work is expected to improve the efficiency of the Board documentation approval process, supporting the timely roll-out of the IRM and reducing the number of informal consultations, leading to significant savings in the long term. It will also provide the resources necessary to develop a password protected platform within the new website containing an interactive functionality that will allow Member States to comment on Board-related documents and a one-stop shop for obtaining background information related to WFP operations and partners (including access-restricted documents such as the partnerships report in the country office tool for managing effectively – COMET). It will also ensure the technical support and maintenance of the new website that will be required by these additional functionalities.

#### **Strategic use of the PSA equalization account for programmes or safety nets**

327. Table IV.15 shows projected balances available in the PSA equalization account in 2018 before and after the uses proposed in paragraphs 281–327. The projected 2018 year end balance of the PSAEA of USD 190.7 million is substantially in excess of the parameters agreed with the Executive Board of a 2-month floor of USD 55.9 million and 5-month target of USD 139.8 million.<sup>33</sup>
328. The Secretariat is at the preliminary stage of considering a number of options for using the PSAEA balance for the efficient and effective implementation of programmes. Any eventual proposal will be consistent with the uses of the PSAEA agreed with the Executive Board in 2015 and will be submitted for approval by the Board.

#### **Foreign exchange reserve to support central risk exposure**

329. WFP is exposed to potential losses due to exchange rate volatility. This exposure arises primarily from pledges denominated in non-USD currencies and the lag between the time the pledges are confirmed and the time the funds are received. Under existing financial rules, 93 percent of foreign exchange losses (or gains) is absorbed by projects; the remaining 7 percent is offset against ISC income because WFP has neither a financial framework nor reserves in place to allow it to absorb foreign exchange losses.
330. Foreign exchange volatility can have an impact on WFP projects because non-USD contributions may have lower USD value when received than they had when they were allocated to project budgets at the time of confirmation of the contributions, resulting in reduced project income and possible project deficits.
331. The World Bank Treasury in 2015 conducted a review of WFP's main foreign exchange exposures and how risks related to such exposure were mitigated and/or accepted at the corporate and project level. A key outcome of the study was the identification of two hedging methodologies that could be employed by WFP to mitigate losses on contributions on the three main non-US dollar currencies used for contributions to WFP (the Euro, the British pound and the Canadian dollar).

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<sup>33</sup> WFP/EB.2/2015/5-C/1

332. Under the preferred hedging methodology (a receivables hedge), WFP would hedge the foreign exchange risk from all contribution receivables (i.e., all pledged contributions that have not yet been received) in euros, United Kingdom pounds or Canadian dollars at the end of every three-month period by selling forward contracts denominated in these three currencies. The outstanding contributions would be reduced by payments received, and increased by new pledges confirmed, during the following 3-month period. It is estimated that this could reduce overall foreign exchange loss exposure by 52 percent over a three-year period.
333. Critical to this solution is the establishment of a central capital reserve to absorb the foreign exchange gains or losses, thereby transferring the exposure from projects to the corporate level. Based on historical contributions and extrapolating from the World Bank analysis on euro contributions, a USD 95 million capital reserve would be required in order to provide 99 percent certainty that the reserve would not be depleted within one year due to adverse foreign exchange movements resulting from contributions denominated in euros, Canadian dollars and British pounds. WFP would need to maintain the reserve at this level on an ongoing basis in order to absorb potential losses going forward.

### **Funding for private sector fundraising**

334. The Management Plan (2018–2020) contains a number of provisions regarding investment in private sector fundraising. A USD 3 million critical corporate initiative allows WFP to pilot in key markets and to obtain and test fundraising results that can be used to develop an individual private sector fundraising programme in future years.
335. Development of such a programme will depend on additional resources, which are not insignificant, as the benchmarks for private sector fundraising point to significant levels of start-up and recurring costs.
336. The Secretariat will conduct a pilot in 2018 with the aim of demonstrating potential income streams and outcomes for private sector investment. Lessons learned during the pilot, including with regard to best market practices for individual private sector fundraising, will then be applied in order to significantly scale up activities, thus positioning the initiative to break even on the initial investment within 3–5 years and to expand with additional funding.

### **Advance financing safety net**

337. During 2016 and 2017, WFP has engaged in a pilot macro advance financing (MAF) scheme through which a small number of projects have been authorized to utilize advance project financing based on general funding forecasts that serve as “collateral” rather than specific forecast contributions. The Boston Consulting Group assessed the MAF scheme in early 2017, concluding that expanded implementation of such internal project lending could help to mitigate pipeline breaks and reduce costs, while also noting some limitations preventing significant expansion.
338. WFP’s operational reserve, currently set at USD 95 million, provides a safety net should any advance prove to be unrecoverable because the collateral never materializes. While the operational reserve has proved to be ample to support the well-established modality of internal project lending, expanded use of internal project lending could require review of the level of the operational reserve.

### **Innovative financing**

339. The persistent difference between WFP’s operational requirements and the implementation plan remains a fundraising challenge for WFP. While traditional sources of funding continue to provide the bulk of WFP’s income (with 98 percent coming from the public sector), the challenge remains to diversify funding sources and identify new income streams to reduce the shortfall between needs and resources.
340. Recent developments in the humanitarian funding sphere, such as the launch of a “humanitarian impact bond” by the International Committee of the Red Cross (ICRC), suggest that there is a market for innovative financing tools beyond traditional funding streams.

341. Financing tools of this kind do not come without risk, however, and any use by WFP of an instrument of this kind would require a financial safety net in case the returns did not match the contractual commitments.

#### **Emerging Donor Matching Fund (EDMF)**

342. The Emerging Donor Matching Fund (EDMF) was set up in 2003 as a funding source of last recourse to meet associated costs (including ISC) of in-kind commodity contributions from eligible donors that are themselves unable to meet such costs and are eligible under General Rule XIII.4 (e). The Fund was established in recognition of the need to seek contributions from emerging donors while recognizing that some could face difficulties in meeting the associated costs of commodity or in-kind contributions.
343. The Fund was originally authorized for use up to USD 1 million per eligible donor per year, with an overall cap of USD 4 million in any calendar year. Both could be exceeded on the authority of the Executive Director. The Fund is currently close to exhaustion.
344. Diversification of the donor base remains a priority for WFP, as outlined in paragraphs 46–49 above, with the EDMF providing the means by which some donors could be encouraged to contribute. The practice of “twinning”, however, has from time to time run into difficulties, for example over the requirement that the counterpart donor provide the cash element to fund the ISC for the emerging (commodity) donor.
345. A review of the purpose and scope of the EDMF and its replenishment would provide opportunities for WFP to attract additional contributions from emerging donors, because the EDMF provides the balance of funds to achieve full cost recovery (taking the commodity and cash contributions together) without donors having to cover these costs for their contributions.

#### **Institutional improvements**

346. Corporate activities resourced from trust funds promote innovation and major changes to operations, systems and processes in an evolving operational context, and support WFP’s institutional improvements and capacity development initiatives.
347. Experience shows that some donors are willing to fund activities focused on innovation and change in WFP’s ways of working. In some cases change is easy to fund because donors are interested in and willing to support such activities; in others cases, WFP seeks specific funding for prioritized needs.
348. The Management Plan integrates information on actual and potential investments during preparation of the PSA budget. Investment cases made by departments for activities that could not be funded through the regular PSA budget were prioritized for reallocation of recurring PSA resources, non-recurring PSA funding or corporate trust funds. Decisions took into account corporate priorities, the potential to attract donor funding and the extent to which some level of future funding could be assured.
349. For 2018, 55 investment cases totalling USD 53 million were submitted for PSA funding, and 57 investment cases totalling USD 124 million were submitted for funding from extra-budgetary sources.
350. The reallocations set out in paragraphs 248–267 above resulted in the prioritization of 9 investment cases for funding from the regular PSA budget through the PSA increase and the exchange rate benefit; 14 others were recognized as critical corporate initiatives and received an allocation of USD 35.6 million. Following a final review of investment cases, including the withdrawal of some submissions, 89 investment cases totalling USD 124 million remained unfunded and constitute an estimate of corporate trust fund needs for 2018.

## WFP's corporate performance

351. To measure progress in implementation of the full Management Plan, the following corporate KPIs will be used:

### Category I:

- Corporate.i. *Percentage of achievement of outcome indicators:* A quantitative indicator that measures WFP's overall effectiveness in terms of the proportion of outcomes for which targets have been met or are on track for being met in all WFP operations. The target for this indicator is 75 percent, and the baseline is 68 percent.<sup>34</sup>
- Corporate.ii. *Percentage of achievement of management indicators:* A quantitative indicator that measures the effectiveness, efficiency and economy of the management of operations. It is calculated as a combination of 10 indicators at the country office level that are used for office and staff assessment. The target is 80 percent and the baseline is 71 percent.<sup>35</sup>
- Corporate.iii. *Percentage of emergencies timely responded to:* This quantitative indicator reflects the efficiency of WFP's emergency response, which requires highly coordinated intervention from different levels of the organization, depending on the level of the response – local, regional or corporate – and the nature of the emergency – slow- or sudden-onset. The target for this indicator is 100 percent; WFP reached this target in the last measurements<sup>36</sup> and intends to maintain this standard in the future.
- Corporate.iv. *Percentage of Quadrennial Comprehensive Policy Review (QCPR) indicators for which WFP reports achieved targets:* This quantitative indicator reflects WFP's commitment to monitoring United Nations common efforts on harmonization; the effectiveness with which WFP is delivering on these commitments; and the gains in efficiency and economy that the commitments represent. The latest value for this indicator was 100 percent, as WFP achieved all targets for the eight common indicators monitored at the end of 2016.<sup>37</sup> The next calculation, which will set the baseline and target for this indicator, will be included in the annual performance report for 2017.
- Corporate.v. *RBA indicator* measuring progress towards Rome-based agency collaboration. Details of the composition, target and baseline of the indicator will be included in the annual performance report for 2017.

### Category II:

- Corporate.vi. *Percentage of enterprise risk management components in place:* This indicator combines quantitative and qualitative information, and reflects a combination of staff capacity, advisory and oversight activities budgeted in this pillar E and the internal oversight in pillar C, and the overall effectiveness and efficiency of the system. The target for this indicator is 80 percent, with a baseline to be provided in the annual performance report for 2017.

<sup>34</sup> Reported in the annual performance report for 2016 – WFP/EB.A/2017/4.

<sup>35</sup> Calculated as of December 2016.

<sup>36</sup> Values for 2014 to 2016 reported in the annual performance report for 2016 – WFP/EB.A/2017/4.

<sup>37</sup> Reported in the annual performance report for 2016 – WFP/EB.A/2017/4.

## Section V: Corporate services and business services; special accounts

### Overview

352. WFP business units provide services that are intended to enhance cost-efficiency and economies of scale for its own offices and units and for other United Nations agencies and the humanitarian community.
353. Special accounts<sup>38</sup> allow balances to be brought forward from one financial period to the next and are the most suitable mechanism for WFP's management of service provision. Each special account has a manager responsible for ensuring that:
- i) all related expenditures and receipts are recorded in the account;
  - ii) all expenditures and receipts fall within the remit of the account; and
  - iii) the account never exceeds its ceiling value.
354. The Secretariat separates the provision of services into two streams:
- a) "Corporate services" are procured centrally by WFP, with costs recovered locally, including through fees for services, and a repayment schedule that ensures full cost recovery.
  - b) "Business services" are services that would otherwise be sourced externally at greater cost. They are provided for internal purposes and to partners, with costs recovered on the basis of usage.
355. The volume of income in special accounts for 2018 is estimated at USD 268 million, including all income from sales of services and cost recoveries.

### Corporate services

356. The corporate services financing mechanism<sup>39</sup> adopted in 2014 enables WFP to implement corporate service initiatives on a scale that is large enough to improve efficiency and realize cost savings over time. Investments in such initiatives are repaid through cost recovery or service fees. There are currently three main corporate service initiatives: the Global Vehicle Leasing Programme (GVLP); the Capital Budgeting Facility (CBF); and fee-for-service activities.
357. In 2014, the Board approved a ceiling of USD 70 million for corporate service advances, which was increased to USD 82 million in the Management Plan (2016–2018). No change is proposed for 2018.

### Global Vehicle Leasing Programme – ceiling USD 15 million

358. The GVLP uses centralized procurement, management and preparation of vehicles to enhance value for money, improve asset management and ensure that country offices have access to vehicles that are compliant with security standards. Leasing fees are included in project budgets to ensure that GVLP recovers its costs.
359. At its first regular session in 2017, the Executive Board was informed that the advance financing ceiling for the GVLP was being reduced from USD 22 million to USD 15 million following repayment of part of the programme's start-up costs.

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<sup>38</sup> A special account may be established by the Executive Director for purposes consistent with the policies, aims and activities of WFP as indicated by Financial Regulation 5.1. Special accounts are used to manage special contributions or funds earmarked for programme, corporate or cost-recovery purposes, or to support long-term activities.

<sup>39</sup> WFP/EB.A/2014/6-D/1.

### **Capital Budgeting Facility – ceiling USD 47 million – and Wellness Fund**

360. The CBF was established in the Management Plan (2014–2016) to provide advances for multi-year projects, with repayment over time by the projects concerned through charging WFP operations and third parties for services provided and through administrative savings. The facility was set up with a ceiling of USD 20 million and used initially to support development of the online Logistics Execution Support System (LESS) and its roll-out to all WFP operations.
361. The LESS global roll-out was completed in October 2016 in Yemen. To date, 83 countries are implementing LESS, which is used to manage 100 percent of WFP's commodities. The LESS project has been repaying the CBF since 2015, charging country offices a tonnage-based landside transport, storage and handling (LTSH) fee once LESS starts to operate in a country office. Repayment of the CBF is expected to be completed by January 2019.
362. In 2017 the CBF stands at USD 47 million. With a ceiling of USD 20 million set aside for LESS, WFP can provide USD 27 million in loans to finance improvements to field premises where WFP foresees that long-term facilities will reduce operational costs, avoid the risk of spiralling inflation in property markets and provide better security.
363. Of the USD 27 million, USD 14.2 million has been approved through the Field Premises Improvement (FPI) programme for the following:
- i) Dollow sub-office project in Somalia – with a loan of USD 1.25 million – is now complete and the sub-office is in operation.
  - ii) The Djibouti Humanitarian Logistics Hub project – with a loan of USD 5.4 million – has utilized all the funds available according to schedule, and the hub is nearly complete.
  - iii) Three projects to be implemented in Garowe in the Mali country office and a suite of energy efficiency projects – with combined loans of USD 5.4 million – are being designed, and implementation will start soon.
  - iv) The country offices in Kathmandu and Juba are developing plans and will provide timelines for the disbursement of funds totalling USD 2.1 million.
364. A cash-flow projection based on forecast CBF expenditure and loan repayments shows that with repayments from the FPI and LESS loans and the CBF ceiling of USD 47 million, USD 13.8 million is available for additional projects. No increase in the CBF ceiling is required at this time.
365. Unlike the CBF, which is a lending instrument with budgetary authority provided in the form of a line of credit that is repaid by recipient projects, the Wellness Programme Fund, managed within a special account, provides resources to subsidize the wellness components of initiatives funded from the CBF if other sources of funding are not available. The funding proposal for the Wellness Programme Fund in 2018 is contained in Section IV of the Management Plan.

### **Fee-for-service activities – ceiling USD 20 million**

366. The fee-for-service mechanism can provide advances of up to USD 20 million for information technology (IT) services and staff security; these advances are normally recovered within the year. The advances outstanding at any time cannot exceed the ceiling, but the volume of advances transacted each year may do so, as recoveries are made throughout the year.
367. The per capita funding model was introduced in 2013 to recover recurring costs of corporate IT systems and connectivity. For an IT service to be subject to a per capita fee it must be available to all WFP units and offices through centralized contracting, with payments charged according to the number of staff based in the units and offices.
368. The special account for security, including the Security Emergency Fund, is intended to enable WFP to implement its activities and achieve its objectives while ensuring the safety and security of its personnel and recognized dependants and the security of its premises and assets. The account provides funding for the deployment of staff to provide advice, guidance and technical assistance

relating to best practices in security risk management. The staff members are located at global headquarters and in country offices and are also deployed as surge support in emergency situations. They conduct security assistance missions according to regional priorities, make security recommendations and monitor the implementation of these recommendations. The Security Emergency Fund also enables country offices to comply with minimum operating security standards (MOSS), enhance facilities and purchase telecommunications equipment.

369. Recovery of the cost of fee-for-service activities is managed centrally. Headquarters units and country offices are requested to pay their shares of the various costs, and each must also identify funding for repaying advances. This approach will remain unchanged for Global Headquarters Units in 2018 but, similar to 2017, country offices will no longer need to earmark direct support funding. Instead, country offices' costs for services will be paid from the programme support and administrative (PSA) budget.
370. Table V.1 shows the estimated level of activity in special accounts for corporate services, with advance financing ceilings and estimated expenditures during 2018.

<b>TABLE V.1: CORPORATE SERVICES FINANCING MECHANISM SPECIAL ACCOUNTS IN 2018 (USD million)</b>					
	<b>Advance financing ceiling</b>		<b>Estimated expenditure</b>		<b>%</b>
i) GVLP		15		14	21
ii) CBF					
LESS	20		4		
Improved premises	27		7		
Total CBF		47		11	17
iii) Fee-for-service activities					
Information and communications technology services			23		
Security			19		
Total fee-for-service		20		41	62
<b>Total</b>		<b>82</b>		<b>66</b>	<b>100</b>

## **Business services**

371. Other special accounts provide business services within WFP and for partners. The estimated volume of these transactions in 2018 is USD 160 million, of which the Aviation Special Account accounts for 22 percent. Other activities include the United Nations Humanitarian Response Depot (UNHRD), also accounting for 22 percent, cash-based transfer (CBT) services for partners (20 percent) and self-insurance (16 percent).
372. The Aviation Special Account, which has projected resources of USD 35 million for 2018, is managed by the WFP Aviation Service and provides aviation services to WFP and external customers. The service arranges transport by air of both humanitarian cargo for relief operations and humanitarian workers. Its responsibilities include management of the United Nations Humanitarian Air Service (UNHAS), which deploys a fleet of more than 70 chartered aircraft to operations around the world. The fleet transports both light cargo and personnel to some of the most inaccessible and insecure locations where assistance is needed, and UNHAS constitutes about 74 percent of the WFP Aviation Service's core activities. The Aviation Service also provides freight services for relief

- operations, passenger services not covered by UNHAS, and air-drops to remote populations for rapid and targeted responses.
373. The Aviation Special Account is also used to promote a culture of aviation safety and to ensure compliance with standards through quality assurance reviews of Aviation Service operations.
374. The UNHRD network, with projected resources of USD 35 million for 2018, is operated by WFP and consists of six hubs at strategic locations around the world. It facilitates preparedness and response by supporting strategic stockpiling by United Nations, international, governmental and non-governmental organizations. The network also holds stocks of emergency relief goods such as medical kits, shelter items, ready-to-use supplementary foods, IT equipment and other assets, all designed to support relief organizations responding to emergencies.
375. The special account for CBTs, with projected resources of USD 32 million for 2018, enables WFP to extend its CBT platform and services to humanitarian partners – governments, non-governmental organizations and other United Nations agencies – while ensuring that the funds of these partners are managed transparently and effectively.
376. The Self-Insurance Special Account, established by the Committee on Food Aid Policies and Programmes (CFA) in 1993, enables WFP to provide insurance cover for food and goods in transit. Through the account, WFP self-insures against a significant part of any potential food loss, which allows it to negotiate premiums at significantly below market rates to cover the balance of the potential loss and to minimize negative economic effects on projects resulting from food losses.
377. Over the years, the WFP operational landscape has changed substantially, exposing the organization to additional risks. Under the legal framework within which WFP operates, legal title to food commodities passes to the recipient government at the point of first entry into the country. Any losses prior to the entry point are presently covered through insurance arrangements, including a self-insurance retention scheme. However, these arrangements do not apply after commodity title has passed to the recipient government, even where WFP retains the control and custody of the commodities. Given the increased geographical reach of WFP's operations and WFP's expanding duty of care for such commodities, insurance coverage is needed for any losses that may arise from the moment WFP takes possession of the commodities up until their physical hand-over to the beneficiaries or cooperating partners. In addition, WFP works in environments of conflict and security, which poses increased risk of loss of humanitarian assistance in recipient countries. While WFP strives to ensure that adequate measures are in place to protect the organization against the risk of loss, not all losses can be transferred to third parties in security challenged contexts. Finally, in view of the nutrition considerations that are relevant to all WFP operations and programmes and the enhanced focus on the nutrition needs of the people WFP serves, WFP handles an expanded range of specialized nutritious foods. The use of more sensitive foods has introduced new types of risk that typically fall outside the scope of insurable risks. Accordingly, the present insurance arrangements need to be enhanced to align with and support WFP's current operational set-up. To this end, the Secretariat will implement two changes to the existing arrangements:
- The scope of the Self-Insurance Retention Scheme will be extended from the moment WFP takes possession of goods up to the physical hand-over to the cooperating partner, the beneficiaries or the government. This scheme will continue to operate under the umbrella of an external insurance cover.
  - Coverage will be provided for losses that are non-insurable under the re-insurance cover, including losses arising from the inherent characteristics of a product or as a direct result of war-like situations. This scheme will be operated separately from the Self-Insurance Retention Scheme, without the support of an external insurance cover.
378. These measures will contribute to minimizing the economic impact of losses on projects, allowing for a prompt replacement of any humanitarian assistance goods that are lost or damaged while under WFP's care.

## Other special accounts

379. The purpose of the Integrated Road Map Special Account, with a projected funding requirement of USD 19 million for 2018 (see Table V.2 below), is to enable the strategic management of resources, guarantee transparency and accountability in the use of resources and facilitate more effective control of funds and coordination of IRM activities. In 2018, implementation of the IRM, including activities arising from increased flexibility in the IRM timeline, will be managed through this special account.

<b>Breakdown by cost type</b>	<b>Human resources</b>	<b>Other costs</b>	<b>Total</b>
IRM implementation team	2.8	0.7	<b>3.5</b>
Field (regional bureaux and country offices)	5.0	3.5	<b>8.5</b>
Headquarters functions	3.5	2.0	<b>5.5</b>
Information and communications technology	0.5	1.0	<b>1.5</b>
<b>Total</b>	<b>11.8</b>	<b>7.2</b>	<b>19.0</b>

380. The Zero Hunger Acceleration Fund, with projected resources of USD 5 million for 2018, is an umbrella fund managed by the WFP Innovation Accelerator. It supports innovative projects – both non-profit interventions and for-profit ventures – that have demonstrated impact, and enables them to reach scale, allocating funding based on projects' potential for transformative impact in achieving zero hunger. In partnership with the Government Partnerships Division and the Private Sector Partnerships Division, the WFP Innovation Accelerator raises funds in the form of grants and in-kind contributions.
381. WFP launched ShareTheMeal, which has projected resources of USD 800,000 for 2018, in November 2015. The ShareTheMeal app enables users worldwide to donate to WFP's programmes through their cell phones and the related special account is funded exclusively by grants. A cost-recovery mechanism to enable country offices to carry out specific monitoring activities will be explored in the future.

## ANNEX I

### The 2018 PSA budget proposal

1. This annex complements Section IV Programme support and administrative budget and outlines the review process used in preparing the 2018 programme support and administrative (PSA) budget proposal.

#### The budget review

2. The PSA budget for 2017 was maintained at zero growth for 2018. Departmental levels also remained unchanged with divisional budgets in each department being subject to adjustment. The budgets of regional bureaux and headquarters divisions were reviewed, with guidance on reallocating funding from lower to higher priorities. Divisions were also instructed to identify efficiencies that could generate funds in departments for reallocation by the department head. Divisional PSA proposals based on targets set by each department head were submitted to department heads. Departmental budgets were then consolidated to create a first budget proposal for review by the Strategic Resource Allocation Committee (SRAC).
3. The SRAC had at its disposal USD 5.3 million for discretionary allocation. This amount resulted from reductions in standard position costs, reprioritization of investment cases and a reduction in the amount required for centralized service provision to country offices. The SRAC considered the amount for allocation against the investment cases submitted by divisions through each department head.
4. Following a review of the investment cases submitted, the Secretariat prepared a list of cases that were not funded through the PSA budget. These would be considered by the SRAC for future multilateral funding or critical corporate initiatives (CCIs) in 2018. They could also be funded from donor contributions specifically resourced for the purpose.

#### Structure of the Secretariat

5. The structure of the Secretariat is set out in paragraphs 231–238 of the Management Plan (2018–2020).

#### The PSA budget and PSA appropriation lines

6. The PSA budget for 2018 will articulate the connections between WFP results and resources more clearly. The most important feature of the new structure is a new set of appropriation lines and outcomes with key performance indicators for measuring and reporting on support and administration. These new appropriation lines will be used with a set of five results pillars that summarize the main results obtained by regional bureaux and headquarters divisions in supporting country offices as they work to achieve their strategic outcomes.

#### The PSA budget proposal in detail

7. The revision of PSA appropriation lines for 2018 necessitates a revision of the tables providing details of the PSA budget. In the 2018 PSA budget, most divisional allocations contribute to more than one outcome category and outcome categories may occur in different appropriation lines. This makes it difficult to provide tables by appropriation line showing the resources in each appropriation line by division.
8. To provide meaningful figures for comparison among years, the tables in this annex provide a comparison of budgets for the most recent complete calendar year, the current year and the future year projected. The figures are presented by geographical location – of WFP country offices, regional bureaux and global offices – to provide manageable tables that facilitate comparisons between the 2018 PSA budget proposal and the budgets of past years.
9. A detailed PSA budget for 2018 that breaks down divisional budgets by outcome category is shown in Annex II.

**The 2018 PSA budget proposal by organizational level**

10. Table A.I.1 presents the numbers and costs of positions and other staff costs by organizational level – country office, regional bureau, headquarters and corporate – with actual figures for 2016, estimates for 2017 and projections for 2018.

TABLE A.I.1: PSA BUDGET BY ORGANIZATIONAL LEVEL																					
	2016 expenditures							2017 estimates							2018 projections						
	Post counts				Total costs (USD million)			Post counts				Total costs (USD million)			Post counts				Total costs (USD million)		
	Professional	General service	National	Total posts	Staff	Other	Total	Professional	General service	National	Total posts	Staff	Other	Total	Professional	General service	National	Total posts	Staff	Other	Total
Country offices	102	-	323	425	27.8	18.6	46.3	104	-	323	427	29.2	49.6	78.8	106	-	345	451	29.9	49.5	79.4
Regional bureaux	157	209	45	411	33.9	28.7	62.6	175	-	259	434	39.6	27.6	67.2	188	-	279	467	42.3	24.9	67.2
Headquarters	453	333	9	795	111.9	55.1	167.1	481	332	10	822	130.7	42.0	172.7	487	321	4	811	130.1	44.5	174.6
Corporate	3	-	-	3	1.8	11.9	13.7	3	-	-	3	0.8	16.0	16.7	3	-	-	3	0.7	13.5	14.2
<b>Total</b>	715	542	377	1 634	175.4	114.3	289.7	763	332	592	1 686	200.3	135.1	335.4	784	321	628	1 732	203.0	132.4	335.4

## Country offices

11. As in previous years, no breakdown by individual country office is provided.
12. Country offices ensure that corporate priorities are implemented at the country level. Their main functions are to:
  - ensure alignment and complementarity of country activities with national and United Nations strategies, plans and programmes;
  - design and implement country strategic plans in accordance with WFP's policies and strategic plan and as part of implementation of the Integrated Road Map;
  - monitor and report on programme results;
  - develop partnerships with national authorities, United Nations agencies, non-governmental organizations, civil society groups, donors and the private sector to maximize programme effectiveness;
  - ensure implementation of the country office gender action plan, in line with WFP's gender policy and the regional gender strategy;
  - ensure implementation of WFP's evaluation policy and strategy;
  - ensure accountability of management for country-level physical, financial and human resources, including staff safety and security; and
  - ensure implementation of other corporate initiatives and new tools, as appropriate.
13. A standard PSA allocation is applied to WFP's 84 country offices to provide funds for country director positions and an allocation for national staff or operating costs. PSA also covers an additional 29 P3 positions, which are allocated to selected countries to provide strategic and targeted support for their operations.

## Regional bureaux

14. Regional bureaux are the first line of support for country offices in implementing strategies and policies at the operational level while ensuring management effectiveness, operational oversight and coherence at the regional and country levels. Their main functions are to:
  - provide policy support and strategic direction for WFP's operations;
  - deliver strategic and technical support and oversee quality standards;
  - formulate and disseminate best practice and lessons learned across the region;
  - coordinate the scheduling, preparation and submission of country strategic plans;
  - ensure the substantive and presentational quality of country strategy and project documents;
  - facilitate sharing of technical resources so that country offices have the required operational capacities;
  - lead development and implementation of the regional gender implementation strategy in line with WFP's gender policy and gender action plan;
  - ensure implementation of the provisions of WFP's evaluation policy and strategy;
  - ensure effectiveness and efficiency in Level 2 emergency responses through coherent utilization of regional resources;
  - ensure effectiveness and efficiency in Level 3 emergency responses by providing operational guidance and regional back-up; and
  - serve as the second line of defence in oversight of country office management and budgetary matters, including monitoring of risks and compliance with rules and regulations.
15. Table A.I.2 shows the distribution of PSA posts and costs by regional bureau for 2016, with estimates for 2017 and projections for 2018. The "total positions" columns include international professional staff and national staff. The "total USD million" columns present the total of all staff and non-staff costs. Details of the budget breakdown for 2018 are contained in Annex II.

<b>TABLE A.I.2: DISTRIBUTION OF PSA POSTS AND COSTS BY REGIONAL BUREAU, 2016–2018</b>															
	<b>2016 expenditures</b>					<b>2017 estimates</b>					<b>2018 projections</b>				
	<b>Professional</b>	<b>Total posts</b>	<b>Total staff (USD million)</b>	<b>Total other (USD million)</b>	<b>Total (USD million)</b>	<b>Professional</b>	<b>Total posts</b>	<b>Total staff (USD million)</b>	<b>Total other (USD million)</b>	<b>Total (USD million)</b>	<b>Professional</b>	<b>Total posts</b>	<b>Total staff (USD million)</b>	<b>Total other (USD million)</b>	<b>Total (USD million)</b>
<b>Total regional bureaux</b>	<b>157</b>	<b>411</b>	<b>33.9</b>	<b>28.7</b>	<b>62.6</b>	<b>175</b>	<b>434</b>	<b>39.6</b>	<b>27.6</b>	<b>67.2</b>	<b>188</b>	<b>467</b>	<b>42.3</b>	<b>24.9</b>	<b>67.2</b>
Asia and the Pacific	28	73	5.9	6.0	11.9	31	79	7.1	5.7	12.8	33	81	7.4	5.3	12.7
Middle East, North Africa, Eastern Europe and Central Asia	29	77	5.9	4.8	10.8	33	81	7.2	4.2	11.4	39	87	8.7	3.4	12.1
West Africa	31	72	6.4	4.5	10.9	34	76	7.6	4.4	12.0	36	78	8.0	3.5	11.5
Southern Africa	23	59	5.1	4.9	10.0	25	62	5.6	5.0	10.6	26	77	5.7	4.9	10.6
East and Central Africa	26	71	5.9	5.1	11.0	31	75	7.3	4.8	12.0	32	81	7.3	4.3	11.6
Latin America and the Caribbean	20	59	4.6	3.4	8.0	21	61	4.9	3.5	8.4	23	64	5.2	3.5	8.7

### Headquarters

16. Table A.I.3 shows the distribution of PSA posts and costs for programme support of WFP's global offices and units for 2016, with estimates for 2017 and projections for 2018. The "total positions" columns include international professional staff and national staff. The "total USD million" columns include staff and non-staff costs. Details of the budget breakdown for 2018 are contained in Annex II.

TABLE A.I.3: DISTRIBUTION OF PSA POSTS AND COSTS BY GLOBAL OFFICE, 2016–2018

	2016 expenditures					2017 estimates					2018 projections				
	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
<b>Total headquarters</b>	<b>452.8</b>	<b>794.6</b>	<b>111.9</b>	<b>55.1</b>	<b>167.1</b>	<b>480.5</b>	<b>822.3</b>	<b>130.7</b>	<b>42.0</b>	<b>172.7</b>	<b>486.5</b>	<b>811.3</b>	<b>130.1</b>	<b>44.5</b>	<b>174.6</b>
<b>Executive Director and Chief of Staff</b>	<b>134.5</b>	<b>187.5</b>	<b>27.6</b>	<b>21.8</b>	<b>49.4</b>	<b>146.0</b>	<b>202.0</b>	<b>35.7</b>	<b>16.6</b>	<b>52.3</b>	<b>144.0</b>	<b>196.0</b>	<b>34.9</b>	<b>16.7</b>	<b>51.6</b>
Office of the Executive Director and Chief of Staff	8.0	16.0	2.9	0.8	3.7	8.0	16.0	3.0	0.7	3.6	8.0	16.0	3.0	0.6	3.6
Innovation and Change Management	2.0	3.0	0.7	0.6	1.3	2.0	3.0	0.7	0.6	1.3	2.0	3.0	0.6	0.6	1.3
Communications	24.0	36.0	5.9	2.8	8.7	23.0	35.0	6.2	2.4	8.6	23.0	35.0	6.1	2.3	8.4
Cash-Based Transfers	-	-			-	-	-	-	-	-	1.0	2.0	0.4	0.0	0.4
Information Technology	45.0	62.0	6.8	9.2	16.0	52.0	71.0	11.7	6.0	17.7	48.0	62.0	10.6	5.4	16.0
Legal Office	16.0	21.0	3.2	1.1	4.4	17.0	23.0	3.9	1.1	5.0	18.0	24.0	4.0	0.9	4.9
Inspector General and Oversight Office	29.0	34.0	5.0	2.8	7.8	29.0	34.0	6.1	1.5	7.6	29.0	34.0	6.1	1.9	8.0
Office of Evaluation	8.5	11.5	2.2	3.8	6.0	12.0	15.0	3.1	3.8	6.9	12.0	15.0	3.0	4.4	7.4
Office of the Ombudsman	1.0	2.0	0.4	0.2	0.6	1.0	2.0	0.4	0.3	0.7	1.0	2.0	0.4	0.3	0.7
Ethics Office	1.0	2.0	0.4	0.5	0.9	2.0	3.0	0.6	0.3	0.9	2.0	3.0	0.6	0.3	0.9

TABLE A.I.3: DISTRIBUTION OF PSA POSTS AND COSTS BY GLOBAL OFFICE, 2016–2018

	2016 expenditures					2017 estimates					2018 projections				
	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
<b>Deputy Executive Director</b>	<b>51.0</b>	<b>104.5</b>	<b>11.9</b>	<b>5.1</b>	<b>17.0</b>	<b>52.0</b>	<b>105.5</b>	<b>15.0</b>	<b>2.6</b>	<b>17.5</b>	<b>55.0</b>	<b>105.5</b>	<b>15.1</b>	<b>3.8</b>	<b>19.0</b>
Office of Deputy Executive Director	2.0	4.0	0.7	0.2	0.9	2.0	4.0	0.7	0.1	0.9	2.0	4.0	0.7	0.1	0.9
Human Resources Division	41.0	87.5	9.5	3.9	13.3	41.0	87.5	11.8	1.9	13.8	44.0	87.5	11.9	3.2	15.2
Gender Office	4.0	5.0	1.0	0.9	1.9	5.0	6.0	1.2	0.4	1.6	5.0	6.0	1.2	0.4	1.6
Operations Management Support	4.0	8.0	0.7	0.2	0.9	4.0	8.0	1.2	0.1	1.3	4.0	8.0	1.3	0.1	1.4
<b>Operations Services</b>	<b>99.3</b>	<b>161.8</b>	<b>26.0</b>	<b>4.5</b>	<b>30.4</b>	<b>109.5</b>	<b>172.0</b>	<b>29.4</b>	<b>3.5</b>	<b>32.9</b>	<b>107.5</b>	<b>169.0</b>	<b>28.9</b>	<b>4.1</b>	<b>33.0</b>
Office of AED	2.0	4.0	0.7	0.1	0.9	2.0	4.0	0.8	0.2	0.9	3.0	5.0	1.0	0.3	1.2
Chief Adviser Office	2.0	3.0	0.2	1.0	1.3	2.0	3.0	0.6	0.6	1.3	1.0	1.0	0.3	0.9	1.2
Emergency Preparedness and Support Response	10.0	13.0	2.5	0.5	3.0	12.0	15.0	2.8	0.7	3.5	11.0	14.0	2.8	1.0	3.8
Supply Chain	51.5	96.0	14.4	1.5	15.9	55.5	100.0	15.6	0.8	16.5	54.5	99.0	15.1	1.0	16.1
Nutrition	7.0	9.0	1.6	0.2	1.8	7.0	9.0	1.8	0.1	1.9	7.0	9.0	1.8	0.1	1.8
Policy and Programme	26.8	36.8	6.5	1.1	7.6	31.0	41.0	7.8	1.1	8.9	31.0	41.0	7.9	0.8	8.8

TABLE A.I.3: DISTRIBUTION OF PSA POSTS AND COSTS BY GLOBAL OFFICE, 2016–2018

	2016 expenditures					2017 estimates					2018 projections				
	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
<b>Partnerships and Governance</b>	<b>87.0</b>	<b>146.0</b>	<b>22.1</b>	<b>11.2</b>	<b>33.3</b>	<b>90.0</b>	<b>150.0</b>	<b>23.7</b>	<b>9.4</b>	<b>33.0</b>	<b>90.0</b>	<b>142.0</b>	<b>23.4</b>	<b>9.6</b>	<b>32.9</b>
Office of AED	2.0	4.0	0.7	0.2	1.0	2.0	4.0	0.8	0.4	1.2	4.0	6.0	1.2	0.5	1.7
Partnership and Advocacy Coordination	5.0	7.0	1.0	0.4	1.4	5.0	7.0	1.3	0.4	1.8					
Executive Board Secretariat	9.0	24.0	3.5	2.2	5.7	10.0	25.0	3.6	1.6	5.2	10.0	25.0	3.5	1.6	5.1
Government Partnerships Division (Berlin, Madrid, Paris, Seoul, Tokyo, United Arab Emirates)	26.0	46.0	6.8	3.1	9.9	28.0	49.0	7.3	2.3	9.6	28.0	45.0	7.3	2.4	9.7
Private Sector Partnerships	22.0	29.0	4.0	2.3	6.3	22.0	29.0	4.1	1.9	6.1	23.0	28.0	4.3	1.9	6.2
Rome-based Agencies and Committee on World Food Security	3.0	4.0	0.7	0.2	0.8	3.0	4.0	0.8	0.0	0.8	3.0	4.0	0.8	0.2	1.0
United Nations System Division (New York, Addis Ababa, Geneva)	10.0	15.0	2.7	1.4	4.1	10.0	15.0	2.8	1.4	4.2	11.0	16.0	3.0	1.5	4.5

TABLE A.I.3: DISTRIBUTION OF PSA POSTS AND COSTS BY GLOBAL OFFICE, 2016–2018

	2016 expenditures					2017 estimates					2018 projections				
	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
Brussels Office	4.0	7.0	1.3	0.6	1.8	4.0	7.0	1.3	0.5	1.8	4.0	7.0	1.3	0.5	1.8
Washington Office	6.0	10.0	1.4	0.9	2.3	6.0	10.0	1.6	0.8	2.4	7.0	11.0	1.9	1.0	2.9
<b>Resource Management</b>	<b>81.0</b>	<b>194.8</b>	<b>24.5</b>	<b>12.5</b>	<b>37.0</b>	<b>83.0</b>	<b>192.8</b>	<b>26.9</b>	<b>10.0</b>	<b>36.9</b>	<b>90.0</b>	<b>198.8</b>	<b>27.8</b>	<b>10.3</b>	<b>38.0</b>
Office of the AED and Chief Financial Officer	2.0	4.0	0.8	0.1	0.9	2.0	4.0	0.8	0.1	0.9	2.0	4.0	0.8	0.1	0.8
Budget and Programming	19.0	47.0	5.5	1.1	6.6	18.0	44.0	6.2	0.3	6.5	18.0	43.0	6.0	0.1	6.1
Finance and Treasury	25.0	51.8	6.5	2.3	8.8	27.0	51.8	7.7	1.2	8.9	26.0	47.8	7.1	1.5	8.5
Enterprise Risk Management	-	-	-	-	-	-	-	-	-	-	9.0	11.0	2.1	0.5	2.5
Performance Management and Monitoring	13.0	18.0	3.2	0.2	3.4	13.0	18.0	3.2	0.3	3.5	12.0	18.0	3.1	0.3	3.4
Management Services	10.0	32.0	3.8	7.5	11.3	10.0	32.0	4.0	7.1	11.1	10.0	32.0	3.9	6.8	10.6
Security Division	4.0	30.0	2.6	0.4	3.0	4.0	30.0	2.8	0.4	3.2	4.0	30.0	2.7	0.4	3.1
Resource Management Integration and Support Office	4.0	5.0	0.8	0.3	1.2	4.0	5.0	0.8	0.3	1.1	4.0	5.0	0.9	0.3	1.1

TABLE A.I.3: DISTRIBUTION OF PSA POSTS AND COSTS BY GLOBAL OFFICE, 2016–2018

	2016 expenditures					2017 estimates					2018 projections				
	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Total professional	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
Staff Wellness	4.0	7.0	1.2	0.5	1.7	5.0	8.0	1.4	0.3	1.7	5.0	8.0	1.4	0.3	1.7
<b>Corporate</b>	<b>3.0</b>	<b>3.0</b>	<b>1.8</b>	<b>11.9</b>	<b>13.7</b>	<b>3.0</b>	<b>3.0</b>	<b>0.8</b>	<b>16.0</b>	<b>16.7</b>	<b>3.0</b>	<b>3.0</b>	<b>0.7</b>	<b>13.5</b>	<b>14.2</b>
Central appropriations	3.0	3.0	1.8	11.5	13.3	3.0	3.0	0.8	13.5	14.2	3.0	3.0	0.7	13.5	14.2
Staff skills		-		0.4	0.4	-	-	-	2.5	2.5	-	-	-	-	-
<b>Grand total</b>	<b>455.8</b>	<b>797.6</b>	<b>113.7</b>	<b>67.0</b>	<b>180.7</b>	<b>483.5</b>	<b>825.3</b>	<b>131.4</b>	<b>58.0</b>	<b>189.4</b>	<b>489.5</b>	<b>814.3</b>	<b>130.8</b>	<b>57.9</b>	<b>188.8</b>

## ANNEX II

	2017 total (estimated)							2018 total (projected)							A - Strategy and direction						
	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
<b>Total country offices</b>	<b>104.0</b>	-	<b>323.0</b>	<b>427.0</b>	<b>29.2</b>	<b>49.6</b>	<b>78.8</b>	<b>106.0</b>	-	<b>345.0</b>	<b>451.0</b>	<b>29.9</b>	<b>49.5</b>	<b>79.4</b>	<b>38.5</b>	-	-	<b>38.5</b>	<b>11.9</b>	<b>4.0</b>	<b>16.0</b>
Country offices	104.0		323.0	427.0	29.2	49.6	78.8	106.0		345.0	451.0	29.9	49.5	79.4	38.5			38.5	11.9	4.0	16.0
<b>Total regional bureaux</b>	<b>175.0</b>	-	<b>259.0</b>	<b>434.0</b>	<b>39.6</b>	<b>27.6</b>	<b>67.2</b>	<b>188.0</b>	-	<b>279.0</b>	<b>467.0</b>	<b>42.3</b>	<b>24.9</b>	<b>67.2</b>	<b>6.5</b>	-	<b>12.0</b>	<b>18.5</b>	<b>2.2</b>	<b>0.8</b>	<b>3.0</b>
RB – Asia and the Pacific	31.0	-	48.0	79.0	7.1	5.7	12.8	33.0	-	48.0	81.0	7.4	5.3	12.7	1.0	-	2.0	3.0	0.4	0.2	0.6
RB – Middle East, North Africa, Eastern Europe and Central Asia	33.0	-	48.0	81.0	7.2	4.2	11.4	39.0	-	48.0	87.0	8.7	3.4	12.1	3.0	-	5.0	8.0	1.0	0.1	1.1
RB – West Africa	34.0	-	42.0	76.0	7.6	4.4	12.0	35.5	-	42.0	77.5	8.0	3.5	11.5	-	-	-	-	-	-	-
RB – Southern Africa	25.0	-	37.0	62.0	5.6	5.0	10.6	26.0	-	51.0	77.0	5.7	4.9	10.6	0.5	-	1.0	1.5	0.1	0.1	0.2
RB – East and Central Africa	31.0	-	44.0	75.0	7.3	4.8	12.0	31.5	-	49.0	80.5	7.3	4.3	11.6	1.0	-	2.0	3.0	0.4	0.2	0.5
RB – Latin America and the Caribbean	21.0	-	40.0	61.0	4.9	3.5	8.4	23.0	-	41.0	64.0	5.2	3.5	8.7	1.0	-	2.0	3.0	0.3	0.2	0.5
<b>Total headquarters</b>	<b>480.5</b>	<b>331.8</b>	<b>10.0</b>	<b>822.3</b>	<b>130.7</b>	<b>42.0</b>	<b>172.7</b>	<b>486.5</b>	<b>320.8</b>	<b>4.0</b>	<b>811.3</b>	<b>130.1</b>	<b>44.5</b>	<b>174.6</b>	<b>65.4</b>	<b>47.1</b>	-	<b>112.5</b>	<b>21.3</b>	<b>6.6</b>	<b>27.9</b>
<b>Executive Director and Chief of Staff</b>	<b>146.0</b>	<b>56.0</b>	-	<b>202.0</b>	<b>35.7</b>	<b>16.6</b>	<b>52.3</b>	<b>144.0</b>	<b>52.0</b>	-	<b>196.0</b>	<b>34.9</b>	<b>16.7</b>	<b>51.6</b>	<b>28.7</b>	<b>15.2</b>	-	<b>43.9</b>	<b>8.5</b>	<b>1.8</b>	<b>10.4</b>
Office of the Executive Director and Chief of Staff	8.0	8.0		16.0	3.0	0.7	3.6	8.0	8.0		16.0	3.0	0.6	3.6	8.0	8.0		16.0	3.0	0.6	3.6
Innovation and Change Management	2.0	1.0		3.0	0.7	0.6	1.3	2.0	1.0		3.0	0.6	0.6	1.3	2.0	1.0		3.0	0.6	0.6	1.3
Communications	23.0	12.0		35.0	6.2	2.4	8.6	23.0	12.0		35.0	6.1	2.3	8.4	-	-		-	-	-	-
Cash-Based Transfers	-	-		-	-	-	-	1.0	1.0		2.0	0.4	0.0	0.4	-	-		-	-	-	-

TABLE A.II.1: ANALYSIS OF PSA BUDGET BY ORGANIZATIONAL UNIT AND PILLAR																					
	2017 total (estimated)							2018 total (projected)							A - Strategy and direction						
	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
Information Technology	52.0	19.0	-	71.0	11.7	6.0	17.7	48.0	14.0	-	62.0	10.6	5.4	16.0	16.5	4.0	-	20.5	4.1	0.5	4.5
Legal Office	17.0	6.0	-	23.0	3.9	1.1	5.0	18.0	6.0	-	24.0	4.0	0.9	4.9	2.0	2.0	-	4.0	0.8	0.1	0.9
Inspector General and Oversight Office	29.0	5.0	-	34.0	6.1	1.5	7.6	29.0	5.0	-	34.0	6.1	1.9	8.0	-	-	-	-	-	-	-
Office of Evaluation	12.0	3.0	-	15.0	3.1	3.8	6.9	12.0	3.0	-	15.0	3.0	4.4	7.4	-	-	-	-	-	-	-
Office of the Ombudsman	1.0	1.0	-	2.0	0.4	0.3	0.7	1.0	1.0	-	2.0	0.4	0.3	0.7	0.2	0.2	-	0.4	0.1	0.1	0.1
Ethics Office	2.0	1.0	-	3.0	0.6	0.3	0.9	2.0	1.0	-	3.0	0.6	0.3	0.9	-	-	-	-	-	-	-
<b>Deputy Executive Director</b>	<b>52.0</b>	<b>53.5</b>	<b>-</b>	<b>105.5</b>	<b>15.0</b>	<b>2.6</b>	<b>17.5</b>	<b>55.0</b>	<b>50.5</b>	<b>-</b>	<b>105.5</b>	<b>15.1</b>	<b>3.8</b>	<b>19.0</b>	<b>9.3</b>	<b>5.2</b>	<b>-</b>	<b>14.4</b>	<b>2.8</b>	<b>1.0</b>	<b>3.8</b>
Office of the Deputy Executive Director	2.0	2.0	-	4.0	0.7	0.1	0.9	2.0	2.0	-	4.0	0.7	0.1	0.9	2.0	2.0	-	4.0	0.7	0.1	0.9
Human Resources Division	41.0	46.5	-	87.5	11.8	1.9	13.8	44.0	43.5	-	87.5	11.9	3.2	15.2	4.0	3.0	-	7.0	1.3	0.7	2.1
Gender Office	5.0	1.0	-	6.0	1.2	0.4	1.6	5.0	1.0	-	6.0	1.2	0.4	1.6	2.3	0.2	-	2.4	0.6	0.1	0.7
Operations Management Support	4.0	4.0	-	8.0	1.2	0.1	1.3	4.0	4.0	-	8.0	1.3	0.1	1.4	1.0	-	-	1.0	0.2	0.0	0.2
<b>Operations Services</b>	<b>109.5</b>	<b>62.5</b>	<b>-</b>	<b>172.0</b>	<b>29.4</b>	<b>3.5</b>	<b>32.9</b>	<b>107.5</b>	<b>61.5</b>	<b>-</b>	<b>169.0</b>	<b>28.9</b>	<b>4.1</b>	<b>33.0</b>	<b>12.3</b>	<b>13.3</b>	<b>-</b>	<b>25.5</b>	<b>4.7</b>	<b>2.9</b>	<b>7.6</b>
Office of the AED	2.0	2.0	-	4.0	0.8	0.2	0.9	3.0	2.0	-	5.0	1.0	0.3	1.2	2.0	2.0	-	4.0	0.7	0.2	0.9
Chief Adviser Office	2.0	1.0	-	3.0	0.6	0.6	1.3	1.0	-	-	1.0	0.3	0.9	1.2	1.0	-	-	1.0	0.3	0.9	1.2
Emergency Preparedness and Support Response	12.0	3.0	-	15.0	2.8	0.7	3.5	11.0	3.0	-	14.0	2.8	1.0	3.8	1.0	1.0	-	2.0	0.4	0.0	0.4
Supply Chain	55.5	44.5	-	100.0	15.6	0.8	16.5	54.5	44.5	-	99.0	15.1	1.0	16.1	3.3	5.3	-	8.5	1.4	1.0	2.4
Nutrition	7.0	2.0	-	9.0	1.8	0.1	1.9	7.0	2.0	-	9.0	1.8	0.1	1.8	-	-	-	-	-	-	-
Policy and Programme	31.0	10.0	-	41.0	7.8	1.1	8.9	31.0	10.0	-	41.0	7.9	0.8	8.8	5.0	5.0	-	10.0	1.8	0.8	2.7

<b>TABLE A.II.1: ANALYSIS OF PSA BUDGET BY ORGANIZATIONAL UNIT AND PILLAR</b>																					
	2017 total (estimated)							2018 total (projected)							A - Strategy and direction						
	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
<b>Partnerships and Governance</b>	<b>90.0</b>	<b>50.0</b>	<b>10.0</b>	<b>150.0</b>	<b>23.7</b>	<b>9.4</b>	<b>33.0</b>	<b>90.0</b>	<b>48.0</b>	<b>4.0</b>	<b>142.0</b>	<b>23.4</b>	<b>9.6</b>	<b>32.9</b>	<b>2.0</b>	<b>2.0</b>	-	<b>4.0</b>	<b>0.8</b>	<b>0.5</b>	<b>1.2</b>
Office of the AED	2.0	2.0	-	4.0	0.8	0.4	1.2	4.0	2.0	-	6.0	1.2	0.5	1.7	2.0	2.0	-	4.0	0.8	0.5	1.2
Partnership and Advocacy Coordination	5.0	2.0	-	7.0	1.3	0.4	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive Board Secretariat	10.0	15.0	-	25.0	3.6	1.6	5.2	10.0	15.0	-	25.0	3.5	1.6	5.1	-	-	-	-	-	-	-
Government Partnerships Division (Berlin, Madrid, Paris, Seoul, Tokyo, United Arab Emirates)	28.0	16.0	5.0	49.0	7.3	2.3	9.6	28.0	16.0	1.0	45.0	7.3	2.4	9.7	-	-	-	-	-	-	-
Private Sector Partnerships	22.0	4.0	3.0	29.0	4.1	1.9	6.1	23.0	4.0	1.0	28.0	4.3	1.9	6.2	-	-	-	-	-	-	-
Rome-based Agencies and Committee on World Food Security	3.0	1.0	-	4.0	0.8	0.0	0.8	3.0	1.0	-	4.0	0.8	0.2	1.0	-	-	-	-	-	-	-
United Nations System Division (New York, Addis Ababa, Geneva)	10.0	3.0	2.0	15.0	2.8	1.4	4.2	11.0	3.0	2.0	16.0	3.0	1.5	4.5	-	-	-	-	-	-	-
Brussels Office	4.0	3.0	-	7.0	1.3	0.5	1.8	4.0	3.0	-	7.0	1.3	0.5	1.8	-	-	-	-	-	-	-
Washington Office	6.0	4.0	-	10.0	1.6	0.8	2.4	7.0	4.0	-	11.0	1.9	1.0	2.9	-	-	-	-	-	-	-
<b>Resource Management</b>	<b>83.0</b>	<b>109.8</b>	-	<b>192.8</b>	<b>26.9</b>	<b>10.0</b>	<b>36.9</b>	<b>90.0</b>	<b>108.8</b>	-	<b>198.8</b>	<b>27.8</b>	<b>10.3</b>	<b>38.0</b>	<b>13.2</b>	<b>11.5</b>	-	<b>24.7</b>	<b>4.5</b>	<b>0.4</b>	<b>4.9</b>
Office of the AED and Chief Financial Officer	2.0	2.0	-	4.0	0.8	0.1	0.9	2.0	2.0	-	4.0	0.8	0.1	0.8	2.0	2.0	-	4.0	0.8	0.1	0.8
Budget and Programming	18.0	26.0	-	44.0	6.2	0.3	6.5	18.0	25.0	-	43.0	6.0	0.1	6.1	4.0	4.5	-	8.5	1.4	0.1	1.4
Finance and Treasury	27.0	24.8	-	51.8	7.7	1.2	8.9	26.0	21.8	-	47.8	7.1	1.5	8.5	1.7	1.0	-	2.7	0.6	0.1	0.7
Enterprise Risk Management	-	-	-	-	-	-	-	9.0	2.0	-	11.0	2.1	0.5	2.5	-	-	-	-	-	-	-

TABLE A.II.1: ANALYSIS OF PSA BUDGET BY ORGANIZATIONAL UNIT AND PILLAR																					
	2017 total (estimated)							2018 total (projected)							A - Strategy and direction						
	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Total staff (USD million)	Total other (USD million)	Total (USD million)
Performance Management and Monitoring	13.0	5.0	-	18.0	3.2	0.3	3.5	12.0	6.0	-	18.0	3.1	0.3	3.4	1.5	2.0	-	3.5	0.6	0.1	0.7
Management Services	10.0	22.0	-	32.0	4.0	7.1	11.1	10.0	22.0	-	32.0	3.9	6.8	10.6	2.0	2.0	-	4.0	0.6	-	0.6
Security Division	4.0	26.0	-	30.0	2.8	0.4	3.2	4.0	26.0	-	30.0	2.7	0.4	3.1	1.0	-	-	1.0	0.2	0.0	0.2
Resource Management Integration and Support Office	4.0	1.0	-	5.0	0.8	0.3	1.1	4.0	1.0	-	5.0	0.9	0.3	1.1	-	-	-	-	-	-	-
Staff Wellness	5.0	3.0	-	8.0	1.4	0.3	1.7	5.0	3.0	-	8.0	1.4	0.3	1.7	1.0	-	-	1.0	0.3	0.0	0.3
<b>Corporate</b>	<b>3.0</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>0.8</b>	<b>16.0</b>	<b>16.7</b>	<b>3.0</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>0.7</b>	<b>13.5</b>	<b>14.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.3</b>	<b>1.3</b>
Central appropriations	3.0	-	-	3.0	0.8	13.5	14.2	3.0	-	-	3.0	0.7	13.5	14.2	-	-	-	-	-	1.3	1.3
Staff skills	-	-	-	-	-	2.5	2.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>762.5</b>	<b>331.8</b>	<b>592.0</b>	<b>1 686.3</b>	<b>200.3</b>	<b>135.1</b>	<b>335.4</b>	<b>783.5</b>	<b>320.8</b>	<b>628.0</b>	<b>1 732.3</b>	<b>203.0</b>	<b>132.4</b>	<b>335.4</b>	<b>110.4</b>	<b>47.1</b>	<b>12.0</b>	<b>169.5</b>	<b>35.4</b>	<b>12.8</b>	<b>48.2</b>

\* National staff costs are accounted for under other costs

TABLE A.II.1: ANALYSIS OF PSA BUDGET BY ORGANIZATIONAL UNIT AND PILLAR (continued)

	B – Business services to operations							C – Policy, guidance and quality assurance							D – Advocacy, partnerships, fundraising and United Nations coordination							E – Governance and independent oversight						
	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)
<b>Total country offices</b>	<b>29.0</b>	<b>-</b>	<b>345.0</b>	<b>374.0</b>	<b>6.0</b>	<b>42.2</b>	<b>48.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.5</b>	<b>-</b>	<b>-</b>	<b>38.5</b>	<b>11.9</b>	<b>3.3</b>	<b>15.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Country offices	29.0	-	345.0	374.0	6.0	42.2	48.2	-	-	-	-	-	-	-	38.5	-	-	38.5	11.9	3.3	15.2	-	-	-	-	-	-	-
<b>Total regional bureaux</b>	<b>118.7</b>	<b>-</b>	<b>176.0</b>	<b>294.7</b>	<b>25.7</b>	<b>15.7</b>	<b>41.4</b>	<b>33.5</b>	<b>-</b>	<b>49.0</b>	<b>82.5</b>	<b>7.8</b>	<b>4.5</b>	<b>12.3</b>	<b>29.4</b>	<b>-</b>	<b>42.0</b>	<b>71.4</b>	<b>6.6</b>	<b>4.0</b>	<b>10.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
RB – Asia and the Pacific	27.5	-	41.0	68.5	6.0	4.3	10.3	1.0	-	1.0	2.0	0.2	0.2	0.4	3.5	-	4.0	7.5	0.8	0.6	1.5	-	-	-	-	-	-	-
RB – Middle East, North Africa, Eastern Europe and Central Asia	23.9	-	31.0	54.9	5.0	2.3	7.3	4.4	-	2.0	6.4	1.0	0.2	1.2	7.7	-	10.0	17.7	1.7	0.8	2.5	-	-	-	-	-	-	-
RB – West Africa	20.3	-	24.0	44.3	4.5	2.0	6.5	7.2	-	9.0	16.2	1.7	0.8	2.5	8.0	-	9.0	17.0	1.8	0.8	2.5	-	-	-	-	-	-	-
RB – Southern Africa	17.8	-	34.0	51.8	3.8	3.2	7.1	4.0	-	8.0	12.0	0.9	0.8	1.7	3.8	-	8.0	11.8	0.8	0.8	1.6	-	-	-	-	-	-	-
RB – East and Central Africa	19.0	-	28.0	47.0	4.2	2.3	6.5	8.5	-	15.0	23.5	2.0	1.5	3.5	3.0	-	4.0	7.0	0.7	0.3	1.0	-	-	-	-	-	-	-
RB – Latin America and the Caribbean	10.3	-	18.0	28.3	2.2	1.6	3.8	8.4	-	14.0	22.4	1.9	1.0	2.9	3.4	-	7.0	10.4	0.8	0.7	1.5	-	-	-	-	-	-	-
<b>Total headquarters</b>	<b>169.1</b>	<b>175.5</b>	<b>-</b>	<b>344.6</b>	<b>48.2</b>	<b>14.1</b>	<b>62.3</b>	<b>95.4</b>	<b>29.9</b>	<b>-</b>	<b>125.3</b>	<b>21.7</b>	<b>6.7</b>	<b>28.3</b>	<b>97.5</b>	<b>35.9</b>	<b>-</b>	<b>133.4</b>	<b>23.9</b>	<b>8.7</b>	<b>32.6</b>	<b>59.2</b>	<b>32.4</b>	<b>-</b>	<b>91.6</b>	<b>15.0</b>	<b>8.5</b>	<b>23.5</b>
<b>Executive Director and Chief of Staff</b>	<b>39.0</b>	<b>14.5</b>	<b>-</b>	<b>53.5</b>	<b>8.4</b>	<b>4.4</b>	<b>12.8</b>	<b>9.9</b>	<b>1.7</b>	<b>-</b>	<b>11.6</b>	<b>2.3</b>	<b>1.5</b>	<b>3.9</b>	<b>25.6</b>	<b>12.1</b>	<b>-</b>	<b>37.6</b>	<b>6.4</b>	<b>2.5</b>	<b>8.9</b>	<b>40.9</b>	<b>8.6</b>	<b>-</b>	<b>49.5</b>	<b>9.1</b>	<b>6.5</b>	<b>15.6</b>
Office of Executive Director and Chief of Staff	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Innovation and Change Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-	2.0	-	-	2.0	0.5	0.2	0.6	21.0	12.0	-	33.0	5.7	2.1	7.8	-	-	-	-	-	-	-
Cash-Based Transfers	-	-	-	-	-	-	-	1.0	1.0	-	2.0	0.4	0.0	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information Technology	24.0	10.0	-	34.0	5.3	3.6	8.8	4.5	-	-	4.5	0.8	1.1	1.9	3.0	-	-	3.0	0.5	0.3	0.7	-	-	-	-	-	-	-



TABLE A.II.1: ANALYSIS OF PSA BUDGET BY ORGANIZATIONAL UNIT AND PILLAR (continued)

	B – Business services to operations							C – Policy, guidance and quality assurance							D – Advocacy, partnerships, fundraising and United Nations coordination							E – Governance and independent oversight						
	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)
<b>Partnerships and Governance</b>	<b>10.3</b>	<b>8.0</b>	-	<b>18.3</b>	<b>2.6</b>	<b>0.5</b>	<b>3.1</b>	<b>8.6</b>	<b>3.0</b>	-	<b>11.6</b>	<b>1.9</b>	<b>1.1</b>	<b>3.0</b>	<b>60.2</b>	<b>21.0</b>	-	<b>81.2</b>	<b>14.8</b>	<b>6.1</b>	<b>20.9</b>	<b>9.0</b>	<b>14.0</b>	-	<b>23.0</b>	<b>3.3</b>	<b>1.5</b>	<b>4.8</b>
Office of the AED	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.0	-	-	2.0	0.4	0.1	0.5	-	-	-	-	-	-	-
Partnership and Advocacy Coordination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive Board Secretariat	-	-	-	-	-	-	-	1.0	1.0	-	2.0	0.2	0.1	0.3	-	-	-	-	-	-	-	9.0	14.0	-	23.0	3.3	1.5	4.8
Government Partnerships Division (Berlin, Madrid, Paris, Seoul, Tokyo, United Arab Emirates)	7.0	6.0	-	13.0	1.9	0.1	1.9	0.1	-	-	0.1	0.0	0.0	0.0	20.9	10.0	-	30.9	5.4	2.3	7.7	-	-	-	-	-	-	-
Private Sector Partnerships	-	-	-	-	-	-	-	7.5	2.0	-	9.5	1.6	1.0	2.6	15.5	2.0	-	17.5	2.7	0.9	3.6	-	-	-	-	-	-	-
Rome-based Agencies and Committee on World Food Security	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.0	1.0	-	4.0	0.8	0.2	1.0	-	-	-	-	-	-	-
United Nations System division (New York, Addis Ababa, Geneva)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11.0	3.0	-	14.0	3.0	1.5	4.5	-	-	-	-	-	-	-
Brussels Office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.0	3.0	-	7.0	1.3	0.5	1.8	-	-	-	-	-	-	-
Washington Office	3.3	2.0	-	5.3	0.7	0.4	1.1	-	-	-	-	-	-	3.8	2.0	-	5.8	1.2	0.6	1.8	-	-	-	-	-	-	-	-
<b>Resource Management</b>	<b>42.9</b>	<b>78.5</b>	-	<b>121.4</b>	<b>15.2</b>	<b>6.5</b>	<b>21.6</b>	<b>24.7</b>	<b>9.0</b>	-	<b>33.7</b>	<b>5.5</b>	<b>2.9</b>	<b>8.4</b>	-	-	-	-	-	-	-	<b>9.3</b>	<b>9.8</b>	-	<b>19.1</b>	<b>2.6</b>	<b>0.5</b>	<b>3.1</b>
Office of the AED and Chief Financial Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and Programming	9.8	20.5	-	30.3	3.8	0.1	3.9	4.3	-	-	4.3	0.8	0.0	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and Treasury	10.0	9.5	-	19.5	2.8	0.6	3.4	8.3	3.5	-	11.8	1.9	0.5	2.3	-	-	-	-	-	-	-	6.0	7.8	-	13.8	1.8	0.3	2.1

TABLE A.II.1: ANALYSIS OF PSA BUDGET BY ORGANIZATIONAL UNIT AND PILLAR (continued)

	B – Business services to operations							C – Policy, guidance and quality assurance							D – Advocacy, partnerships, fundraising and United Nations coordination							E – Governance and independent oversight						
	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)	Professional posts	GS posts	National posts	Total posts	Staff (USD million)	Other (USD million)	Total (USD million)
Enterprise Risk Management	9.0	2.0	-	11.0	2.1	0.5	2.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Performance Management and Monitoring	1.5	2.0	-	3.5	0.5	0.0	0.6	7.5	1.0	-	8.5	1.6	0.1	1.7	-	-	-	-	-	-	-	1.5	1.0	-	2.5	0.4	0.0	0.4
Management Services	4.4	15.5	-	19.9	2.2	4.5	6.6	3.6	4.5	-	8.1	1.1	2.3	3.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Division	3.0	26.0	-	29.0	2.5	0.4	2.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resource Management Integration and Support Office	2.2	-	-	2.2	0.4	0.1	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.8	1.0	-	2.8	0.4	0.2	0.6
Staff Wellness	3.0	3.0	-	6.0	0.9	0.3	1.2	1.0	-	-	1.0	0.2	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Corporate</b>	-	-	-	-	-	<b>7.6</b>	<b>7.6</b>	-	-	-	-	-	-	-	<b>3.0</b>	-	-	<b>3.0</b>	<b>0.7</b>	<b>2.8</b>	<b>3.5</b>	-	-	-	-	-	<b>1.7</b>	<b>1.7</b>
Central appropriations	-	-	-	-	-	7.6	7.6	-	-	-	-	-	-	-	3.0	-	-	3.0	0.7	2.8	3.5	-	-	-	-	-	1.7	1.7
Staff skills	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>316.8</b>	<b>175.5</b>	<b>521.0</b>	<b>1013.3</b>	<b>79.9</b>	<b>79.6</b>	<b>159.6</b>	<b>128.9</b>	<b>29.9</b>	<b>49.0</b>	<b>207.8</b>	<b>29.5</b>	<b>11.1</b>	<b>40.6</b>	<b>168.4</b>	<b>35.9</b>	<b>42.0</b>	<b>246.2</b>	<b>43.2</b>	<b>18.7</b>	<b>61.9</b>	<b>59.2</b>	<b>32.4</b>	<b>-</b>	<b>91.6</b>	<b>15.0</b>	<b>10.2</b>	<b>25.2</b>

\* National staff costs are accounted for under other costs

<b>TABLE A.II.2: PSA STAFFING BY ORGANIZATIONAL UNIT, 2017 AND 2018</b>													
	<b>International professional category and above</b>									<b>Others</b>			
	<b>ED</b>	<b>ASG</b>	<b>D2</b>	<b>D1</b>	<b>P5</b>	<b>P4</b>	<b>P3</b>	<b>P2</b>	<b>P1</b>	<b>Total</b>	<b>Field national staff</b>	<b>Headquarters and LO GS</b>	<b>Grand total</b>
<b>Country offices</b>													
2017	-	-	15	30	31	8	20	-	-	104	323	-	427
2018	-	-	15	31	31	8	21	-	-	106	345	-	451
<b>Regional bureaux</b>													
2017	-	-	6	6	40	81	40	2	-	175	259	-	434
2018	-	-	6	7	45	84	43	4	-	188	279	-	467
<b>RB – Asia and the Pacific</b>													
2017	-	-	1	1	8	13	8	-	-	31	48	-	79
2018	-	-	1	1	8	13	10	-	-	33	48	-	81
<b>RB – Middle East, North Africa, Eastern Europe and Central Asia</b>													
2017	-	-	1	1	6	15	8	2	-	33	48	-	81
2018	-	-	1	2	7	20	7	2	-	39	48	-	87
<b>RB – West Africa</b>													
2017	-	-	1	1	8	14	10	-	-	34	42	-	76
2018	-	-	1	1	11	13	10	-	-	36	42	-	78
<b>RB – Southern Africa</b>													
2017	-	-	1	1	10	13	6	-	-	31	44	-	75
2018	-	-	1	1	4	13	6	1	-	26	51	-	77
<b>RB – East and Central Africa</b>													
2017	-	-	1	1	4	13	6	-	-	25	37	-	62
2018	-	-	1	1	11	12	7	-	-	32	49	-	81
<b>RB – Latin America and the Caribbean</b>													
2017	-	-	1	1	4	13	2	-	-	21	40	-	61
2018	-	-	1	1	4	13	3	1	-	23	41	-	64

<b>TABLE A.II.2: PSA STAFFING BY ORGANIZATIONAL UNIT, 2017 AND 2018</b>													
	<b>International professional category and above</b>										<b>Others</b>		
	<b>ED</b>	<b>ASG</b>	<b>D2</b>	<b>D1</b>	<b>P5</b>	<b>P4</b>	<b>P3</b>	<b>P2</b>	<b>P1</b>	<b>Total</b>	<b>Field national staff</b>	<b>Headquarters and LO GS</b>	<b>Grand total</b>
<b>Headquarters</b>													
2017	1	5	18	39	91	140	146	41	-	481	10	332	822
2018	1	5	20	44	97	135	151	34	-	487	4	321	811
<b>Executive Director and Chief of Staff</b>													
2017	1	1	6	9	28	41	47	13	-	146	-	56	202
2018	1	1	7	9	29	40	49	8	-	144	-	52	196
<b>Office of the Executive Director and Chief of Staff</b>													
2017	1	1	-	1	-	3	2	-	-	8	-	8	16
2018	1	1	-	2	-	2	2	-	-	8	-	8	16
<b>Innovation and Change Management</b>													
2017	-	-	1	-	1	-	-	-	-	2	-	1	3
2018	-	-	1	-	1	-	-	-	-	2	-	1	3
<b>Communications</b>													
2017	-	-	1	1	9	6	4	2	-	23	-	12	35
2018	-	-	1	1	9	6	4	2	-	23	-	12	35
<b>Cash-Based Transfers</b>													
2017	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	1	-	-	-	-	-	-	1	-	1	2
<b>Information Technology</b>													
2017	-	-	1	2	7	14	23	5	-	52	-	19	71
2018	-	-	1	1	8	14	22	2	-	48	-	14	62
<b>Legal Office</b>													
2017	-	-	1	1	4	3	5	3	-	17	-	6	23
2018	-	-	1	1	4	3	8	1	-	18	-	6	24

<b>TABLE A.II.2: PSA STAFFING BY ORGANIZATIONAL UNIT, 2017 AND 2018</b>													
	<b>International professional category and above</b>										<b>Others</b>		
	<b>ED</b>	<b>ASG</b>	<b>D2</b>	<b>D1</b>	<b>P5</b>	<b>P4</b>	<b>P3</b>	<b>P2</b>	<b>P1</b>	<b>Total</b>	<b>Field national staff</b>	<b>Headquarters and LO GS</b>	<b>Grand total</b>
<b>Inspector General and Oversight Office</b>													
2017	-	-	1	2	3	8	12	3	-	29	-	5	34
2018	-	-	1	2	3	8	12	3	-	29	-	5	34
<b>Office of Evaluation</b>													
2017	-	-	1		4	6	1		-	12	-	3	15
2018	-	-	1	-	4	6	1	-	-	12	-	3	15
<b>Office of the Ombudsman</b>													
2017	-	-	-	1	-	-	-	-	-	1	-	1	2
2018	-	-	-	1	-	-	-	-	-	1	-	1	2
<b>Ethics Office</b>													
2017	-	-	-	1	-	1	-	-	-	2	-	1	3
2018	-	-	-	1	-	1	-	-	-	2	-	1	3
<b>Deputy Executive Director</b>													
<b>2017</b>	-	<b>1</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>14</b>	<b>17</b>	<b>8</b>	-	<b>52</b>	-	<b>54</b>	<b>106</b>
<b>2018</b>	-	<b>1</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>13</b>	<b>20</b>	<b>8</b>	-	<b>55</b>	-	<b>51</b>	<b>106</b>
<b>Office of the Deputy Executive Director</b>													
2017	-	1	-	-	-	1	-	-	-	2	-	2	4
2018	-	1	-	-	-	1	-	-	-	2	-	2	4
<b>Human Resources Division</b>													
2017	-	-	1	2	6	9	16	7		41	-	47	88
2018	-	-	1	2	6	9	19	7	-	44	-	44	88
<b>Gender Office</b>													
2017	-	-	-	1	1	2	1	-	-	5	-	1	6
2018	-	-	-	1	1	2	1	-	-	5	-	1	6

<b>TABLE A.II.2: PSA STAFFING BY ORGANIZATIONAL UNIT, 2017 AND 2018</b>													
	<b>International professional category and above</b>										<b>Others</b>		
	<b>ED</b>	<b>ASG</b>	<b>D2</b>	<b>D1</b>	<b>P5</b>	<b>P4</b>	<b>P3</b>	<b>P2</b>	<b>P1</b>	<b>Total</b>	<b>Field national staff</b>	<b>Headquarters and LO GS</b>	<b>Grand total</b>
<b>Operations Management Support</b>													
2017	-	-	-	-	1	2	-	1	-	4	-	4	8
2018	-	-	1	-	1	1	-	1	-	4	-	4	8
<b>Operations Services</b>													
<b>2017</b>	-	<b>1</b>	<b>6</b>	<b>10</b>	<b>21</b>	<b>41</b>	<b>26</b>	<b>5</b>	-	<b>110</b>	-	<b>63</b>	<b>172</b>
<b>2018</b>	-	<b>1</b>	<b>6</b>	<b>13</b>	<b>23</b>	<b>37</b>	<b>25</b>	<b>3</b>	-	<b>108</b>	-	<b>62</b>	<b>169</b>
<b>Office of the AED</b>													
2017	-	1	-	-	-	1	-	-	-	2	-	2	4
2018	-	1	-	-	1	1	-	-	-	3	-	2	5
<b>Chief Adviser Office</b>													
2017	-	-	1	-	-	1	-	-	-	2	-	1	3
2018	-	-	1	-	-	-	-	-	-	1	-	-	1
<b>Emergency Preparedness and Support Response</b>													
2017	-	-	1	-	2	5	3	1	-	12	-	3	15
2018	-	-	1	1	3	4	2	-	-	11	-	3	14
<b>Supply Chain</b>													
2017	-	-	2	5	11	18	17	3	-	56	-	45	100
2018	-	-	2	5	11	18	16	3	-	55	-	45	99
<b>Nutrition</b>													
2017	-	-	1	1	1	3	1	-	-	7	-	2	9
2018	-	-	1	1	1	2	2	-	-	7	-	2	9
<b>Policy and Programme</b>													
2017	-	-	1	4	8	13	5	1	-	31	-	10	41
2018	-	-	1	6	7	12	5	-	-	31	-	10	41

TABLE A.II.2: PSA STAFFING BY ORGANIZATIONAL UNIT, 2017 AND 2018													
	International professional category and above									Others			
	ED	ASG	D2	D1	P5	P4	P3	P2	P1	Total	Field national staff	Headquarters and LO GS	Grand total
<b>Partnerships and Governance</b>													
2017	-	1	3	11	15	24	26	10	-	90	10	50	150
2018	-	1	3	12	16	24	25	9	-	90	4	48	142
<b>Office of the AED</b>													
2017	-	1	-	-	-	1	-	-	-	2	-	2	4
2018	-	1	-	-	2	-	1	-	-	4	-	2	6
<b>Partnership and Advocacy Coordination</b>													
2017	-	-	-	1	2	-	2	-	-	5	-	2	7
2018	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Executive Board Secretariat</b>													
2017	-	-	-	1	2	5	2	-	-	10	-	15	25
2018	-	-	-	1	2	5	2	-	-	10	-	15	25
<b>Government Partnerships Division (Berlin, Madrid, Paris, Seoul, Tokyo, United Arab Emirates)</b>													
2017	-	-	1	3	3	9	11	1	-	28	5	16	49
2018	-	-	1	3	4	9	11	-	-	28	1	16	45
<b>Private Sector Partnerships</b>													
2017	-	-	1	1	2	2	8	8	-	22	3	4	29
2018	-	-	1	1	2	3	8	8	-	23	1	4	28
<b>Rome-based Agencies and Committee on World Food Security</b>													
2017	-	-	-	1	1	-	1	-	-	3	-	1	4
2018	-	-	-	1	1	-	1	-	-	3	-	1	4
<b>United Nations System division (New York, Addis Ababa, Geneva)</b>													
2017	-	-	1	2	3	4	-	-	-	10	2	3	15
2018	-	-	1	3	3	4	-	-	-	11	2	3	16

<b>TABLE A.II.2: PSA STAFFING BY ORGANIZATIONAL UNIT, 2017 AND 2018</b>													
	<b>International professional category and above</b>										<b>Others</b>		
	<b>ED</b>	<b>ASG</b>	<b>D2</b>	<b>D1</b>	<b>P5</b>	<b>P4</b>	<b>P3</b>	<b>P2</b>	<b>P1</b>	<b>Total</b>	<b>Field national staff</b>	<b>Headquarters and LO GS</b>	<b>Grand total</b>
<b>Brussels Office</b>													
2017	-	-	-	1	1	1	1	-	-	4	-	3	7
2018	-	-	-	1	1	1	1	-	-	4	-	3	7
<b>Washington Office</b>													
2017	-	-	-	1	1	2	1	1	-	6	-	4	10
2018	-	-	-	2	1	2	1	1	-	7	-	4	11
<b>Resource Management</b>													
<b>2017</b>	-	<b>1</b>	<b>2</b>	<b>6</b>	<b>19</b>	<b>20</b>	<b>30</b>	<b>5</b>	-	<b>83</b>	-	<b>110</b>	<b>193</b>
<b>2018</b>	-	<b>1</b>	<b>2</b>	<b>7</b>	<b>21</b>	<b>21</b>	<b>32</b>	<b>6</b>	-	<b>90</b>	-	<b>109</b>	<b>199</b>
<b>Office of the AED and CFO</b>													
2017	-	1	-	-	-	1	-	-	-	2	-	2	4
2018	-	1	-	-	-	1	-	-	-	2	-	2	4
<b>Budget and Programming</b>													
2017	-	-	1	1	5	3	8	-	-	18	-	26	44
2018	-	-	1	1	5	3	8	-	-	18	-	25	43
<b>Finance and Treasury</b>													
2017	-	-	1	1	5	6	10	4	-	27	-	25	52
2018	-	-	1	1	5	5	9	5	-	26	-	22	48
<b>Enterprise Risk Management</b>													
2017	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	1	2	2	4	-	-	9	-	2	11
<b>Performance Management and Monitoring</b>													
2017	-	-	-	1	3	4	5	-	-	13	-	5	18
2018	-	-	-	1	3	4	4	-	-	12	-	6	18

<b>TABLE A.II.2: PSA STAFFING BY ORGANIZATIONAL UNIT, 2017 AND 2018</b>													
	<b>International professional category and above</b>										<b>Others</b>		
	<b>ED</b>	<b>ASG</b>	<b>D2</b>	<b>D1</b>	<b>P5</b>	<b>P4</b>	<b>P3</b>	<b>P2</b>	<b>P1</b>	<b>Total</b>	<b>Field national staff</b>	<b>Headquarters and LO GS</b>	<b>Grand total</b>
<b>Management Services</b>													
2017	-	-	-	1	3	1	4	1	-	10	-	22	32
2018	-	-	-	1	3	1	4	1	-	10	-	22	32
<b>Security Division</b>													
2017	-	-	-	1	1	2	-	-	-	4	-	26	30
2018	-	-	-	1	1	2	-	-	-	4	-	26	30
<b>Resource Management Integration and Support Office</b>													
2017	-	-	-	-	1	1	2	-	-	4	-	1	5
2018	-	-	-	-	1	1	2	-	-	4	-	1	5
<b>Staff Wellness</b>													
2017	-	-	-	1	1	2	1	-	-	5	-	3	8
2018	-	-	-	1	1	2	1	-	-	5	-	3	8
<b>Corporate</b>													
2017	-	-	-	1	1	1	-	-	-	3	-	-	3
2018	-	-	-	1	1	1	-	-	-	3	-	-	3
<b>Grand total</b>													
2017	1	5	39	76	163	230	206	43	-	763	592	332	1 686
2018	1	5	41	83	173	228	215	38	-	784	628	321	1 732

**TABLE A.II.3: PSA BUDGET BY ORGANIZATIONAL UNIT, 2017 AND 2018 (USD thousand)**

	Staff cost	Local staff	Consultancy	Temp. assistance	Overtime	Duty travel	Training	Rental	Utilities, clean. and maint. premises	Office supplies and other office expenses	Comm/IT services and equipment	Insurance	Vehicle leasing and running costs	Hospitality	Services from other agencies	Contribution United Nations bodies	Other	Total other costs	Total
<b>Country offices</b>																			
2017	29 232	6 000	650	750	27	1 400	100	1 200	500	650	1 000	10	750	10	450	350	35 720	49 567	78 799
2018	29 902	6 065	750	750	27	1 843	236	1 200	500	650	1 000	10	750	10	450	350	34 919	49 511	79 412
Country offices																			
2017	29 232	6 000	650	750	27	1 400	100	1 200	500	650	1 000	10	750	10	450	350	620	14 467	43 699
2018	29 902	6 000	650	750	27	1 400	100	1 200	500	650	1 000	10	750	10	450	350	96	13 943	43 845
Field training																			
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	65	100	0	0	443	136	0	0	0	0	0	0	0	0	0	24	768	768
Country offices technical adjustment																			
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35 100	35 100	35 100
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34 800	34 800	34 800
<b>Regional bureaux</b>																			
2017	39 627	13 663	1 799	540	59	3 500	855	1 215	576	914	2 340	164	291	15	752	81	829	27 592	67 219
2018	42 281	13 712	1 638	271	62	2 454	831	1 199	701	471	1 944	51	270	25	189	72	1 045	24 934	67 215
RB – Asia and the Pacific																			
2017	7 055	2 636	837	111	7	904	212	350	77	104	358	3	7	2	131	6	3	5 747	12 802
2018	7 369	2 665	1 000	75	13	500	188	350	76	81	247	3	8	2	48	6	87	5 348	12 716
RB – Middle East, North Africa, Eastern Europe and Central Asia																			
2017	7 176	1 820	162	328	20	350	285	170	70	188	510	7	72	8	143	15	38	4 184	11 361
2018	8 666	1 534	162	76	20	311	200	220	85	0	406	7	72	8	7	10	281	3 399	12 065
RB – West Africa																			
2017	7 621	1 987	190	40	10	683	160	25	150	246	461	22	50	5	153	0	196	4 379	11 999
2018	8 037	1 458	96	29	10	652	343	24	56	208	353	21	44	5	43	0	175	3 513	11 550
RB – Southern Africa																			
2017	7 254	2 299	332	10	10	640	138	251	0	132	580	5	50	0	228	30	85	4 791	12 045
2018	5 742	3 035	35	30	10	430	100	235	314	72	350	10	70	10	0	20	141	4 863	10 605

**TABLE A.II.3: PSA BUDGET BY ORGANIZATIONAL UNIT, 2017 AND 2018 (USD thousand)**

	Staff cost	Local staff	Consultancy	Temp. assistance	Overtime	Duty travel	Training	Rental	Utilities, clean. and maint. premises	Office supplies and other office expenses	Comm/IT services and equipment	Insurance	Vehicle leasing and running costs	Hospitality	Services from other agencies	Contribution United Nations bodies	Other	Total other costs	Total
<b>RB – East and Central Africa</b>																			
2017	5 609	2 695	0	20	8	598	45	375	69	217	223	127	89	0	62	19	409	4 955	10 564
2018	7 261	2 771	0	0	5	261	0	300	0	106	469	5	50	0	86	30	210	4 293	11 554
<b>RB – Latin America and the Caribbean</b>																			
2017	4 911	2 226	278	32	4	325	15	44	210	27	208	0	23	0	36	11	98	3 537	8 448
2018	5 206	2 250	345	61	4	300	0	71	170	5	120	5	27	0	5	6	150	3 519	8 725
<b>Headquarters</b>																			
<b>2017</b>	<b>130 651</b>	<b>1 467</b>	<b>11 973</b>	<b>4 602</b>	<b>380</b>	<b>4 356</b>	<b>2 064</b>	<b>1 461</b>	<b>2 668</b>	<b>2 065</b>	<b>7 112</b>	<b>265</b>	<b>205</b>	<b>77</b>	<b>1 172</b>	<b>292</b>	<b>1 847</b>	<b>42 006</b>	<b>172 657</b>
<b>2018</b>	<b>130 095</b>	<b>1 300</b>	<b>14 129</b>	<b>4 107</b>	<b>277</b>	<b>4 058</b>	<b>1 657</b>	<b>1 265</b>	<b>2 790</b>	<b>2 279</b>	<b>7 533</b>	<b>263</b>	<b>207</b>	<b>41</b>	<b>190</b>	<b>298</b>	<b>4 069</b>	<b>44 463</b>	<b>174 558</b>
<b>Executive Director and Chief of Staff</b>																			
<b>2017</b>	<b>35 708</b>	<b>67</b>	<b>7 463</b>	<b>1 401</b>	<b>40</b>	<b>1 833</b>	<b>427</b>	<b>364</b>	<b>0</b>	<b>200</b>	<b>3 858</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>711</b>	<b>0</b>	<b>239</b>	<b>16 639</b>	<b>52 348</b>
<b>2018</b>	<b>34 885</b>	<b>67</b>	<b>8 476</b>	<b>1 012</b>	<b>31</b>	<b>1 586</b>	<b>291</b>	<b>172</b>	<b>0</b>	<b>170</b>	<b>4 343</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>568</b>	<b>16 724</b>	<b>51 609</b>
<b>Office of the Executive Director and Chief of Staff</b>																			
2017	2 980	0	51	0	39	400	20	0	0	15	105	0	0	30	0	0	0	660	3 640
2018	2 997	0	35	0	30	394	0	0	0	15	100	0	0	0	0	0	0	574	3 571
<b>Innovation and Change Management</b>																			
2017	675	0	283	130	0	145	20	0	0	4	25	0	0	2	0	0	0	609	1 284
2018	645	0	283	130	0	145	20	0	0	4	12	0	0	2	0	0	13	609	1 254
<b>Communications</b>																			
2017	6 222	67	1 222	0	0	80	6	171	0	81	611	0	0	4	0	0	116	2 357	8 578
2018	6 107	67	1 222	0	0	80	6	171	0	81	611	0	0	4	0	0	39	2 280	8 387
<b>Cash-Based Transfers</b>																			
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	411	0	0	0	0	19	0	0	0	0	0	0	0	0	0	0	0	19	430
<b>Information Technology</b>																			
2017	11 727	0	938	706	0	330	180	192	0	3	2 954	0	0	0	688	0	0	5 991	17 718
2018	10 584	0	1 053	688	0	80	94		0	30	3 485	0	0	0	0	0	0	5 431	16 014

**TABLE A.II.3: PSA BUDGET BY ORGANIZATIONAL UNIT, 2017 AND 2018 (USD thousand)**

	Staff cost	Local staff	Consultancy	Temp. assistance	Overtime	Duty travel	Training	Rental	Utilities, clean. and maint. premises	Office supplies and other office expenses	Comm/IT services and equipment	Insurance	Vehicle leasing and running costs	Hospitality	Services from other agencies	Contribution United Nations bodies	Other	Total other costs	Total
Legal Office																			
2017	3 882	0	454	410	0	30	0	0	0	30	72	0	0	0	0	0	123	1 119	5 001
2018	4 038	0	303	49	0	12	10	0	0	15	76	0	0	0	0	0	443	908	4 945
Inspector General and Oversight Office																			
2017	6 113	0	609	67	0	680	60	1	0	50	50	0	0	0	0	0	0	1 518	7 631
2018	6 062	0	1 009	57	0	690	60	1	0	10	17	0	0	0	0	0	73	1 918	7 979
Office of Evaluation																			
2017	3 054	0	3 686	0	0	78	20	0	0	12	10	0	0	0	20	0	0	3 826	6 880
2018	3 003	0	4 300	0	0	76	30	0	0	10	10	0	0	0	0	0	0	4 426	7 429
Office of the Ombudsman																			
2017	426	0	65	88	1	60	38	0	0	2	15	0	0	0	0	0	0	269	695
2018	417	0	65	88	1	60	38	0	0	2	15	0	0	0	0	0	0	269	686
Ethics Office																			
2017	629	0	154	0	0	30	83	0	0	4	17	0	0	0	3	0	0	291	920
2018	621	0	205	0	0	30	33	0	0	3	17	0	0	0	3	0	0	291	912
<b>Deputy Executive Director</b>																			
<b>2017</b>	<b>14 959</b>	<b>0</b>	<b>690</b>	<b>251</b>	<b>30</b>	<b>299</b>	<b>811</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>416</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 556</b>	<b>17 514</b>
<b>2018</b>	<b>15 115</b>	<b>0</b>	<b>1 249</b>	<b>486</b>	<b>36</b>	<b>340</b>	<b>795</b>	<b>0</b>	<b>0</b>	<b>106</b>	<b>378</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>5</b>	<b>440</b>	<b>3 838</b>	<b>18 953</b>
Office of the Deputy Executive Director																			
2017	729	0	21	0	5	115	0	0	0	3	3	0	0	3	0	0	0	150	879
2018	812	0	21	0	5	115	0	0	0	3	3	0	0	3	0	0	0	150	962
Human Resources Division																			
2017	11 839	0	372	251	25	100	771	0	0	50	360	0	0	0	0	0	0	1 929	13 768
2018	11 945	0	1 006	486	25	150	771	0	0	100	360	0	0	0	0	0	313	3 211	15 156
Gender Office																			
2017	1 215	0	200	0	0	74	40	0	0	3	47	0	0	0	0	0	0	364	1 579
2018	1 203	0	120	0	0	70	24	0	0	3	15	0	0	0	0	5	127	364	1 566

**TABLE A.II.3: PSA BUDGET BY ORGANIZATIONAL UNIT, 2017 AND 2018 (USD thousand)**

	Staff cost	Local staff	Consultancy	Temp. assistance	Overtime	Duty travel	Training	Rental	Utilities, clean. and maint. premises	Office supplies and other office expenses	Comm/IT services and equipment	Insurance	Vehicle leasing and running costs	Hospitality	Services from other agencies	Contribution United Nations bodies	Other	Total other costs	Total
<b>Operations Management Support</b>																			
2017	1 175	0	97	0	0	10	0	0	0	0	6	0	0	0	0	0	0	113	1 289
2018	1 155	0	102	0	6	5	0	0	0	0	0	0	0	0	0	0	0	113	1 268
<b>Operations Services</b>																			
<b>2017</b>	<b>29 414</b>	<b>0</b>	<b>935</b>	<b>916</b>	<b>11</b>	<b>687</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>136</b>	<b>317</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>33</b>	<b>0</b>	<b>260</b>	<b>3 451</b>	<b>32 865</b>
<b>2018</b>	<b>28 939</b>	<b>0</b>	<b>1 031</b>	<b>791</b>	<b>11</b>	<b>557</b>	<b>116</b>	<b>0</b>	<b>0</b>	<b>184</b>	<b>321</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>1 072</b>	<b>4 092</b>	<b>33 031</b>
<b>Office of the AED</b>																			
2017	752	0	40	0	4	62	0	0	0	24	19	0	0	2	0	0	0	151	903
2018	987	0	40	0	4	62	0	0	0	24	19	0	0	2	0	0	100	251	1 238
<b>Chief Adviser Office</b>																			
2017	642	0	250	83	0	100	3	0	0	95	95	0	0	0	0	0	0	626	1 267
2018	302	0	250	83	0	100	3	0	0	95	95	0	0	0	0	0	319	945	1 247
<b>Emergency Preparedness and Support Response</b>																			
2017	2 789	0	0	638	0	6	0	0	0	0	25	0	0	0	33	0	0	701	3 490
2018	2 796	0	0	543	0	125	100	0	0	10	30	0	0	0	0	0	200	1 008	3 804
<b>Supply Chain</b>																			
2017	15 648	0	334	36	7	102	0	0	0	14	53	0	0	7	0	0	250	804	16 452
2018	15 139	0	334	36	7	102	0	0	0	14	53	0	0	7	0	0	452	1 006	16 145
<b>Nutrition</b>																			
2017	1 825	0	11	0	0	18	0	0	0	3	15	0	0	0	0	0	9	57	1 882
2018	1 776	0	15	0	0	18	13	0	0	3	15	0	0	0	0	0	0	64	1 841
<b>Policy and Programme</b>																			
2017	7 758	0	300	160	0	400	143	0	0	0	110	0	0	0	0	0	0	1 113	8 871
2018	7 939	0	392	130	0	150	0	0	0	38	109	0	0	0	0	0	0	819	8 758
<b>Partnerships and Governance</b>																			
<b>2017</b>	<b>23 673</b>	<b>977</b>	<b>1 677</b>	<b>1 394</b>	<b>92</b>	<b>939</b>	<b>280</b>	<b>1 090</b>	<b>216</b>	<b>171</b>	<b>1 058</b>	<b>15</b>	<b>38</b>	<b>25</b>	<b>110</b>	<b>292</b>	<b>981</b>	<b>9 354</b>	<b>33 026</b>
<b>2018</b>	<b>23 397</b>	<b>808</b>	<b>1 929</b>	<b>1 249</b>	<b>86</b>	<b>895</b>	<b>160</b>	<b>1 086</b>	<b>213</b>	<b>386</b>	<b>1 025</b>	<b>13</b>	<b>40</b>	<b>19</b>	<b>117</b>	<b>293</b>	<b>1 231</b>	<b>9 551</b>	<b>32 947</b>

**TABLE A.II.3: PSA BUDGET BY ORGANIZATIONAL UNIT, 2017 AND 2018 (USD thousand)**

	Staff cost	Local staff	Consultancy	Temp. assistance	Overtime	Duty travel	Training	Rental	Utilities, clean. and maint. premises	Office supplies and other office expenses	Comm/IT services and equipment	Insurance	Vehicle leasing and running costs	Hospitality	Services from other agencies	Contribution United Nations bodies	Other	Total other costs	Total
Office of the AED																			
2017	752	0	75	0	20	233	4	23	0	5	30	0	0	4	0	0	10	404	1 156
2018	1208	0	294	0	5	185	10	0	0	2	30	0	0	4	0	0	0	530	1 737
Partnership and Advocacy Coordination																			
2017	1 314	0	160	60	0	52	144	0	0	0	34	0	0	0	0	0	0	449	1 764
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Executive Board Secretariat																			
2017	3 627	0	0	628	42	5	15	0	0	10	64	0	0	5	0	289	533	1 591	5 218
2018	3 533	0	0	609	50	4	15	0	0	11	70	0	0	6	0	290	537	1 591	5 124
Government Partnerships Division (Berlin, Madrid, Paris, Seoul, Tokyo, United Arab Emirates)																			
2017	7 317	532	448	203	17	215	49	165	52	53	223	7	23	9	2	0	280	2 279	9 596
2018	7 307	426	429	179	13	235	36	171	27	315	206	3	21	2	7	0	339	2 409	9 716
Private Sector Partnerships																			
2017	4 147	354	431	189	10	186	45	24	44	48	497	0	0	2	44	0	42	1 917	6 064
2018	4 342	220	409	189	15	235	84	38	44	0	497	0	0	2	44	0	99	1 876	6 219
Rome-based Agencies and Committee on World Food Security																			
2017	810	0	4	0	0	8	2	0	0	3	10	0	0	0	0	0	0	27	837
2018	795	0	133	0	0	8	2	0	0	3	10	0	0	0	0	0	0	156	951
United Nations System division (New York, Addis Ababa, Geneva)																			
2017	2 804	70	182	256	3	82	19	458	90	23	109	3	15	3	14	0	40	1 367	4 172
2018	3 040	138	323	115	3	138	11	397	112	22	106	5	19	3	5	0	62	1 459	4 499
Brussels Office																			
2017	1 265	0	190	58	0	30	2	130	30	20	28	3	0	0	0	3	33	526	1 791
2018	1 272	0	199	58	0	30	2	130	30	25	28	3	0	0	0	3	20	526	1 798
Washington Office																			
2017	1 636	20	186	0	0	127	0	289	0	9	64	2	0	2	50	0	42	792	2 428
2018	1 901	24	143	100	0	60	0	350	0	8	78	3	0	2	61	0	173	1 002	2 903

**TABLE A.II.3: PSA BUDGET BY ORGANIZATIONAL UNIT, 2017 AND 2018 (USD thousand)**

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<b>Resource Management</b>																			
2017	26 898	424	1 208	639	206	598	400	7	2 452	1 502	1 464	250	167	4	318	0	367	10 006	36 904
2018	27 759	425	1 443	568	113	681	295	7	2 577	1 433	1 467	250	167	4	70	0	759	10 258	38 018
<b>Office of the AED and CFO</b>																			
2017	784	0	0	0	4	69	0	0	0	1	9	0	0	4	0	0	0	87	871
2018	763	0	0	0	4	69	0	0	0	1	9	0	0	4	0	0	0	87	850
<b>Budget and Programming</b>																			
2017	6 239	0	113	118	14	34	0	0	0	7	15	0	0	0	0	0	0	300	6 539
2018	6 007	0	55	35	22	9	0	0	0	5	15	0	0	0	0	0	0	141	6 149
<b>Finance and Treasury</b>																			
2017	7 698	301	349	92	22	97	55	7	2	91	141	0	0	0	0	0	18	1 175	8 873
2018	7 054	302	349	92	22	97	55	7	2	8	141	0	0	0	0	0	406	1 481	8 534
<b>Enterprise Risk Management</b>																			
2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	2 051	0	231	0	0	192	75	0	0	0	0	0	0	0	0	0	0	498	2 549
<b>Performance Management and Monitoring</b>																			
2017	3 189	0	80	30	15	20	15	0	0	10	71	0	0	0	0	0	26	267	3 456
2018	3 091	0	95	41	15	45	23	0	0	8	40	0	0	0	0	0	0	267	3 358
<b>Management Services</b>																			
2017	3 968	123	530	399	100	175	250	0	2 450	1 370	1 130	250	167	0	195	0	0	7 139	11 107
2018	3 852	123	530	400	0	100	50	0	2 575	1 394	1 130	250	167	0	70	0	0	6 789	10 641
<b>Security Division</b>																			
2017	2 756	0	0	0	52	52	0	0	0	11	58	0	0	0	0	0	252	426	3 182
2018	2 687	0	0	0	50	47	0	0	0	6	52	0	0	0	0	0	252	407	3 094
<b>Resource Management Integration and Support Office</b>																			
2017	847	0	100	0	0	75	5	0	0	10	20	0	0	0	0	0	71	281	1 128
2018	862	0	148	0	0	25	5	0	0	10	20	0	0	0	0	0	50	258	1 120

**TABLE A.II.3: PSA BUDGET BY ORGANIZATIONAL UNIT, 2017 AND 2018 (USD thousand)**

	Staff cost	Local staff	Consultancy	Temp. assistance	Overtime	Duty travel	Training	Rental	Utilities, clean. and maint. premises	Office supplies and other office expenses	Comm/IT services and equipment	Insurance	Vehicle leasing and running costs	Hospitality	Services from other agencies	Contribution United Nations bodies	Other	Total other costs	Total
Staff Wellness																			
2017	1 417	0	35	0	0	76	75	0	0	1	20	0	0	0	123	0	0	331	1 747
2018	1 393	0	35	0	0	96	87	0	0	1	61	0	0	0	0	0	50	331	1 723
<b>Corporate</b>																			
<b>2017</b>	<b>752</b>	<b>93</b>	<b>120</b>	<b>15</b>	<b>8</b>	<b>232</b>	<b>2 500</b>	<b>0</b>	<b>0</b>	<b>244</b>	<b>15</b>	<b>1 625</b>	<b>0</b>	<b>1</b>	<b>2 803</b>	<b>3 264</b>	<b>5 056</b>	<b>15 975</b>	<b>16 727</b>
<b>2018</b>	<b>745</b>	<b>93</b>	<b>120</b>	<b>15</b>	<b>8</b>	<b>232</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>244</b>	<b>15</b>	<b>1 625</b>	<b>0</b>	<b>1</b>	<b>2 803</b>	<b>3 264</b>	<b>5 056</b>	<b>13 475</b>	<b>14 220</b>
Central appropriations																			
2017	752	93	120	15	8	232	0	0	0	244	15	1 625	0	1	2 803	3 264	5 056	13 475	14 227
2018	745	93	120	15	8	232	0	0	0	244	15	1 625	0	1	2 803	3 264	5 056	13 475	14 220
Staff skills																			
2017	0	0	0	0	0	0	2 500	0	0	0	0	0	0	0	0	0	0	2 500	2 500
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>																			
<b>2017</b>	<b>200 261</b>	<b>21 223</b>	<b>14 542</b>	<b>5 907</b>	<b>475</b>	<b>9 488</b>	<b>5 519</b>	<b>3 876</b>	<b>3 745</b>	<b>3 873</b>	<b>10 467</b>	<b>2 064</b>	<b>1 246</b>	<b>103</b>	<b>5 177</b>	<b>3 986</b>	<b>43 451</b>	<b>135 141</b>	<b>335 402</b>
<b>2018</b>	<b>203 022</b>	<b>21 170</b>	<b>16 637</b>	<b>5 144</b>	<b>375</b>	<b>8 587</b>	<b>2 724</b>	<b>3 664</b>	<b>3 991</b>	<b>3 643</b>	<b>10 492</b>	<b>1 949</b>	<b>1 227</b>	<b>77</b>	<b>3 633</b>	<b>3 983</b>	<b>45 088</b>	<b>132 383</b>	<b>335 405</b>

\* National staff costs are accounted for under other costs

## ANNEX III

## Regional overviews – operational requirements

## Bangkok Regional Bureau – RBB

Operational requirements	USD 570 million
No. of daily rations	1.3 billion
Food tonnage	279 000 mt
Countries with planned operations	Afghanistan, Bangladesh, Bhutan, Cambodia, China, Democratic People's Republic of Korea, India, Indonesia, Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, the Philippines, Sri Lanka, Timor-Leste

1. WFP's presence in the Asia-Pacific region covers a vast area, stretching from the Democratic People's Republic of Korea and Mongolia in the north to Fiji and the Pacific islands in the southeast and Afghanistan and Pakistan in the west. Within this geographical expanse, the countries of the region have varying levels of economic growth. The World Bank classifies Afghanistan, the Democratic People's Republic of Korea and Nepal as low-income countries; Bangladesh, Bhutan, Cambodia, India, Indonesia, the Lao People's Democratic Republic, Myanmar, Pakistan, Papua New Guinea, the Philippines, Sri Lanka, Timor-Leste and Viet Nam as lower-middle-income countries; and China and Fiji as upper-middle-income countries.
2. The Asia-Pacific region is experiencing faster economic growth than any other region in the world and its collective economy is expected to be larger than that of Western Europe and equal to that of North and South America by 2025.<sup>1</sup>
3. These economic gains have not benefited everybody equally. Poverty and undernourishment persist, often exacerbated by natural disasters, climate change, protracted conflict and internal displacement. It is widely acknowledged that with limited income and limited, if any, financial savings, poor people have little or no ability to respond to and recover from disasters. In spite of important gains in women's education, maternal health and employment, achieving gender equality remains a big challenge. In 2016, the region scored less than 32 percent in the Global Gender Gap Index, putting it in the middle range of the index and ranked fifth of eight regions.<sup>2</sup>
4. In the Asia-Pacific region, WFP focuses on investing in government safety nets and working on disaster preparedness with regional, national and local institutions; building the resilience of communities; and preventing undernutrition and providing life-saving food and cash assistance to refugees, internally displaced populations and local communities affected by conflict or natural disaster.
5. WFP is also continuing its strategic shift from being the implementer of its own programmes to becoming an enabler of national solutions. Regional evaluations carried out in 2015 and 2016 record continued valuable contributions to enhancing national policies and accountability.<sup>3</sup> Overall, the 2018 portfolio of operations in the region positions WFP to respond to wide-ranging needs in complex and evolving contexts.

<sup>1</sup> World Bank data, 2017. Available at <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

<sup>2</sup> Available at <http://reports.weforum.org/global-gender-gap-report-2016/east-asia-and-the-pacific/>

<sup>3</sup> WFP Annual Performance Report for 2016: WFP/EB.A/2017/4.

6. Implementation of the 2030 Agenda and WFP's Integrated Road Map (IRM) is well under way, with WFP country offices in the three pilot countries of Bangladesh, Indonesia and the Lao People's Democratic Republic starting implementation of their country strategic plans (CSPs) on 1 April 2017 and the next wave of CSPs – those of Myanmar and Sri Lanka – ready for presentation to the Board for approval in November 2017, to be followed by Pakistan and Timor-Leste in February 2018, Afghanistan and the Philippines in June 2018 and Nepal in November 2018. Discussions are under way to define WFP's role in supporting the governments of those countries of the region where WFP does not have a physical presence in their efforts to achieve the targets of Sustainable Development Goal (SDG) 2. As WFP's role changes from implementer to enabler, alternative models for rendering assistance in the Asia-Pacific region will be articulated – based on, for example, its engagement in the Pacific islands – and applied across the organization.
7. In the region, WFP's strategic outcomes address all three focus areas – crisis response, resilience-building and root causes. Operations in highly insecure and hazard-prone countries such as Afghanistan, Bangladesh and the Democratic People's Republic of Korea will focus on strengthening the resilience of vulnerable populations to future shocks and supporting the mid- to long-term recovery of populations recently affected by shocks. In such countries WFP assistance will aim to address root causes and longstanding or unaddressed needs and vulnerabilities, including gaps in the availability of and access to food, poverty and poor access to education, healthcare and other basic social services. WFP will deliver most of its crisis response humanitarian relief assistance and services to three countries: Afghanistan, Bangladesh and Myanmar. Outcomes linked to the crisis response focus area seek to protect and restore the food security and nutrition status of targeted populations – including internally displaced persons, refugees and residents who have been affected by shocks – creating conditions for early recovery where possible.
8. As WFP increases its strategic alignment with countries' work towards achievement of the SDGs and associated national priorities, country strategic reviews are critical in positioning WFP to contribute to the attainment of SDGs 2 and 17 in each country. WFP will apply the same “whole-of-society” approach to its CSPs as was used for the strategic reviews. With national governments increasing their leadership of actions towards achieving the SDGs with national partners, however, WFP will have to increase its efforts to provide value-added services to governments and to raise resources from within host countries. Mobilizing resources will continue to be a critical challenge for WFP. In the Asia-Pacific region, WFP is at a point where it must make strategic decisions to define a role for itself that enables it to reduce its physical presence and consolidate its capacity to deliver highly effective assistance to countries in the region. Delivery on the value proposition that WFP offers through its CSPs will require support from the regional bureau and WFP headquarters to ensure that adequate financial resources are mobilized and allocated to contribute to achievement of the SDG targets.
9. Given the increasing interest among private-sector entities in working with WFP on creating solutions to global challenges that also constitute business opportunities, the SDGs provide a good platform for WFP to increase engagement, not only in joint efforts to end hunger through SDG 2 and revitalize global partnership for sustainable development through SDG 17, but also in strengthening WFP's contributions to other SDGs. In addition to corporate partnerships, individual giving is also receiving growing attention, especially in China, Japan and the Republic of Korea.
10. Priorities in respect of WFP's corporate supply chain will include developing a service provision model for the supply chain, using external networks to complement in-house capacity and measuring the outcomes of WFP's supply chain work more effectively. In the meantime, WFP's Supply Chain Division continues to support countries implementing CSPs in wave 1 and will be working with the IRM team to ensure that in each CSP supply chain expenses are planned and reported on at the activity level while country offices have the flexibility to contract at an aggregated level to ensure more agile and cost-effective supply chain management.
11. In 2018, WFP direct assistance in the region will decrease by an estimated 7 percent compared with 2017 to reach 11 million people in 14 countries at an estimated cost of USD 570 million. WFP will continue to work on adapting modalities and business processes that allow flexible and seamless

- adjustments between food, cash and voucher transfers. WFP will use cash transfers and vouchers as tools for relief, asset creation and the promotion of longer-term sustainable livelihoods. Changes in transfer modality will include increased use of CBTs in Afghanistan, Bangladesh and Myanmar and scale-up of capacity strengthening activities in Bangladesh, the Lao People’s Democratic Republic and Nepal. In India and Indonesia, WFP will continue to implement capacity strengthening activities.
12. WFP recognizes that gender issues are context-specific and that taking an approach that is sensitive to these issues and gender-transformative – in that it promotes change in restrictive gender-based norms, relationships and attitudes – can enhance benefits, decrease costs and advance sustainable results. The regional bureau will continue to focus on strengthening information platforms and partnerships, working with partners to make the most of their capacities to enhance gender equality and women’s empowerment and to improve reporting on achievements. A partnership mapping exercise is under way to inform the development of strategic and non-traditional partnerships that fill internal capacity gaps and help to ensure that perceptions of WFP’s involvement in gender equality and women’s empowerment are accurate.
  13. WFP will further consolidate its focus on preventing moderate acute malnutrition but will also expand its work to prevent stunting. With particular focus on promoting local solutions together with the United Nations Children’s Fund (UNICEF), WFP will facilitate improved access to specialized nutritious foods by engaging with governments, support policy initiatives at the national level and provide direct support to populations affected by emergencies.
  14. WFP’s ability to save lives and protect livelihoods in emergencies is directly related to the ability of governments and communities to prepare for, assess and respond to natural disasters. WFP will continue to strengthen its operational partnerships with national and regional disaster management organizations and will prepare for potential high-impact emergencies by sharing information on multi-stakeholder advance response planning with governments, humanitarian actors and regional bodies such as the Association of Southeast Asian Nations, focusing on high-risk scenarios such as typhoons and earthquakes in the region. Disaster-prone countries such as Bangladesh, Indonesia, Myanmar, Nepal, the Philippines and the Pacific island nations continue to receive special attention.
  15. WFP is committed to developing and strengthening during the coming year, strategic partnerships in the region with the other Rome-based agencies, the Asian Development Bank and the private sector, working with its partners at the country level towards sustainable food and nutrition security. By working with its partners, WFP will increase its institutional capabilities, credibility and rigour in food security programmes, processes and related systems to provide context-specific solutions.
  16. WFP will also strengthen its focus on performance management and outcomes, demonstrating results and reporting tools for the IRM. With a view to enhancing programming in countries, monitoring and evaluation capacity will be strengthened to show impacts and build evidence to inform future interventions. Mapping of capacity needs will enable country offices to identify existing capacities through engagement with government stakeholders. Where national governments are unable to do so, WFP will engage directly in SDG monitoring with United Nations agencies assigned as “custodians” of SDG indicators.

### Cairo Regional Bureau – RBC

<b>TABLE A.III.2: RBC OPERATIONAL REQUIREMENTS IN 2018</b>	
Operational requirements	USD 4.1 billion
No. of daily rations	9 billion
Food tonnage	2.3 million mt
Countries with planned operations	Algeria, Armenia, Egypt, Iraq, Islamic Republic of Iran, Jordan, Kyrgyzstan, Lebanon, Libya, Morocco, State of Palestine, the Sudan, Syrian Arab Republic, Tajikistan, Tunisia, Turkey, Ukraine, Yemen

17. WFP's Cairo Regional Bureau will face numerous challenges during 2018–2020. As the humanitarian community continues to adapt to rapidly changing circumstances, however, the challenges will also offer opportunities for innovative operations. Whereas in previous years, the regional bureau scaled up to address food insecurity concerns in conventional conflict environments, from 2018 onwards it will require a more medium- to long-term approach to targeted assistance. WFP's emergency operations in 2017 were defined by the corporate response to the unprecedented threat of four famines, with the threatened famine in Yemen categorized as phases 3 and 4 in the Integrated Food Security Phase Classification. With many of the emergencies to which it responded developing into situations of protracted conflict, WFP will turn its attention to building resilience and livelihoods, seeking to establish stronger ties with national governments to strengthen policies on food security.
18. Level 3 emergency operations in Iraq, the Syrian Arab Republic and Yemen and level 2 emergencies in Libya and Ukraine continue to be characterized by unprecedented situations of conflict that are heavily influenced by external factors. While addressing the ever-growing humanitarian needs relating to food security in areas of conflict, WFP works alongside governments in middle-income countries to improve social safety nets, providing robust and comprehensive technical guidance. As a number of emergency operations are shifting from immediate to longer-term assistance, the regional bureau will invest further in resilience-building and livelihood activities for refugees, internally displaced persons and returnees to help establish social stability through achievement of the SDGs.
19. In the Syrian Arab Republic, in the absence of a political solution, a transitional interim CSP (T-ICSP) will be introduced in 2018. In pockets of stability, augmentation of livelihood activities will be prioritized over general food assistance, while seasonal food assistance during the lean season will provide a safety net for vulnerable populations. In the five countries that together host more than 5 million refugees from the Syrian Arab Republic – Egypt, Iraq, Jordan, Lebanon and Turkey – WFP is focusing on activities that take into account the protracted situation of refugees, host communities and governments by aiming to increase food security through education, livelihoods, improved economic access and strengthened national systems. The focus will be on strengthening national systems and developing mechanisms for sustainable hand-over to national actors in the light of the potential return of refugees to the Syrian Arab Republic and the longer-term take-over of WFP programmes and activities by host governments. Although WFP will maintain a regional approach, implementation will be carried out by the five country offices through CSPs, ICSPs and T-ICSPs.
20. Since the outbreak of conflict in Yemen in March 2015, the humanitarian situation has remained fragile and unpredictable. During 2017, the crisis has been exacerbated by famine-like conditions and the recent re-emergence of cholera. The poorest country in the Middle East, Yemen suffers from a beleaguered health sector, increasing food costs and scarcity of food commodities that compound its already dire situation. The regional bureau faces a rapidly changing context requiring a multifaceted approach to providing not only assistance to targeted beneficiaries but also support to the humanitarian community as a whole. In response to these factors, WFP is scaling up its operations to reach 9.1 million people in 2017 with unconditional resource transfers to support access to food – through both in-kind distributions and commodity vouchers for traders network programme – and nutrition interventions for the treatment and prevention of acute and chronic malnutrition in children under 5 and pregnant and lactating women. WFP does not expect to reduce its operations during the first half of 2018, given the likely continuation of the conflict and displacement and the likely increase in humanitarian needs should Hodeida port close. By the second half of the year, however, it expects to decrease the proportion of assistance allocated to the southern region of Yemen should the situation there stabilize. This proportional decrease would apply to both unconditional resource transfers to support access to food and nutrition interventions.
21. While Iraq continues to be in a state of humanitarian crisis, there has been a notable change in the tone of the conflict. Based on the outcomes of a comprehensive food security and vulnerability assessment launched in 2017 and in response to the increase in the reach of the Government's public distribution system to people requiring state assistance, WFP significantly reduced the number of

- people targeted for assistance through its emergency response. At the same time, WFP will provide assistance to returnees and vulnerable groups in conflict-affected areas and areas retaken from Daesh, with CBTs playing a pivotal role in supporting the re-establishment of local markets. WFP will prioritize the most food insecure people living in camps, informal settlements and hard-to-reach areas. Following the recapture of Mosul by the Iraqi security forces, humanitarian assistance will focus on the needs of people trapped in the few areas left under Daesh control. In stable areas, school meal activities may be resumed with the aim of addressing micronutrient deficiencies, restoring school attendance and learning and reducing drop-out rates among children in the most food insecure districts.
22. The Sudan is classified as a lower-middle-income country. However, the secession of South Sudan, regional and national conflict and displacement, climate-related crises, low agricultural productivity and structural poverty have stifled development and made the Sudan one of the most food insecure countries in the world. In January 2017, the United States Government started to lift sanctions against the Sudan, with a six-month provisional period during which the United States could reinstate the sanctions should the Sudanese Government renege on its commitments. In July 2017, however, although the Sudan had made progress in improving access by opening humanitarian corridors and amending humanitarian directives to allow more humanitarian movement, the sanctions had not been fully lifted and the decision on whether to do so was postponed until 12 October 2017. In view of the continuing challenges in the Sudan, WFP adapted its portfolio to provide life-changing interventions while maintaining life-saving activities and a strong emergency response capacity under the ICSP for July 2017–December 2018. Activities to facilitate self-reliance will reduce humanitarian needs, and addressing the root causes of malnutrition while strengthening the sustainability of food systems will make a significant contribution to the achievement of SDG 2. WFP is in consultation with the Government regarding the development of a road map for zero hunger that will lead to a CSP. For WFP, the ICSP constitutes a significant shift to long-term hunger solutions.
  23. Deterioration of the security situation in the first half of 2016 in South Sudan and the Sudan has triggered mass population movements in Jebel Marra and higher than expected numbers of South Sudanese people arriving in the Sudan, notably in Darfur. It is anticipated that the majority of Sudanese internally displaced persons and South Sudanese refugees will not find conditions conducive to return and will therefore require continuous WFP food assistance throughout 2017. The nutrition programme will be expanded in line with the national plan for expanding community-based management of acute malnutrition, the national scale-up of the home fortification programme and the integration of malnutrition treatment and prevention activities. The school meals programme will maintain its current size while WFP attempts to stimulate national ownership. WFP will also provide relief assistance through unconditional resource transfers to support access to food, and asset creation and livelihood support activities in rural communities affected by El Niño. Overall, in 2017–2019, food security and nutrition needs are expected to remain similar to current levels while the political and economic situations remain unchanged.
  24. The protracted crises in the region require WFP to adopt a flexible approach to life-saving humanitarian assistance linked to longer-term development strategies that meet the diverse needs of affected women, men, girls and boys both immediately and in the long term. The regional bureau is committed to the “New Way of Working”, which will operationalize the humanitarian–development nexus to support, preserve and build the resilience of internally displaced persons, refugees, returnees and vulnerable men, women, girls and boys in host communities, strengthening their food security and nutrition and ensuring dignity and basic human rights. To address the enormous current and projected needs for reconstruction and the recovery of livelihoods and economies, WFP will continue to leverage tools to support activities for safe household and community asset creation and income generation that respond to gender concerns and are sensitive to risks and needs in conflict situations, market and value chain development and the capacities and systems of local and national actors and that include productive safety net approaches. Retail strategies that link local supply chains to WFP-contracted shops will continue to inject significant financial resources into local economies,

- thereby promoting increased incomes and equitable access to employment opportunities for vulnerable men and women.
25. The region's underlying vulnerabilities, long-standing challenges and worrisome socio-economic indicators are exacerbated by climate, economic and conflict-related shocks. The challenges include a rapidly growing population, unplanned urbanization, increased competition over already scarce resources – particularly water – and economic development that leaves large segments of the population marginalized, particularly young people. Understanding how these trends will unfold and influence regional food systems and food security is a priority for WFP. In this regard, WFP will maintain support for disaster risk reduction, early warning and analysis and emergency preparedness. It will also support asset creation and livelihood strengthening in several countries to promote resilience to shocks at the community level, including through asset creation and livelihood support activities in Armenia, Egypt, Iraq, Jordan, Kyrgyzstan, Lebanon, the Sudan, the Syrian Arab Republic, Tajikistan and Ukraine.
  26. The regional bureau recognizes that school meals programmes are strategic interventions that bring partners together in efforts to address social protection and gender equity issues, promote education and ensure adequate nutrition for children. The Middle East and North Africa Initiative for School Meals and Social Protection is a partnership that aims to enhance the quality and multiply the impact of school meals programmes as crucial social protection instruments that support the most vulnerable children and communities in both crisis and more stable but vulnerable contexts. The approach will eventually be extended to all the countries in the region. In increasing its focus on the livelihoods and resilience of local communities and people, the regional bureau will continue to foster links between school meals and local farmer communities through mechanisms that give schoolchildren access to locally produced nutritious food while smallholders increase their productivity and incomes, in line with the home-grown school meals approach. Whenever possible and relevant, activities will focus on school meals in emergencies.
  27. The 2014 *State of food insecurity in the world* report<sup>4</sup> concluded that the Middle East and North Africa was the only region in the world experiencing increases in both the absolute number and the proportion of undernourished people in the total population. WFP will intensify its assistance for building the capacity of national counterparts to understand, measure and address nutrition challenges through various approaches, including the deployment of new monitoring tools such as tailored mobile data collection and analytics (MDCA) that engages diverse groups of women, men, girls and boys. WFP will work with academic institutions and United Nations agencies in generating evidence of the scale in the region of the double burden of undernutrition and obesity/overweight and in making WFP projects nutrition-sensitive where feasible. To strengthen advocacy for addressing the double burden at the highest level, WFP will support country offices in undertaking Fill the Nutrient Gap analysis and using cost of diet tools that have proved to be effective in several countries. These tools also serve in the redesign and targeting of nutrition activities and national social safety nets.
  28. In all countries, gender equity issues result mainly in disadvantages for women and girls such as limitations on their access to political processes, the labour market and productive assets, including land. In line with the regional gender policy implementation strategy for 2016–2020, the regional bureau will work with country offices to promote gender equality and women's empowerment throughout their work and activities. All country offices will formulate gender action plans for 2018-2019 and will continue to implement corporate initiatives and apply accountability frameworks for gender mainstreaming linked to the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women. Country offices will also implement the Gender Transformation Programme and develop capacities relevant to addressing gender issues, including through the training of trainers.

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<sup>4</sup> FAO, International Fund for Agricultural Development and WFP. 2014. *The state of food insecurity in the world: Strengthening the enabling environment for food security and nutrition*. Available at <http://www.fao.org/3/a-i4030e.pdf>

29. The regional bureau's leading role in providing food assistance in the form of CBTs, progressively moving from vouchers to the scale-up of cash transfers, is a pragmatic step towards making humanitarian approaches more context-specific. The regional bureau is also at the forefront in working with partners on common platforms and the sharing of beneficiary data, delivering numerous services to beneficiaries. The regional bureau is documenting core steps in the provision of multi-purpose cash for basic needs in Turkey, with both mid-term and impact evaluations planned, the latter in collaboration with the World Bank.
30. The regional bureau works closely with governments and national partners, investing in capacity development to ensure alignment with national plans and needs for achieving sustainable impacts, including through the gradual hand-over of WFP activities to governments.
31. WFP is strongly committed to strengthening the implementation of and revitalizing the global partnership for sustainable development, and continues to collaborate with partners in responding to food security and nutrition needs throughout the Middle East, North Africa, Eastern Europe and West Asia. As well as collaboration with governments and national partners, partnerships with major intergovernmental organizations such as the League of Arab States, the broader humanitarian community, technical and academic institutions and the private sector in the region will be prioritized. Through the United Nations Humanitarian Air Service, WFP provides essential passenger services in the Sudan and Yemen. WFP leads the emergency telecommunications and logistics clusters and co-leads the global Food Security Cluster with the Food and Agriculture Organization of the United Nations (FAO), coordinating humanitarian responses with partners in these sectors.

#### Dakar Regional Bureau – RBD

<b>TABLE A.III.3: RBD OPERATIONAL REQUIREMENTS IN 2018</b>	
Operational requirements	USD 1.2 billion
No. of daily rations	3.9 billion
Food tonnage	536 000 mt
Countries with planned operations	Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, the Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, the Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, Togo

32. In the West and Central Africa region, conflict, violence, dramatic climate variations and political and social strife continue to result in massive population displacements that take a toll on people's livelihoods and pose a major barrier to the reduction of food insecurity and poverty. The Sahel region is affected by armed conflicts and insecurity combined with protracted extreme poverty, declines in agricultural production, irregular rainfall and prolonged dry spells that increase the pressure on communities' scarce resources and contribute to tremendous human suffering.
33. Malnutrition remains a major public health concern in West and Central Africa, with most countries having high rates of wasting and stunting. In the Sahelian countries, peaks in acute malnutrition are frequently observed during the lean season, and its persistent high incidence among young children leads to stunting and child mortality rates that are among the highest in the world.
34. The sharp increase in the number of victims of violence in the Central African Republic, compounded by the scarcity of resources, is outstripping humanitarian organizations' ability to meet the huge needs of affected populations in Cameroon, the Central African Republic, Chad, the Congo and the Democratic Republic of the Congo. To date, 48 percent of the population of the Central African Republic is food insecure and more than 500,000 people are refugees in neighbouring countries.

35. Countries in the Lake Chad basin continue to face a worrying situation related to the effects of Boko Haram insurgency on the lives and livelihoods of 10.6 million people in Nigeria, Cameroon, Chad and the Niger, with nearly 7 million people estimated to be in need of food assistance during the lean season.
36. WFP will continue to implement and support programmes for strengthening the livelihoods of vulnerable food insecure households prone to shocks in West and Central Africa. At the same time, it will provide emergency food assistance to the most vulnerable through food security and nutrition assessments. Resource allocations to activities and strategic objectives remain for the most part similar to those of 2017. In 2018, WFP plans to support 5 million men and boys and 6 million women and girls in the region with budget requirements of USD 1.2 billion, of which 60 percent will be dedicated to in-kind food assistance.
37. In the Niger, more than 2 million people are chronically food insecure, 4.5 million are at risk of food insecurity and millions more are affected by transitory food insecurity during the lean season. In Mauritania, the national prevalence of food insecurity is 18.8 percent, with 3.3 percent of the population affected by severe food insecurity.
38. In the Central African Republic, violence and insecurity render access difficult and hamper distributions. To assist populations in hard-to-reach areas, WFP will put in place flexible operational approaches, such as mobile response teams; strengthen civil–military coordination at the tactical and strategic levels with the Office for the Coordination of Humanitarian Affairs and other partners; and train staff to identify strategies for overcoming access constraints through training and technical support from WFP headquarters and the regional bureau.
39. WFP will continue to work on treating and preventing malnutrition among children – targeting children under 5 and pregnant and lactating women through its nutrition prevention and treatment programmes – and will support malnourished people living with HIV, beneficiaries of prevention of mother-to-child transmission programmes and tuberculosis (TB) patients and their food insecure household members. WFP aims to expand its activities to adolescent girls, a critical group for breaking the intergenerational cycle of undernutrition. The Guinea country office will continue to pilot its chronic malnutrition prevention programme addressing the needs of children under 2 and pregnant women. Changes are envisaged in the transfer modality, with malnourished HIV and TB patients receiving food assistance through CBTs. WFP’s nutrition strategy in the Central African Republic facilitates the prevention of malnutrition through partnerships, focusing on areas with persistently high malnutrition rates. In Chad, WFP will maintain life-saving treatment for moderate acute malnutrition in the Sahel region and in emergency contexts, and will increase its focus on preventing malnutrition.
40. To have a more meaningful impact on stunting and wasting in the region, WFP is supporting the development of an integrated approach to the prevention of undernutrition, prioritizing a consensus-building process with governments and partners. In 2018, the Regional Bureau in Dakar will dedicate 14 percent of its budget to nutrition activities. In Chad, Mali and the Niger, WFP is collaborating with *Médecins sans frontières* on piloting and scaling up an approach that combines the provision of complementary feeding for children aged 6–23 months with a health package that includes immunization and prevention and treatment of common childhood diseases such as malaria, diarrhoea and acute respiratory tract infections. In the Gambia, because of insufficient funds, WFP will focus on the most vulnerable regions and districts, which will be identified through food security and poverty indicators. The Mali country office will increase its focus on cost-effective and sustainable approaches to reducing the prevalence of malnutrition, including through collaboration with other actors to address underlying causes. WFP will prioritize nutrition support activities and geographical concentration of activities in Mauritania rather than dispersing available resources over a larger area.

41. In 2018, WFP will continue to support small-scale farmers by building their capacity to obtain access to markets, and governments by establishing procurement strategies and procedures that link smallholder farmers to school canteens and other potential buyers and consumers of their produce. WFP will also provide training and equipment to smallholder farmer organizations, as in Senegal where it will promote food insecure smallholders' access to tools and systems for disaster risk reduction, microcredit, savings and insurance schemes through the "R4" Rural Resilience Initiative. The national procurement platform will centralize food requests from various actors, including WFP, to facilitate the linking of smallholder farmers to markets. In Guinea, the activity promoting access to markets for smallholder farmers aims to increase productivity, income, through value addition, and marketing skills. Women's organizations are very active and benefit from the component on enhancing women's empowerment, which has indirect impacts on resilience, food security and nutrition.
42. While asset creation and livelihood support activities in Ghana will be phased out for the most part in 2018, WFP will continue to implement them in areas affected by recurrent shocks, increasing the emphasis on the benefits that community assets are expected to generate. In the Central African Republic, WFP partnered with Caritas Bouar, World Vision International and International Emergency and Development Aid to implement asset creation and livelihood support activities in Nana-Mambéré district. WFP is also enhancing the productive, natural and financial capital of poor people by supporting asset creation and local purchases in the Niger
43. Capacity development activities remain a priority. In 2018, WFP will continue to invest in increasing governments' capacity to implement programmes for reducing food insecurity and malnutrition. In the Niger, capacity development will promote leadership and ownership by the Government and communities in preparation for hand-over. In Burkina Faso, WFP provides the Government with capacity building for the development of nutrition, health, education and food security policies. In Guinea, WFP will contribute to strengthening capacities and governance in respect of nutrition through the interagency framework of the United Nations Scaling Up Nutrition (SUN) movement and the Renewed Efforts Against Child Hunger and Undernutrition (REACH) initiative. WFP also provides capacity-development support, for example in Togo, and a combination of technical and food assistance programmes with a view to gradual hand-over in Côte d'Ivoire, the Gambia and Sao Tome and Principe.
44. To continue providing life-saving assistance in West and Central Africa, WFP refined its resource mobilization strategy and is increasing the efficiency of its operations to deliver more assistance with fewer resources. WFP faces continuing funding challenges in the region that hamper its capacity to provide essential assistance to all in need. In 2017 and previous years a lack of funding has sometimes forced WFP to suspend food and nutrition assistance for some of the most vulnerable populations – refugees and displaced persons – or to provide reduced food rations that do not meet the needs for nutritional supplementation.
45. WFP will reinforce its support to developing countries and align its objectives with the SDGs by focusing on humanitarian and development work that benefits the poorest and most vulnerable people. To achieve this, WFP will build on its recognized expertise, experience in the deep field and comparative advantages in safety net programming, resilience, disaster risk management and capacity development. In Senegal, all the main national priorities are incorporated into the Plan for an Emerging Senegal (2014–2035), which constitutes the framework for the country's achievement of the 17 SDGs. In Togo, WFP will continue to provide technical support to the Government while the national zero hunger strategic review is carried out to inform development of a CSP, expected in November 2018.
46. WFP will work with partners on boosting the use of CBTs throughout the region, maintaining a realistic approach that takes into consideration funding limitations and access constraints. In 2018, WFP will dedicate 35 percent of its assistance in the category of unconditional resource transfers to support access to food to CBTs, taking advantage of local food production capacity and existing financial and communication infrastructure where it is adequate. WFP will prioritize CBTs in secure localities where markets are functional in the Central African Republic. Depending on seasonality,

market functioning, the security context and the preferences of beneficiaries in the Central African Republic, a combination of CBTs and in-kind food assistance will be provided where it is considered to be the most appropriate modality.

47. In 2018, WFP will continue to promote school meal activities, allocating 11 percent of the overall budget to them, with the aim of improving enrolment and attendance, reducing drop-out rates and enhancing girls' education where gender parity is lacking. In Guinea, despite low cash contribution, the Government strongly supported the school meals programme, which is seen as the main safety net in rural areas, not only in playing a central role in stabilizing food security for children in schools but also in addressing important challenges such as the enrolment and attendance ratios of boys and girls, as well as early marriage and female genital mutilation, which the Government is seeking to eradicate. School meals activities are expected to continue the progressive adoption of home-grown school meals programmes and the provision of capacity building to the newly created school meals directorate at the Ministry of Education. In the Gambia, the use of CBTs in the home-grown school meals programme will be scaled up to reach 14,000 beneficiaries in 2018.
48. The West Africa region is investing in analysis and monitoring to ensure accurate data collection and assessments that help to improve WFP's activities and programming in the region, with a view to ensuring more tailored programming and true accountability to beneficiaries. The regional bureau is reinforcing its use of mobile vulnerability analysis and mapping (VAM) as a monitoring and assessment tool, which is proving to be vital and cost-effective in areas where restricted access challenges the regular in-person collection of data. WFP will prioritize in-kind food assistance where the security situation remains volatile and beneficiaries have no access to functional markets. Locations will be identified through gender- and age-disaggregated food security assessments and VAM monitoring.
49. WFP continues to be committed to advancing understanding of gender concerns and helping to create an environment that better takes into account gender issues. Training sessions on mainstreaming gender in WFP operations were organized for staff of the regional bureau and some country offices. In 2018, 14 percent of the overall budget will be devoted to gender equality activities.

#### **Johannesburg Regional Bureau – RBJ**

Operational requirements	USD 704 million
No. of daily rations	2.8 billion
Food tonnage	328,000 mt
Countries with planned operations	Angola, the Congo, the Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Swaziland, the United Republic of Tanzania, Zambia, Zimbabwe

50. The Southern Africa Development Community<sup>5</sup> (SADC) region is highly vulnerable to the impacts of climate change. Over the last five years, the region has experienced an increasing trend in food insecurity associated with recurrent climate shocks, including El Niño in 2015/16, which resulted in the worst drought for the last 35 years. The region's vulnerability to climate change is caused not only by climate change itself but also a combination of social, economic and other environmental factors that interact with climate.

<sup>5</sup> SADC's 16 member states are Angola, Botswana, Comoros, the Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, the United Republic of Tanzania, Zambia and Zimbabwe.

51. The prevalence of stunting ranges from 7.9 percent in Seychelles to 49.2 percent in Madagascar.<sup>6</sup> The region remains the global epicentre of the AIDS pandemic and accounts for one third of all people living with HIV worldwide.<sup>7</sup> HIV prevalence ranges from 0.1 percent in Comoros to 28.8 percent in Swaziland.<sup>8</sup> The HIV and AIDS epidemic in the region has disproportionately affected women in terms of higher HIV prevalence and the burden of caring for both the sick and orphans.
52. The regional bureau has had four CSPs approved: those for Mozambique, Namibia, the United Republic of Tanzania and Zimbabwe. The Democratic Republic of the Congo will implement a three-year ICSP while four countries – Lesotho, Madagascar, Swaziland and Zambia – will have T-ICSPs to allow for the country strategic review process and the formulation of new CSPs for presentation to the Board in June 2019. In 2018, the Congo and Malawi will continue with their current portfolios of projects and move to new CSPs and portfolio budgets in 2019.
53. In line with government expectations and the regional bureau’s vision for the region, WFP will increasingly assist governments in the development and implementation of national social protection systems while maintaining its capacity for operational response. Investments in capacity strengthening in 2018 account for 8 percent of total transfers in the region. WFP will provide technical assistance to national and local governments to help strengthen the operational tools that underpin effective safety net systems such as emergency preparedness, VAM, targeting, monitoring and evaluation and cash transfer delivery platforms. WFP will continue to provide countries with strategic and policy support in developing school meals policies and nationally appropriate school meals models, incorporating school meals into national social protection plans and ensuring that national social protection strategies are “hunger-smart”, nutrition-sensitive and sensitive to gender issues and HIV.
54. WFP will provide SADC with technical and management services for implementation of the Regional Vulnerability Assessment and Analysis programme. Strong emphasis will be given to innovation and to leveraging the collection and analysis of digital market data, including through the roll-out of mobile VAM and its embedding, with other data collection innovations, in government systems.
55. Reducing undernutrition among children, adolescent girls, pregnant and lactating women and people affected by HIV and TB continues to be a main priority. Requirements under Strategic Result 2 on ending malnutrition will account for 7 percent of total operational requirements in 2018. To address the nutrition needs of the region, four priority areas of programming will be rolled out:
  - i) Programme and policy support for the prevention of stunting through strengthened analysis. WFP will use existing analytical tools – Cost of Hunger and Fill the Nutrient Gap analysis – to inform comprehensive national nutrition strategies.
  - ii) Addressing micronutrient deficiencies. The focus will be on entry points for food fortification, including industrial fortification, which has been piloted in Mozambique, rural fortification, which requires further operational research, and social and behaviour change communication regarding local fortification to address micronutrient deficiencies.
  - iii) Treatment of moderate acute malnutrition, especially during emergencies. Technical assistance to governments is required, particularly in Lesotho and Madagascar, to strengthen their response capacities.
  - iv) Nutrition-sensitive programming will be mainstreamed in interventions that are complementary to nutrition throughout the lifecycle.

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<sup>6</sup> UNICEF, World Health Organization and World Bank. 2017. Joint child malnutrition estimates. Available at <http://www.who.int/nutgrowthdb/estimates2016/en/>.

<sup>7</sup> UNAIDS. 2016. *Prevention Gap Report*. Available at <http://www.unaids.org/en/resources/documents/2016/prevention-gap>; UNAIDS country fact sheets.

<sup>8</sup> *Ibid.*

56. To contribute to Strategic Results 3 and 4, the regional bureau will seek to expand partnerships that promote conservation agriculture and climate risk insurance schemes, building on experience of the R4 Rural Resilience Initiative under way in Malawi and Zambia, which links farmers to the private sector to provide them with weather-indexed micro-insurance. Resilience-programming tools such as the three-pronged approach will continue to be rolled out. WFP will explore opportunities for supporting smallholder agriculture and market development and promoting community-based adaptation to climate change, building on innovations.
57. CBTs account for 37 percent of planned operational requirements, and food transfers for 49 percent. Food procurement in the region will rely on local and regional purchases when conditions are favourable. The regional bureau will continue to promote market access programmes – linked to FAO and International Fund for Agricultural Development investments where possible – and will ensure that a percentage of support from the Global Commodity Management Facility is used to target smallholder farmers, particularly women, in the region.

### Nairobi Regional Bureau – RBN

Operational requirements	USD 2.3 billion
No. of daily rations	3.5 billion
Food tonnage	1.3 million mt
Countries with planned operations	Burundi, Djibouti, Ethiopia, Kenya, Rwanda, Somalia, South Sudan, Uganda

58. Poverty and hunger in East and Central Africa are driven by a complex mix of political, environmental, economic and social challenges. Vulnerability to recurrent drought, conflict and other shocks, often leading to massive population displacements, is a major issue shaping WFP operations in the region. WFP efforts go far beyond providing life-saving assistance, as WFP increasingly shifts its focus to supporting nationally owned social protection systems and emergency response capacities, underpinned by strong partnerships and a commitment to supporting people, communities and countries in meeting their own food and nutrition needs.
59. The East and Central Africa region contains some of WFP's largest and most complex operations. In February 2017, famine was declared in South Sudan, where the emergency response remains at Level 3 with heightened levels of food insecurity. Somalia's food insecurity is also at critical levels that could lead to famine conditions. Uganda currently hosts nearly a million refugees, the fifth highest number among all refugee-hosting countries in the world.<sup>9</sup> Ethiopia continues to require significant resources to address drought-related needs, while in Burundi the socio-political crisis continues to aggravate already fragile food security.
60. The region's operational requirements for 2018 are USD 2.3 billion, the same as last year. Emergency response under Strategic Result 1 and crisis response remain critical operational priorities and account for the most significant proportion – 61 percent – of the requirements for 2018.
61. The formulation of CSPs and ICSPs is well under way. Between 2017 and 2018, the regional bureau plans to present for Board approval CSPs and related country portfolio budgets for Ethiopia, Kenya, Rwanda, Somalia and Uganda, ICSPs for Burundi and South Sudan and a T-ICSP for Djibouti.

<sup>9</sup> Office of the United Nations High Commissioner for Refugees (<http://www.unhcr.org/figures-at-a-glance.html>).

62. Reducing undernutrition among children, pregnant and lactating women and people affected by HIV and TB remains a main priority. WFP will work with governments and other partners such as UNICEF on the African Regional Nutrition Strategy, REACH, the SUN initiative and the 1,000 days partnership to address child and adult undernutrition through targeted food and nutrition assistance programming. In 2017, WFP will focus on nutrition-sensitive programming to address the underlying determinants of malnutrition, in line with the targets of SDG 2. Requirements under Strategic Result 2 on ending malnutrition will account for 16 percent of total needs in 2018.
63. The roll-out of WFP's corporate digital beneficiary and transfer management platform, SCOPE, continues to make good progress, with registration ongoing in Burundi, Ethiopia, Somalia, South Sudan and Uganda. The focus for 2018 is to continue guiding and supporting country offices, partners and governments in the region in adopting, using and scaling up SCOPE.
64. Capacity strengthening will be a high priority in the forthcoming national strategic reviews preceding the development of CSPs. Investments in capacity strengthening in 2018 account for 2.9 percent of total transfers. Governments in the region are requesting support with regard to vulnerability analysis, supply chains, food assistance planning including cash-based programming and, increasingly, social protection and home-grown school meals programmes.
65. The use of CBTs continues to grow, increasing by 15 percent compared with 2017 planning figures, mostly driven by increases in Somalia, Uganda and Rwanda. In the second half of 2017, Ethiopia will launch a fresh-food voucher programme in the Amhara region to address chronic malnutrition; lessons learned from this programme will inform its future expansion in Ethiopia and possible replication in other countries in the region.
66. Innovative supply chain approaches include a retail strategy in Kenya that seeks to reduce the price of commodities in Kakuma refugee camp; support for the Africa Improved Foods factory in Rwanda, which will produce nutritious porridge flours to international standards; port rehabilitation in Somalia; and a logistics hub in Djibouti.
67. Given the increase in frequency of natural shocks, WFP responses in the region are increasingly focused on longer-term approaches that link short-term humanitarian response with development work. This includes the use of shock-responsive social protection systems for emergency response, like in Kenya, and new initiatives like weather insurance schemes for pastoralists in Ethiopia.

#### **Panama Regional Bureau – RBP**

<b>TABLE A.III.6: RBP OPERATIONAL REQUIREMENTS IN 2018</b>	
Operational requirements	USD 176 million
No. of daily rations	417 million
Food tonnage	44 000 mt
Countries with planned operations	Bolivia (Plurinational State of), Colombia, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, Peru

68. WFP's presence in Latin America and the Caribbean is characterized by very small, small and medium-sized country offices. With the exception of Haiti, all offices are located in middle-income countries facing chronic undernutrition, micronutrient deficiencies and recurrent emergencies exacerbated by widespread inequalities, climate change, economic vulnerability, lack of access to nutritious and sufficient food, violence, migration and other factors. Over the years, the role of WFP in the region has evolved in many ways. Operations focus increasingly on moving from direct food assistance to capacity strengthening, technical assistance for government programmes and policy support. WFP's strategic priorities in the region continue to include supporting national social protection programmes, increasing resilience, improving disaster management and promoting smallholder agricultural production and market development.

69. In the context of the IRM, in all countries in the region WFP will be implementing its activities through CSPs or T-ICSPs in 2018.<sup>10</sup>
70. WFP's operational requirements in 2018 will be USD 176 million, with the operations in Haiti accounting for USD 38 million, those in Colombia, USD 35 million and those in Honduras USD 32 million. Operations in El Salvador and Ecuador are the most at risk of being critically underfunded in 2018. WFP will aim to reach 3.6 million "tier 1" beneficiaries, i.e., recipients of direct food assistance, next year.
71. Predictable and flexible funding is needed for efficient planning, but current earmarking by donors and the priorities of governments and partners constrain the effective prioritization of activities. In case of limited financial resources, country offices will apply various approaches to prioritizing activities. For the provision of relief assistance, country offices will generally ensure coverage of the largest possible number of beneficiaries while reducing rations. Restricted resources for support for social protection programmes are likely to cause a reduction in the number of beneficiaries.
72. In 2018, WFP is planning to allocate USD 164 million to achieving SDG 2 and USD 13 million to SDG 17. The largest share of funds – USD 95 million – is budgeted for Strategic Result 1 and SDG target 2.1 on access to food, followed by USD 37 million for Strategic Result 2 and SDG target 2.2 on malnutrition prevention, USD 21 million for Strategic Result 3 and SDG target 2.3 on improving productivity and incomes for smallholders, USD 12 million for Strategic Result 5 and SDG target 17.9 on strengthening the capacity of developing countries to achieve the SDGs, and USD 11 million for Strategic Result 4 and target 2.4 on sustainable food systems. Only USD 0.8 million is budgeted for Strategic Result 8 and SDG target 17.16 on sharing knowledge, expertise and technology to strengthen support for country efforts in achieving the SDGs, and only in Peru. No funds will be allocated to achieving Strategic Result 6 or SDG target 17.14 on coherent policies to support sustainable development or Strategic Result 7 or SDG target 17.3 on financial resources for investing in development in developing countries.
73. In 2018, country-level strategic outcomes for operations in all countries will be linked to three mutually exclusive focus areas. Of the overall budget, a planned USD 100 million will be allocated to the root causes focus area, USD 35 million to the resilience-building focus area and USD 41 million to the crisis response focus area. In terms of transfer types, crisis response will rely mainly on CBTs, with 69 percent of total resources for crisis response, while 46 percent of resources for resilience-building will be for food and 26 percent for CBTs. Root causes will be addressed through a combination of food, CBTs and capacity strengthening. The comparatively high share of food transfers in addressing root causes is accounted for by activities in Haiti and Honduras.
74. Each activity to be implemented by country offices in 2018 is linked to one corporate activity category. Almost 38 percent of the portfolio, or USD 68 million, will be devoted to school meal activities, mainly in Colombia, Haiti and Honduras followed by Nicaragua. Unconditional resource transfers to support access to food in Guatemala, Haiti, El Salvador and Honduras amount to USD 41 million, or 23 percent of the portfolio. About USD 27 million will benefit asset creation and livelihood support in El Salvador and, to a lesser extent, Haiti and Guatemala, and USD 16 million will be for institutional capacity strengthening, mainly in Haiti and Colombia. About USD 11 million is planned for malnutrition prevention, mainly in El Salvador and Guatemala, and about USD 7 million for smallholder agricultural market support in Cuba, Ecuador, Nicaragua and El Salvador. Climate adaptation and risk management activities in Colombia and Ecuador only, emergency preparedness activities, mainly in El Salvador, assessment and monitoring activities in El Salvador only and other activities will have a combined budget of USD 7 million. No funds will be budgeted for nutrition treatment activities given the low prevalence of acute malnutrition in the region.

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<sup>10</sup> An exception is SDG trust fund project 201055 in Paraguay, which was recently extended to 31 July 2018. WFP has no permanent presence in the country.

75. In implementing its activities in 2018, WFP will rely heavily on CBTs and will increase resources for capacity strengthening activities, including USD 79 million for CBTs, USD 61 million for food transfers and USD 37 million for capacity strengthening activities. The capacity strengthening portfolio has increased by 50 percent to become an important feature of all CSPs, especially in El Salvador, Haiti and Colombia, and focuses mainly on support for social protection programmes, including safety nets, resilience-building and school meals.

## ANNEX IV

**Review of the Management Plan (2017–2019)<sup>1</sup>**

1. This section outlines changes to the Management Plan (2017–2019); it is based on data available at the end of September 2017.
2. The approved 2017 budget for operational requirements, including indirect support costs (ISC), was USD 9 billion. Income for the year was estimated at USD 5.2 billion.

**Programme of work**

3. Unforeseen requirements contribute significantly to the changes to the original programme of work. Table A.IV.1 shows the changes in the original plans for 2013–2017 arising from unforeseen requirements or revisions in planned requirements.

Year	Original Management Plan	Unforeseen requirements/ programme adjustment**	Final programme of work	% change
2013	5 317	1 356	6 672	26
2014	6 267	2 183	8 450	35
2015	7 967	715	8 682	9
2016	8 581	266	8 847	3
2017 (September)	9 007	780	9 787***	9
Average	7 428	1 060	8 488	14

\* Figures in the Management Plan are rounded.

\*\* Programme adjustment refers to countries that are implementing interim country strategic plans (ICSPs) in 2017.

\*\*\* Based on project budgets approved or submitted for approval by mid-September 2017. Includes country portfolio budget for 11 CSPs and 1 ICSP implemented in 2017.

4. Table A.IV.2 shows unforeseen requirements by programme category.

Programme category	Original Management Plan	Unforeseen requirements/ programme adjustment*	Current programme of work	% change
Development projects and country programmes	558	-34	524	-6
Emergency operations	1 889	1 003	2 892	53
Protracted relief and recovery operations	6 173	-634	5 539	-10
Special operations	386	-3	383	-1
Country strategic plans	-	449	449	-
<b>Total</b>	<b>9 007</b>	<b>780</b>	<b>9 787</b>	<b>9</b>

\* Programme adjustment refers to countries that are implementing ICSPs in 2017.

<sup>1</sup> All figures include ISC.

5. As of September 2017 the programme of work amounts to USD 9.8 billion, a 9 percent increase from the original projection of USD 9 billion. The increase of USD 780 million is primarily the result of unforeseen requirements in Nigeria and Somalia, which together total USD 615 million of unforeseen requirements. Ethiopia shows the highest decrease from the original projection, at USD 309 million, primarily because of increased involvement on the part of the Government, which allocated more resources to areas where WFP operates, therefore reducing WFP's coverage.
6. Table A.IV.3 shows unforeseen requirements by cost component.

Cost component	Original Management Plan	Unforeseen requirements	Current programme of work	% change
Food	4 992	644	5 636	13
Cash-based transfers*	2 401	147	2 548	6
Capacity development and augmentation	513	90	603	18
Direct support costs	1 101	-101	1 000	-9
<b>Total</b>	<b>9 007</b>	<b>780</b>	<b>9 787</b>	<b>9</b>

\* Includes cash, value vouchers and commodity vouchers.

7. The capacity development and augmentation cost component shows a high increase in the programme of work, amounting to USD 90 million of unforeseen requirements, with Nigeria accounting for 22 percent of this total – USD 20 million. Nigeria also accounts for the highest unforeseen requirements for food, with USD 234 million, followed by famine responses in Yemen, with USD 197 million, and Somalia, with USD 145 million. Somalia and Nigeria account for the largest shares of the increase in unforeseen requirements for cash-based transfers, with USD 108 million for Somalia and USD 73 million for Nigeria.
8. Table A.IV.4 shows the largest unforeseen requirements in 2017.

Recipient	Original Management Plan	Unforeseen requirements	Current programme of work	% change
Nigeria	72	346	417	83
Somalia	249	270	519	52
Uganda	115	93	209	45
Yemen	1 020	91	1 111	8
Others	7 551	-20	7 531	0
<b>Total</b>	<b>9 007</b>	<b>780</b>	<b>9 787</b>	<b>9</b>

9. The crisis induced by the Boko Haram insurgency remains the principal driving factor of instability in northeast Nigeria. Insecurity is disrupting food supplies, and the recent large-scale arrival of returnees from Cameroon is putting additional pressure on the humanitarian response at a time when food insecurity is at alarming levels and other needs are increasing. The country also faces an outbreak of cholera, which was first identified in Borno State on 16 August and has claimed at least

44 lives, with 2,300 confirmed or suspected cases. Financial support is needed urgently to enable WFP to implement its response plans. Given the current level of underfunding, WFP will be able to target only 1.36 million of the most food-insecure people in northeast Nigeria instead of the 1.8 million originally planned in June.

10. The crisis in Somalia is caused by conflict and three consecutive seasons of poor rainfall. As of July 2017, more than 3.1 million people cannot meet their daily food requirements and require urgent humanitarian assistance, while another 3.1 million need livelihood support to avoid sliding into crisis. The threat of famine continues to affect 800,000 people – more than twice as many as in February – especially those who are internally displaced and in rural areas. An estimated 388,000 children under 5 are acutely malnourished, including 87,000 who are severely malnourished and face a high risk of disease and death. The 2017 famine crisis could affect a very large percentage of the population; an estimated 25 percent of the people in need in Somalia are in inaccessible areas.<sup>2</sup>
11. South Sudanese refugees continue to cross the border into Uganda. As of September 2017, Uganda is hosting about 1.4 million refugees, of whom more than 1 million are from South Sudan. WFP's portfolio of assistance to refugees in Uganda has more than doubled in the last year while it supports the Government in hosting a rapidly growing number of refugees, addressing the underlying causes of food insecurity and malnutrition and strengthening the national social protection system. It costs WFP USD 19 million a month to provide refugees in Uganda with food or the cash to buy food. Although WFP can still provide full rations to new arrivals and refugees, and donor support continues, the refugee operation requires immediate additional funding to keep pace with the growing number of refugees and address their food and nutrition needs.<sup>3</sup>
12. More than half of the population in Yemen is estimated to be living in poverty. The ongoing conflict in Yemen is a human-made disaster that could reach a point of no return in 2017 if sustained financial support and access to the 17 million people in need of food assistance are not obtained. In April 2017, the Yemen country office launched a 12-month emergency operation (EMOP 201068) that aims to help prevent famine by scaling up current operations to assist 9.1 million food and nutrition insecure Yemenis. Until WFP receives the funds it needs, assistance will prioritize the 6.8 million people in most need, of whom 3.8 million will receive reduced rations.

## **Projected income**

### ***PSA budget***

13. The Management Plan (2017–2019) was based on forecasted income of USD 5.2 billion for 2017, generating USD 335.4 million of ISC income. The latest projections for 2017, based on donors' commitments, are for USD 6.0 billion, generating USD 387.3 million of ISC income.

### ***Trust funds and special accounts***

14. Table A.IV.5 compares the revised funding forecast for the 2017 trust funds and special accounts budget with the requirements submitted in the Management Plan (2017–2019). In 2017, corporate trust funds supported enhancements to WFP's organizational capacity and effectiveness through activities such as Purchase for Progress (P4P), emergency preparedness and response, food security and rural resilience initiatives and relief and development activities.

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<sup>2</sup> Famine Early Warning Systems Network (FEWS-NET) and Food Security and Nutrition Analysis Unit. 2017. "2017 Post *Gu* Seasonal Food Security and Nutrition Assessment: Key Findings", presentation available at: <http://www.fsnau.org/downloads/2017-Post-Gu-Joint-FSNAU-FEWS%20NET-Presentation-5-September-2017.pdf>.

<sup>3</sup> Data from the Office of the United Nations High Commissioner for Refugees (UNHCR) available at: <https://reliefweb.int/sites/reliefweb.int/files/resources/Uganda%20Refugees%20and%20asylum%20seekers%20as%20of%201st%20September%202017.pdf>.

15. The corporate trust fund requirements of USD 137 million include investment cases submitted during preparation of the Management Plan that have remained unfunded. The 2017 funding forecast of USD 148 million includes projected direct contributions to corporate trust funds and an estimation of additional allocations from the Strategic Resource Allocation Committee to be made prior to the end of the year.
16. Country specific trust fund requirements total USD 95 million against a forecast for the year of USD 35 million in new monies to country-specific trust funds. Funds are received at the country level, largely from host governments, and enable country offices to work with governments on programmes aligned with the strategic objectives. In 2017 most country specific trust funds are used to support school feeding programmes in Honduras, promotion of food and nutrition security in Peru, nutrition, food security and national capacity in the Dominican Republic, implementation of the national school meals programme in Benin, purchase and supply of a preventive nutrition package – SuperCereal and SuperCereal Plus – in Mali, P4P activities in the Democratic Republic of the Congo and technical assistance in India.
17. The main special accounts support WFP aviation, the United Nations Humanitarian Response Depot (UNHRD) network, cash-based transfer services for partners and self-insurance. The 2017 requirements for special accounts in Table A.IV.5 reflect a corrected figure for WFP aviation.

<b>TABLE A.IV.5: REVISED 2017 FORECAST OF TRUST FUNDS AND SPECIAL ACCOUNTS (USD million)</b>			
	<b>Management Plan requirements (2017–2019)</b>	<b>2017 funding forecast</b>	<b>Gain/ (shortfall) (%)</b>
Corporate trust funds	137	148	8
Country-specific trust funds	95	35	(63)
Special accounts	231	248	7
<b>Total</b>	<b>463</b>	<b>431</b>	<b>(7)</b>

**ANNEX V****Office of Evaluation work plan 2018–2020****Introduction**

1. This annex sets out the proposed 2018–2020 programme of work for the Office of Evaluation (OEV). It is the second OEV work plan to implement the corporate evaluation strategy,<sup>1</sup> which flows from the WFP evaluation policy (2016–2021)<sup>2</sup> and the Evaluation Charter.<sup>3</sup> Together, these documents establish a new vision, strategic direction and normative and accountability framework, new institutional arrangements and an implementation plan for embedding evaluation in a phased approach throughout WFP through expansion of the centralized evaluation function and its augmentation with demand-led decentralized evaluations.
2. The new evaluation function reflects the determination and ambition of WFP's leadership to meet global expectations for independent evaluation that supports accountability for results, organizational learning and evidence-based decision-making throughout the organization in the era of the 2030 Agenda for Sustainable Development. It takes into account issues from the United Nations Quadrennial Comprehensive Policy Review (QCPR)<sup>4</sup> and the 2016 World Humanitarian Summit.
3. This means that planning and resourcing for the evaluation function is embedded throughout WFP. OEV's work plan is part of a larger whole. Given OEV's responsibility for overseeing and reporting on progress in development of the entire evaluation function, this OEV work plan begins with the estimated corporate resources required for the evaluation function set by the evaluation policy, which is followed by OEV's divisional work plan.

**Evaluation function overall requirements**

4. The work plan has a three-year timeframe (2018–2020) in accordance with WFP's Management Plan and continues the phased approach to resourcing and implementation agreed by WFP management and the Executive Board in the evaluation policy and laid out in the corporate evaluation strategy. During implementation of the strategy, some of the activities required to establish the augmented evaluation function will be completed, leaving room for others to start.
5. Deliverables for 2018 and the perspectives for 2019–2020 described in this document are based on the strategic priorities set by the evaluation policy, aligned with the evaluation requirements related to WFP's transformative package – the Integrated Road Map (IRM)<sup>5</sup> – which comprises the WFP Strategic Plan (2017–2021), the policy on country strategic plans (CSPs), the Financial Framework Review, including in particular country portfolio budgets, and the corporate results framework.
6. As anticipated, a substantial part of OEV's work in establishing the decentralized evaluation function was completed in 2016 and 2017 as the new regional evaluation officers took up their responsibilities. This enables OEV to shift its human and financial resources in 2018 to:
  - scaling up support systems for a steep increase in the number of decentralized evaluations to be conducted under CSPs and funded from programme resources;

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<sup>1</sup> Endorsed by the Executive Management Group in April 2016.

<sup>2</sup> WFP/EB.2/2015/4-A/Rev.1.

<sup>3</sup> Issued by the Executive Director, May 2016.

<sup>4</sup> A/RES/67/226

<sup>5</sup> The IRM was approved by the Board at its 2016 second regular session (see decisions 2016/EB.2/2, 2016/EB.2/3, 2016/EB.2/4 and 2016/EB.2/7, in WFP/EB.2/2016/15).

- preparing for a sharp increase in the number of centralized country portfolio evaluations (CPEs) of CSPs and certain interim CSPs (ICSPs) – which will be funded from programme resources beginning in 2019; and
- starting a steady increase in other centralized evaluations as envisaged in the coverage norms of the evaluation policy.

7. Table A.V.1 shows the evolution of resource requirements for the evaluation function throughout WFP from the start of the evaluation policy in 2016, and with estimates for 2018–2020. The future estimated figures are based on evaluation policy coverage norms, current trends in regional bureaux, best assumptions and associated projections. Plans remain very fluid and OEV will endeavour to respond appropriately to trends as they emerge during implementation of the IRM in the context of the 2030 Agenda for Sustainable Development.

Main elements	Funding source	USD million				
		2016	2017	2018	2019	2020
<b>Evaluation function carried out by OEV</b>		<b>Actual</b>		<b>Estimated requirement</b>		
OEV work plan	PSA staff costs	2.40	3.05	3.00	4.97	5.20
	PSA other costs	3.72	5.33	5.73	6.40	5.73
	Multilateral (CEF)*		0.50	0.50	0.50	0.50
	Programme sources**	2.88	-	-	1.25	3.50
<b>OEV's subtotal</b>		<b>9.00</b>	<b>8.88</b>	<b>9.23</b>	<b>13.12</b>	<b>14.93</b>
Regular staff numbers		12	15	19	22	23
Staff costs as % of total OEV budget		26.67	34.35	32.50	37.88	34.83
<b>Evaluation function carried out outside OEV</b>						
Regional evaluation officers	PSA	-	1.66	1.67	1.67	1.67
Contingency evaluation fund (CEF)	PSA	-	1.50	1.50	-	-
	Multilateral			-	1.50	1.50
Decentralized evaluations (approximate)***	Programme sources	2.60	3.83	5.81	4.98	3.82
<b>Outside OEV's subtotal</b>		<b>2.60</b>	<b>6.99</b>	<b>8.98</b>	<b>8.15</b>	<b>6.99</b>
<b>Grand total</b>		<b>11.6</b>	<b>15.87</b>	<b>18.21</b>	<b>21.27</b>	<b>21.92</b>
<b>WFP forecast contributions income (USD billion)</b>		<b>5.7</b>	<b>6.0</b>	<b>5.7</b>	<b>5.7</b>	<b>5.7</b>
Grand total as % of forecast WFP contributions income		0.20	0.26	0.32	0.37	0.38

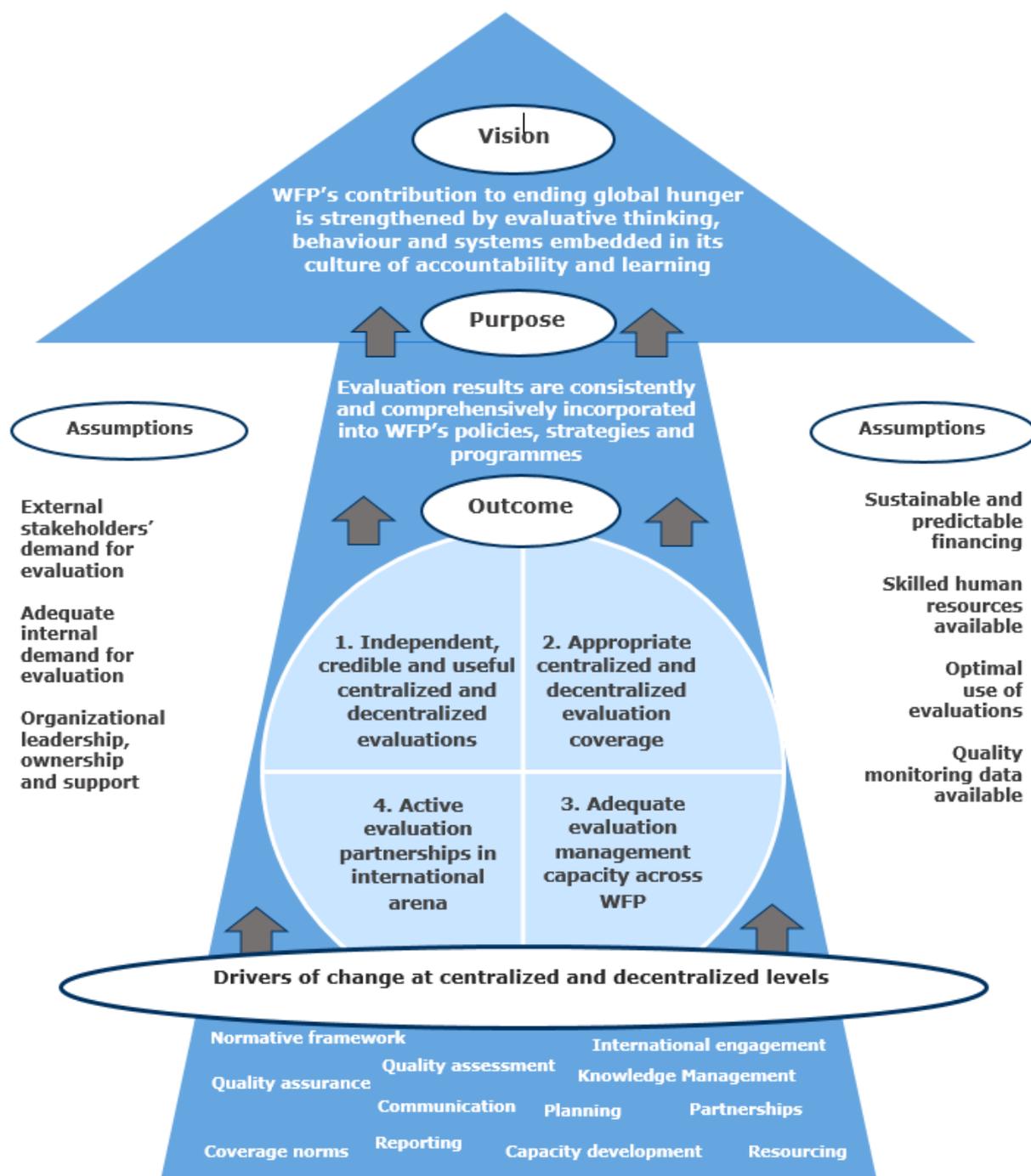
\* The contingency evaluation fund consists of a fund to support country offices that have planned and budgeted for an evaluation but are facing genuine resource constraints (USD 1.5 million replenishable); contributions to OEV's managed services to support decentralized evaluations (capacity development and quality support) (USD 0.5 million annually).

\*\* Programme sources consist of project funds for the operation evaluation series in 2016 and programme funds from country portfolio budgets from 2019.

\*\*\* Does not include costs of evaluation management by WFP staff.

PSA = programme support and administrative; CEF = contingency evaluation fund

Figure A.V.1: Theory of change, WFP evaluation policy (2016–2021)



### OEV's work plan for 2018–2020: Summary

8. The remainder of this document concerns OEV's work plan for 2018 and the outlook for OEV in 2019–2020. The outlook is provisional and will be reviewed annually to take into account the roll-out of the IRM, developments outside of WFP and the resources available for evaluation. Each of the following items is linked to one or more outcomes in the evaluation policy theory of change (see Figure A.V.1).
9. In summary, in 2018, OEV will deliver:
  - A. independent evidence for accountability and learning through a balanced programme of complex **centralized evaluations and associated synthesis reports**, selected in line with the evaluation policy's phased approach to the application of coverage norms, priority evidence and learning needs, the capacity of WFP to make changes recommended as a result of evaluations and the volume of resources available for evaluation – related to outcome 1;
  - B. expanded guidance, technical advice, quality support and capacity-building systems for the sound planning and conduct of increasing numbers of **decentralized evaluations**; and expanded roll-out of the multi-year programme on developing evaluation capacity throughout WFP, in collaboration with regional bureaux and the Human Resources Division – related to outcomes 1 and 2;
  - C. application and embedding of institutional arrangements and systems for the **overall evaluation function** set by the Evaluation Charter – related to all outcomes;
  - D. enhancement of the evaluation knowledge management system to promote and facilitate the use of evaluation evidence in policy and programme design and approval, especially the CSP process, supporting the growth of WFP's **learning and accountability culture** – related to the overall purpose of the policy and a major work stream in the evaluation strategy;
  - E. continued contribution to and shaping of the United Nations system-wide arrangements for evaluation and inter-agency humanitarian evaluation (IAHE) in line with the Sustainable Development Goals (SDGs) and the World Humanitarian Summit; engagement in strategically relevant **evaluation partnerships and networks** in the international arena; and advising regional bureaux and country offices on regional and national evaluation partnerships and networks – related to outcome 4; and
  - F. application and maintenance of the **information and reporting systems** to enable oversight of the entire evaluation function, both centralized and decentralized<sup>6</sup> – related to all outcomes and a major work stream in the evaluation strategy.

### Resources for OEV's 2018 work plan

10. The total resources required by OEV for 2018 to ensure balanced progress on each of the four interdependent outcomes of WFP's evaluation policy, with implementation phased in in accordance with the corporate evaluation strategy, are currently costed at **USD 9.23 million** (see Table A.V.1).<sup>7</sup> The total resources so far available to OEV from all sources for the 2018 work plan are USD 8.38 million (see Table A.V.2).

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<sup>6</sup> Subject to there being no significant delays in application of the new financial framework.

<sup>7</sup> Representing an increase from the USD 8.73 million in the original budget submission resulting from faster than expected uptake of decentralized evaluation and fluidity in IRM plans.

<b>TABLE A.V.2: RESOURCES AVAILABLE TO OEV FOR 2018 WORK PLAN (USD million)</b>				
<b>Main elements</b>	<b>Funding source</b>	<b>Comparison 2016</b>	<b>Comparison 2017</b>	<b>2018</b>
OEV core work plan	PSA base	6.10	6.90	7.40
OEV critical corporate initiative funding	PSAEA	-	1.50	
Contingency evaluation fund for capacity development programme and decentralized evaluation quality support	Multilateral	-	0.50	0.50
Single operation evaluations*	Programme sources	2.84	n/a	n/a
<b>Subtotal</b>		<b>8.94</b>	<b>8.90</b>	<b>7.90</b>
Additional critical corporate initiative funding (proposed)	PSAEA	-	-	0.40
<b>Total</b>		<b>8.94**</b>	<b>8.90</b>	<b>8.30</b>

\* From the start of 2017, evaluation of operations other than Level 3 emergency responses (see paragraphs 31 and 32) has been covered by the decentralized evaluation function for which OEV's role has shifted from "implementer" to "enabler" and oversight of the normative framework.

\*\* Approved by the Board at its 2017 first regular session (WFP/EB.1/2017/5/1/Rev.1).

PSA = programme support and administrative; PSAEA = programme support and administrative equalization account

11. For **2018**, in view of the gap between the needs-based budget of USD 9.23 million (see Table A.V.1) and the proposed available resources of USD 8.3 million (see Table A.V.2), the work plan prioritizes the activities that constitute the most time-sensitive building blocks for sustainably achieving the goal of the evaluation policy and at least minimum progress towards meeting the coverage norms. Fundamental recurring costs for OEV to deliver the minimum required activities in its new role in the augmented evaluation function are built into the work plan. These costs include securing the minimum staff capacity needed to deliver the 2018 programme, using temporary consultancy capacity where feasible.
12. Two planned CPEs have been postponed. These will be reinstated if additional funding for critical corporate initiatives is approved and used to meet requirements of the IRM. Augmentation of OEV's established staff – planned to start in 2018 – to deliver the sustained increase in centralized evaluations envisaged in the evaluation policy coverage norms and to meet the significant additional evaluation requirements of the policy on country strategic plans<sup>8</sup> has also been postponed.
13. The work plan outlook for 2019 and 2020 assumes that significant progress will be made towards the evaluation policy's target of 0.8 percent of WFP contribution income being dedicated to evaluation – both centralized and decentralized<sup>9</sup> – by the end of the policy period (2021). The target figure applies to contributions from all sources – including softly earmarked contributions and contributions received directly as trust funds – and is in line with the corporate evaluation strategy's agreed resourcing arrangements.<sup>10</sup>

<sup>8</sup> Approved by the Board at its 2016 second regular session (WFP/EB.2/2016/4-C/1/Rev.1), the CSP policy requires a CPE for every CSP. See projected implications for CPE numbers in paragraphs 17 and 28–30.

<sup>9</sup> Recognizing that the budgets for decentralized evaluations are managed by other units, not OEV.

<sup>10</sup> The financial framework includes provisions for funding all CPEs from country portfolio budgets, although the CPEs will be managed by OEV.

14. While ensuring that the quality of evaluations is maintained, OEV seeks maximum efficiency gains in evaluation management and value-added from partnership arrangements. Efficiencies and economies have been achieved by:
- outsourcing activities, where outsourcing creates cost savings, while maintaining quality standards – for example, in a quality support mechanism for decentralized evaluations;
  - using long-term agreements with a wide range of evaluation service providers;<sup>11</sup>
  - creating synergies among evaluations by conducting them in series and producing syntheses to enhance the evaluations' contribution to knowledge;
  - conducting evaluations jointly or in partnership wherever possible so that costs are shared (see examples in sections A and E); this strategy offers a double win, as joint evaluations are also increasingly important in measuring progress towards the SDG targets from combined efforts under the 2030 Agenda and for inter-agency evaluations of system-wide responses to Level 3 emergencies.
15. In OEV's PSA budget of USD 6.9 million, the total established staff budget is USD 3.05 million, compared with USD 2.40 million in 2016 and USD 2.50 million in 2015. As can be seen in Table A.1, during the period covered by the evaluation policy, a steady increase in OEV's established staff budget is needed to deliver the planned outputs and outcomes. This reflects the changing role of OEV staff as the evaluation function is embedded throughout WFP. At the same time, as progress is made towards full compliance with evaluation coverage norms, economies of scale are likely to result in decreases in staff costs as a percentage of the total budget for the evaluation function.
16. In its forward planning, OEV assumes that 30 percent of its divisional staff complement will be temporary consultants. If the budget for established staff does not increase to meet requirements, however, an increasing proportion of OEV's non-staff resources will have to be dedicated to temporary staff.
17. Table A.V.3 provides an overview of OEV's plan for centralized evaluations in 2018 and the provisional outlook for 2019 and 2020. At least 17 core centralized evaluations will be under way in 2018, including 8 continued from 2017 and at least 9 new starts.<sup>12</sup> The rationale and details of these deliverables are discussed in section A.

## **2018 OEV deliverables and 2019–2020 outlook**

### **A. *Centralized evaluations (outcome 2)***

18. OEV's centrally managed evaluations inform all stakeholders of the relevance, effectiveness, impact and sustainability of WFP's policies, strategies, operations and activities and the efficiency of their implementation. From 2018, there are two types of centralized evaluation: global evaluations of policies, strategies and global programmes; and country-specific evaluations, comprising evaluations of Level 3 humanitarian emergency responses – regional or national – country and regional portfolios and the impact of WFP activities.
19. The programme of evaluations for 2018–2020 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 to strengthen WFP's contribution to ending global hunger. The programme is designed to generate timely and pertinent evidence for decision-making, as outlined in the following paragraphs.
20. During 2017, OEV made a number of adjustments to the work plan for 2017–2019 to meet strategic organizational needs. Additional CPEs were started in 2017 to strengthen the evidence base for the preparation of CSPs that will be presented to the Board in late 2018 and early 2019. The timing of

<sup>11</sup> Long-term agreements provide multiple advantages, including greater administrative efficiency.

<sup>12</sup> The exact numbers of inter-agency humanitarian evaluations (IAHEs) and impact evaluations to start in a new series is not yet known.

the strategic evaluations planned for this period was also adjusted to prioritize evaluations of direct relevance to the initial phase of the IRM. In the light of the continuing and protracted Level 3 emergencies, there will be increased focus on these emergencies through evaluations of emergency responses, CPEs and strategic evaluations. These adjustments have led to the postponement of some global evaluations for a year or two.

21. The norm governing the evaluation of WFP's policies is set by the WFP policy formulation document approved by the Board in 2011.<sup>13</sup> It requires that policies approved after 2011 be evaluated from four to six years after the start of implementation to contribute evaluation evidence and learning to WFP's policy cycle.
22. The outlook for policy evaluations in 2018 (see Table A.V.3) includes evaluations of WFP's updated safety nets policy (2012) and revised school feeding policy (2013) as previously planned. Evaluation of the policy on peacebuilding in transition settings (2013) will start in 2019 along with evaluations of the HIV/AIDS policy<sup>14</sup> and WFP's gender policy (2015).
23. For policies approved **more than six years ago**, evaluation either of the policy itself or of the theme addressed by the policy is considered, based on the criteria of continuing relevance to WFP's work or potential to contribute to new policy development. In 2018, OEV will complete an evaluation of **WFP's policies on principled action and access in humanitarian contexts**, covering three such older policies on humanitarian principles (2004), humanitarian access and its implications for WFP (2006) and WFP's role in the humanitarian assistance system (2010). This evaluation was designed in synergy with the evaluation of the **humanitarian protection policy** (2012). Together they take into account the outcomes of the World Humanitarian Summit and WFP's latest position on the issues covered.
24. **Strategic evaluations** are forward-looking and focus on strategies, systemic or emerging corporate issues and/or programmes and initiatives with global or regional coverage. OEV's previous plans have been updated. The selected topics take account of the advice resulting from the evaluability assessment<sup>15</sup> of WFP's Strategic Plan completed early in 2016. Priorities for 2018 and 2019 may be adjusted to reflect the results of an organization-wide analysis of topics of strategic importance for WFP in the context of the Strategic Plan (2017–2021), the 2030 Agenda for Sustainable Development and the QCPR.
25. Subject to the results of the analysis, the multi-year series of evaluations started in 2017 under the overall theme of "Supporting the 2030 Agenda: innovations at the humanitarian and development assistance nexus" will continue. The series will assess key aspects of the organizational changes undertaken pursuant to the Strategic Plan (2017–2021) to increase WFP's efficiency and effectiveness and respond to the rapid changes taking place both within and outside of WFP. The first strategic evaluations in this series – of **resilience** and the **pilot CSPs** – will be completed in 2018.
26. The new start in 2018 is an evaluation of **WFP's innovations in constrained environments**. It will explore WFP's experience to date with innovative approaches in areas that are difficult to reach, such as the Syrian Arab Republic, Somalia and countries affected by the Ebola virus. Taking into account the outputs of the World Humanitarian Summit and the potential for the use of new technology, the evaluation will assess the results and performance of technological and institutional innovations such as remote and mobile vulnerability assessment, third-party monitoring, feedback mechanisms, new partnerships and platforms for cash-based transfers.

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<sup>13</sup> WFP/EB.A/2011/5-B.

<sup>14</sup> The evaluation of the HIV/AIDS policy was postponed from 2017 following the 2016 policy update.

<sup>15</sup> Evaluability assessments assess the extent to which reliable and credible evaluation is possible. They consider clarity and rationality of design – objectives, targets and indicators – demand from stakeholders and adequacy of indicators and relevant data, and provide advice on how limitations can be overcome or reduced.

27. The other planned evaluations in the series will begin in 2019: “**WFP’s performance management in the SDG era**” will evaluate the extent to which WFP’s organizational transformation under its Strategic Plan (2017–2021) has enabled a strong response to the 2030 Agenda for Sustainable Development; and “**managing organizational change**” will follow up on the 2011 evaluation of country offices’ adaptation to change and assess the impacts that recent organizational changes such as the ‘fit for purpose’ initiative, the IRM, work on innovations and the People Strategy have had on effectiveness.
28. The evaluation policy and the policy on CSPs entail an evolution in the types of evaluation carried out at the country level. Complementing the coverage of decentralized evaluations of individual operations and activities, centralized **country portfolio evaluations (CPEs)** will become primary accountability instruments and learning tools, providing evidence of the strategic positioning, performance and results of all CSPs, which range from three to five years in length. The first CPEs implemented under the new framework will commence in 2019, funded by programme resources from CSP budgets.
29. Given the higher number of interim CSPs (ICSPs) than originally foreseen in the CSP policy, ICSPs will be evaluated according to the coverage norms for CPEs in the evaluation policy, which pre-date the CSP policy. Countries that have ICSPs and are among WFP’s largest ten portfolios will be evaluated once every five years; other countries with repeating ICSPs will be evaluated once every ten years. Until the first CSPs and ICSPs are due for evaluation in 2019, a “pipeline” of systematically selected eligible countries<sup>16</sup> has been developed and prioritized. A core criterion for determining evaluation planning is timeliness to ensure that an evaluation can contribute evidence for the preparation of a CSP and a United Nations development assistance framework or sustainable development framework. The lists of countries in Table A.V.3 are based on current IRM planning.
30. The additional CPEs started in 2017 (see paragraph 20 and Table A.V.3) will be completed in 2018. In 2018, a further three “pre-IRM” CPEs will be started.<sup>17</sup> According to current planning and projections for the IRM, four CPEs will be conducted in the framework of the IRM in 2019, and the numbers of CPEs are expected to increase sharply after that, to 14 in 2020, 19 in 2021, 15–20 per year thereafter. In 2018 and 2019, OEV will lay the foundations for satisfying this demand, adapting the CPE model to the CSP framework, streamlining processes for optimum efficiency and preparing appropriate staffing plans.
31. Evaluations of **Level 3 humanitarian emergency response** will continue with the two-pronged approach: all Level 3 emergency responses will be evaluated either by an IAHE or by OEV in a separate evaluation of WFP’s response. The benefits of an IAHE over an evaluation of WFP’s response alone include more cost-efficient coverage, minimizing the burden on United Nations country teams in challenging environments and enabling the evaluation of WFP’s performance in broader partnerships.
32. As Level 3 emergencies are by definition unpredictable, plans include starting one IAHE and one OEV evaluation of WFP’s response each year from 2018 to 2020. In 2018, the evaluation of WFP’s regional “Syria +5” response will be completed and an evaluation of the response in northern Nigeria and the Lake Chad basin will be started. It is also expected that one or two IAHEs will be commissioned each year in line with the revised IAHE model, subject to the availability of needed capacity and resources. Responses to emergencies below Level 3 will also be evaluated, where resources permit and where the evaluations will complement planned decentralized evaluations.

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<sup>16</sup> Based on criteria such as portfolio size, programming profile, regional balance and the existence of a recent or ongoing evaluation, especially an operation evaluation or IAHE.

<sup>17</sup> “Pre-IRM CPEs” are CPEs conducted before the start of the country’s first CSP or ICSP. A transitional ICSP (T-ICSP) may be ongoing at the time of the CPE, but T-ICSPs are too short in duration to merit their own CPEs.

33. A new strategy for impact evaluations will be finalized, covering both centralized and decentralized approaches. It will inform a new series of centralized impact evaluations due to start in 2018. The strategy will build on the experience from the strategic partnership between WFP and the International Initiative for Impact Evaluation with the moderate acute malnutrition evaluation series conducted between 2015 and 2017<sup>18</sup> and the potential for additional partnerships. Partnering enables increased coverage by highly specialized experts, facilitating credible, high-quality impact evaluations that meet the particular methodological challenges of humanitarian contexts; enhances the capacity available to WFP; and provides learning opportunities for developing and influencing policies.
34. OEV will continue to support the regional bureaux in evaluation planning to ensure the application of the coverage norms laid out in the evaluation policy. Decentralized evaluation plans will take into account the planned country-level coverage of CPEs to ensure maximum complementarity. While CPEs assess the strategic positioning, coherence and performance of WFP's portfolio as a whole, decentralized evaluations cover specific themes and activities within the country portfolio and are intended to address specific knowledge gaps where the evidence base is weak and/or donors stipulate specific accountability requirements. Initial analysis of the evaluation plans embedded in the CSPs developed so far shows that approximately 25 percent more decentralized evaluations are planned than was anticipated in 2016. These projections will be refined as the IRM is rolled out (see Figure A.V.2).
35. Looking ahead, the increased numbers of CPEs led by OEV from 2020 onwards to meet the CSP policy "full coverage" norm is expected to provide a significant body of good-quality, country-level evaluation evidence. From this, OEV aims to produce thematic synthesis reports of global and – possibly – regional scope, on partnerships for example. At the same time, the volume of decentralized evaluations will also increase, and once OEV is satisfied with the quality of the evidence generated, it should be possible to produce synthesized evidence by region and/or theme. OEV will discuss these plans at the 2018 annual consultation on evaluation.

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<sup>18</sup> Part of a larger series of evaluations on wider multi-institutional humanitarian impacts.

TABLE A.V.3: CENTRALIZED EVALUATION PLAN, 2018 AND OUTLOOK FOR 2019 AND 2020

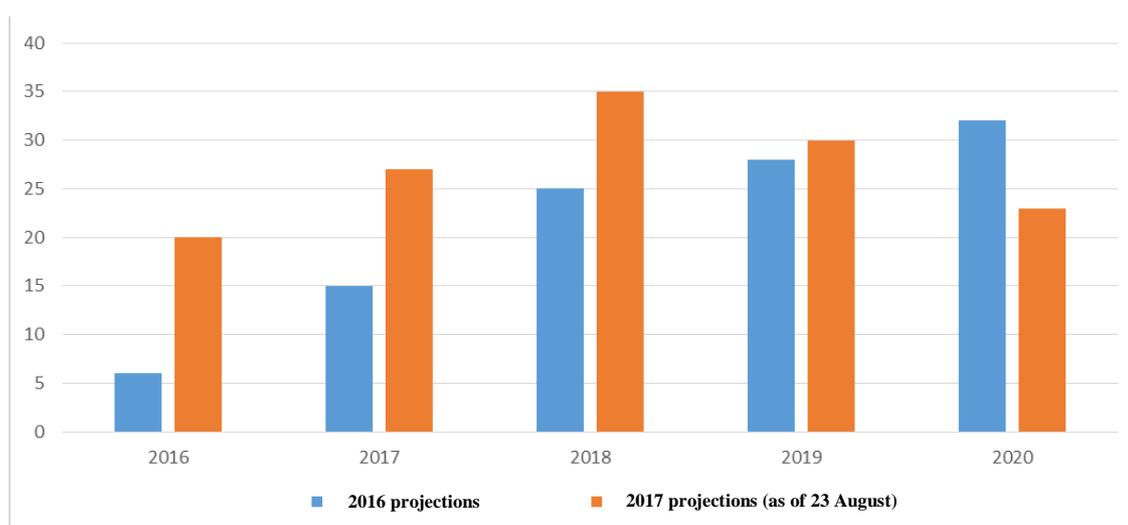
Type	2018	2019	2020
<b>Policy</b>	<p><i>Continued from 2017:</i></p> <ul style="list-style-type: none"> <li>Principled action and access in humanitarian contexts (A/18)</li> <li>Protection (A/18)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Safety nets update</li> <li>Revised school feeding</li> </ul>	<p><i>Continued from 2018:</i></p> <ul style="list-style-type: none"> <li>Safety nets update (tbd)</li> <li>Revised school feeding (tbd)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>HIV/AIDS</li> <li>Peacebuilding in transition settings</li> <li>Gender</li> <li>1 other: topic to be determined</li> </ul>	<p><i>Continued from 2019:</i></p> <ul style="list-style-type: none"> <li>HIV/AIDS</li> <li>Peacebuilding in transition settings</li> <li>Gender</li> <li>1 other: topic to be determined</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>4: topics to be determined</li> </ul>
<b>Strategic</b>	<p><i>Continued from 2017:</i></p> <ul style="list-style-type: none"> <li>Resilience (1/19)</li> <li>CSP pilots (2/18)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Innovations in constrained environments (A/19)</li> </ul>	<p><i>Continued from 2018:</i></p> <ul style="list-style-type: none"> <li>Innovations in constrained environments (A/19)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>WFP's performance management in the SDG era (tbd)</li> <li>Managing organizational change (1/20)</li> </ul>	<p><i>Continued from 2019:</i></p> <ul style="list-style-type: none"> <li>WFP performance management in the SDG era</li> <li>Managing organizational change (1/20)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>2: topics to be determined</li> </ul>
<b>Country portfolio</b>	<p><i>Continued from 2017:</i></p> <ul style="list-style-type: none"> <li>Central African Republic (A/18)</li> <li>Mali (2/18)</li> <li>Somalia (2/18)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Madagascar (2/18)</li> <li>Malawi (2/18)</li> <li>A third country (tbd)</li> </ul>	<p><i>Continued from 2018:</i></p> <ul style="list-style-type: none"> <li>Third country from 2018</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Democratic Republic of the Congo (ICSP)</li> <li>Bangladesh (CSP)</li> <li>Lebanon (CSP)</li> <li>Sudan (ICSP)</li> <li>Timor-Leste (CSP)</li> </ul>	<p><i>Continued from 2019:</i></p> <p>tbd</p> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>Colombia</li> <li>Ecuador</li> <li>El Salvador</li> <li>Guatemala</li> <li>Honduras</li> <li>Namibia</li> <li>Mozambique</li> <li>United Republic of Tanzania</li> <li>Zimbabwe</li> <li>China</li> <li>Indonesia</li> <li>Lao People's Democratic Republic</li> <li>Nepal</li> <li>Philippines</li> </ul>
<b>Level 3 Humanitarian emergency response</b>	<p><i>Continued from 2017:</i></p> <ul style="list-style-type: none"> <li>WFP response to the Syrian emergency (2/18)</li> </ul> <p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>WFP response in northern Nigeria</li> <li>1 or 2 IAHEs (tbd)</li> </ul>	<p><i>Continued from 2018:</i></p> <ul style="list-style-type: none"> <li>WFP response in northern Nigeria (A/19)</li> </ul> <p><i>New starts:</i></p> <p>To be decided based on context: assume 3 (2 IAHEs; 1 WFP Level 3 emergency response)</p>	<p><i>Continued from 2019:</i></p> <p>To be decided based on context: assume 3 (2 IAHEs; 1 WFP Level 3 emergency response)</p> <p><i>New starts:</i></p> <p>To be decided based on context: assume 3 (2 IAHEs; 1 WFP Level 3 emergency response)</p>
<b>Impact evaluations</b>	<p><i>New starts:</i></p> <ul style="list-style-type: none"> <li>New series (tbd)</li> </ul>	<p><i>New starts:</i></p> <p>New series continues (tbd)</p>	<p><i>Continued from 2019:</i></p> <p><i>New starts:</i></p>
<b>Evaluation syntheses</b>	<ul style="list-style-type: none"> <li>2017 annual evaluation report (A/18)</li> <li>Others (tbd)</li> </ul>	<ul style="list-style-type: none"> <li>2018 annual evaluation report (A/19)</li> <li>Series relevant to WFP Strategic Plan</li> </ul>	<ul style="list-style-type: none"> <li>2019 annual evaluation report (A/20)</li> <li>Subregional/thematic syntheses</li> </ul>

Letters and figures in brackets refer to the Board sessions at which the evaluations in the table will be presented to the Board: A = annual session; 1 = first regular session; 2 = second regular session; tbd = to be determined. Thus, for example, A/19 refers to the 2019 annual session.

## B. Decentralized evaluation function (policy outcomes 1–4)

36. OEV's projections of the volume of decentralized evaluations take into account new starts that are planned in the CSPs and ICSPs already designed and the decentralized evaluations undertaken in 2016 and planned or under way in 2017, of which there are more than foreseen in the corporate evaluation strategy (see Figure A.V.2). The projections for 2018–2020 are provisional estimates only.

**Figure A.V.2: Projections of decentralized evaluations, 2016–2020**



37. Responding to this rapid take-up, OEV will further enhance and expand the enabling framework for decentralized evaluations, focusing on the following priorities for 2018:
- maintaining OEV's internal decentralized evaluation help-desk and augmenting it with expertise in impact evaluations to advise on the planning, selection, design and conduct of evaluations;
  - maintaining and expanding the quality support system for decentralized evaluations, reviewing draft terms of reference and inception and evaluation reports and supplementing them with enhanced arrangements for impact evaluations;
  - revising the comprehensive guidance package – the quality assurance system for decentralized evaluations – to address recommendations from the 2017 review of the decentralized evaluation function and include best practices, particularly on joint evaluations, in the guidance;
  - continuing to provide coaching and technical support to the six regional evaluation officers, with particular emphasis on safeguarding impartiality provisions and ethical considerations;
  - delivering a comprehensive evaluation learning programme on decentralized evaluation to all offices commissioning decentralized evaluations;
  - establishing and maintaining an evaluation hot-line as one of several tools for safeguarding the independence and impartiality of decentralized evaluations;
  - in collaboration with the Budget and Programming Division, continuing to provide secretariat support for the contingency evaluation fund (described above, in the notes to Table A.V.1);
  - collaborating with the Performance Management and Monitoring Division on upgrading WFP's corporate management response system to integrate responses to decentralized and centralized evaluations, with a view to highlighting systemic evidence from both centralized and decentralized evaluations; and

- developing guidance for and providing tailor-made coaching, advice and support to colleagues engaging in regional and national evaluation networks and associated initiatives under the 2030 Agenda for Sustainable Development (see section E). This was originally planned for 2017 but was postponed to 2018 to make way for unforeseen and time-sensitive activities, largely in support of the IRM.

### **C. Overall evaluation function (outcomes 1–4)**

38. The Evaluation Charter details the institutional arrangements and systems required to embed evaluative thinking and behaviour throughout WFP. Although initially triggered by needs arising from the building of a credible, quality decentralized evaluation function, the institutional arrangements and several of the systems also apply to centralized evaluation. They facilitate the enhancement of WFP's entire evaluation function in pursuit of the goals of the evaluation policy.

39. In 2018, OEV will:

- continue to communicate proactively with staff about the evaluation policy and the corporate evaluation strategy, including through further consolidation of the WFP evaluation community of practice formed in 2017;
- continue to act as secretariat to the evaluation function steering group, which supports the Executive Director in embedding evaluations in corporate processes and fostering a culture of learning and accountability;
- continue to apply to all evaluations – centralized and decentralized – the post-hoc quality assessment system that was established in 2017 and is applied by external specialists;
- continue to support the identification of sustainable financing mechanisms for decentralized and centralized evaluations, in line with the directions set by WFP's Strategic Plan (2017–2021) and the IRM;
- in collaboration with the e-recruitment initiative of the Human Resources Division, maintain the database of evaluator experts established in 2016 and the group of evaluation service providers with long-term agreements supplying evaluation expertise for decentralized and centralized evaluations – the group was expanded and diversified in 2017;
- continue to update the centralized evaluation quality assurance system in line with the evaluation policy and recent best practice, focusing on efficiency and ethics; and
- consolidate a system for supporting complementarity in the planning of centralized and demand-led decentralized evaluations and complementarity between evaluation and other WFP oversight and learning instruments.

### **D. Promoting the use of evaluation evidence and communications (purpose and cross-cutting outcome of the policy)**

40. WFP's evaluation policy reaffirms the importance of ensuring that evaluations are useful to decision-makers and stakeholders by stimulating learning from and the use of evaluations to improve policies, strategies, programmes and operational decision-making. Taking into consideration resource limitations and the need for phased development of the function with the aim of achieving the policy's outcomes, in 2018 the priorities will be:

- developing a comprehensive communications strategy for the evaluation function;
- continuing to support the systematic use of evaluation evidence for programme and policy planning and implementation through the consideration of evaluation evidence and recommendations from WFP's programme review process;
- continuing to conduct learning workshops during the evaluation process, as appropriate and where resources permit, and broadening the range of webinars;

- fully populating WFP's upgraded evaluation intranet and internet pages to facilitate more effective sharing of evaluation information and evidence and to increase the accessibility of evidence from all WFP centralized and decentralized evaluations to internal and external users;
- integrating an evaluation perspective into data gathering and reporting, in collaboration with the Policy and Programme Division, the Vulnerability Analysis and Mapping Unit, the Innovation and Change Management Division, the Information Technology (IT) Division, the Communications Division and the Performance Management and Monitoring Division;
- broadening the range of communication tools to stimulate interest in and communication of evidence, and testing the tools on centralized evaluations; and
- continuing to plan and conduct centralized evaluations that are of maximum relevance to WFP's decision-making and evidence needs.

#### ***E. Engagement in the international evaluation system (policy outcome 4)***

41. OEV 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 WFP's work. In the light of the 2030 Agenda, in 2018 OEV will focus on following through on commitments to:
- continuing to participate in the IAHE process within the humanitarian programme cycle of the Inter-Agency Standing Committee, subject to the availability of capacity and resources;
  - actively participating in the United Nations Evaluation Group's (UNEG's) work on ensuring that evaluations contribute to the delivery of results under the 2030 Agenda for Sustainable Development – OEV and the Office of the United Nations High Commissioner for Refugees (UNHCR) will co-convene UNEG's work on enhancing evaluation of the outcomes of the humanitarian principles and other efforts to strengthen evaluation of humanitarian action in the United Nations system; OEV will also contribute to UNEG's work on strengthening decentralized evaluation, professionalization, gender and human rights, knowledge management and the use of evaluation, partnerships and national evaluation capacities; WFP will convene a new work stream to update UNEG guidance on ethics;
  - continuing to enhance collaboration among the evaluation offices of the Rome-based agencies, focusing on joint learning and capacity-building initiatives;
  - continuing to contribute to and collaborate with other international professional networks;<sup>19</sup> and
  - continuing to represent WFP in the steering committee of the International Initiative for Impact Evaluation thematic window on humanitarian action until its conclusion in 2018.

#### ***F. Evaluation function reporting (cross-cutting outcome)***

42. Taking into account relevant developments in the corporate results framework and the Financial Framework Review, OEV will apply the reporting framework for the evaluation function – centralized and decentralized evaluation – using the purpose-built web-based platform and dashboard established in 2017.

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<sup>19</sup> For example, the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP), on which OEV serves as a member of the steering group; and professional evaluation associations, such as the American Evaluation Association, the European Evaluation Association and the International Development Evaluation Association.

43. Building on the core key performance indicators (KPIs) developed in 2016 in the six groupings in the evaluation policy, management information will be progressively extended through updated and extended **information and reporting systems**. Following delays in 2017, which resulted from the reprioritization of OEV's work plan and the emergence of new opportunities offered by corporate IT developments, the following activities are being extended into 2018:
- i) collecting the data on core indicators available from existing information and reporting systems and reporting them in a redesigned annual evaluation report for 2017;<sup>20</sup>
  - ii) progressively introducing additional KPIs to meet management information needs as WFP's systems are enhanced, as part of the Financial Framework Review; and
  - iii) completing the drafting of guidance on data collection for all KPIs.
44. Reporting and management information systems will continue to be developed as necessary to take into account future corporate developments.

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<sup>20</sup> To be presented to the Board at its 2018 annual session.

## ANNEX VI

### Changes to WFP's existing insurance arrangements

1. The Committee on Food Aid Policies and Programmes, the precursor of the Executive Board, approved self-insurance arrangements for WFP in 1993 to address the challenge of obtaining appropriate insurance coverage on the open market.
2. The self-insurance arrangements have served WFP well and resulted in substantial cost savings. WFP's operational landscape has changed significantly in recent years, however. Whereas WFP previously delivered commodities to recipient governments at national entry points, it now arranges for transport and storage of the commodities and delivers them to beneficiaries and cooperating partners in recipient countries, often deep within the territories of those countries. Moreover, WFP has adopted new modalities for responding to humanitarian needs such as the pre-positioning of commodity stocks and the distribution of specialized nutritious foods and other manufactured nutritious products.
3. The self-insurance arrangement is supplemented by external insurance policies covering losses that exceed the dollar limits of the self-insurance arrangement. The self-insurance arrangement must operate in a manner consistent with the terms and conditions of the external policies, which among other things exclude certain categories of losses from coverage. Thus, not all losses are covered by WFP's current self-insurance arrangements.
4. Self-insurance is the most cost-efficient way of providing against WFP commodity losses, but the WFP self-insurance scheme must be adapted to embrace current risks and cover gaps in existing coverage. WFP will therefore build on its 20 years of experience in self-insurance and take advantage of advances in the insurance industry to align its self-insurance scheme with current circumstances and practices.
5. With the proposed changes the self-insurance arrangement will cover commodities from the time they are delivered to WFP to the point when they are handed over to other operators. It will also cover all WFP's commodity losses, including those that are excluded under the current self-insurance arrangement. Supporting systems will be updated to enable WFP to report accurately on the various elements of the scheme.

### Background

6. In a period of rising insurance premiums and commercial insurers' reluctance to offer full coverage, WFP reviewed its commodity risk management approach in 1993 in order to find the optimum arrangements for insuring against commodity losses. At its 36<sup>th</sup> session, the Committee on Food Aid Policies and Programmes mandated WFP to implement a self-insurance arrangement for international cargo operated on commercial principles as if it were an outside insurer.
7. WFP accordingly established a self-insurance scheme that it operates in the manner of a "captive" insurance company, i.e., a company that is wholly owned, controlled and funded by the insured party. This scheme is commonly referred to as "the Captive". All WFP commodities are insured by the Captive, which is mandated to charge WFP the lowest commercially available premium; to settle losses promptly; to take action to recover losses from any third parties responsible for them; to maintain reserves for future losses; and to promote loss awareness and prevention throughout WFP's supply chains.
8. The Captive insures commodities on an "all-risks" basis,<sup>1</sup> covering losses up to USD 750,000 per shipment or USD 1.5 million for two or more consignments on one vessel. Losses beyond these

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<sup>1</sup> The International Risk Management Institute defines all risks insurance as "property insurance covering loss arising from any fortuitous cause except those that are specifically excluded. This is in contrast to named perils coverage, which applies only to loss arising out of causes that are listed as covered."

amounts are covered by an external insurer, which also covers general average,<sup>2</sup> salvage<sup>3</sup> and reasonable "sue and labour"<sup>4</sup> costs. Coverage of a given commodity commences from the time WFP takes delivery of it and continues until it arrives at its delivery point, i.e., the first point of rest in the recipient country. Losses occurring during this period, known as pre-delivery losses, are covered; post-delivery losses, which are reported annually to the Executive Board, are not covered.

9. WFP established a risk mitigation and insurance unit – now the Operational Risk Mitigation Service (OSCR) – to manage the Captive along with its other insurance arrangements. OSCR is overseen by the Board of Directors for the Governance and Oversight of the Insurance Function, whose members include the Deputy Executive Director, as chair, the Assistant Executive Director for Operations, the Chief of Staff and a number of divisional directors; observers include the General Counsel and the Inspector General.
10. The Captive continues to provide in-transit coverage in accordance with commercial principles in the manner of an external insurer, as described above. The money to fund the Captive, which is held in a self-insurance special account, is derived from premiums and recoveries from third parties responsible for claim losses. The Captive's main expense is claim settlement. As a prudent insurer the Captive is required to keep a capital reserve for future losses. The capital reserve is currently set at USD 20 million, equivalent to two years' worth of losses. Surplus funds over and above the capital reserve are paid to WFP as dividends. Such dividends are only paid, however, in amounts sufficient to enable WFP to meet unexpected needs. Once paid, use of the dividends by WFP requires Executive Board approval.<sup>5</sup>
11. Marine all-risks coverage with a standard warehouse-to-warehouse clause was deemed the most suitable cover for the risks facing WFP at the time the Captive was established. At that time WFP relied primarily on in-kind donations from major donors, and in carrying out its operations it typically arranged ocean transport for commodities that it handed over to recipient governments at national ports of entry. The losses against which WFP needed to insure were therefore primarily at-sea losses, along with overland transit losses in landlocked countries; those losses were amply covered by the warehouse-to-warehouse clause of the all risks policy.
12. WFP continues to be well-served by the Captive, which is sound, flexible and robust and consistent with best business practices, providing the right mix of risk retention and risk transfer. It is financially sound even though it offers an extremely favourable premium of 0.44 percent of cost and freight value,<sup>6</sup> and it continues to provide WFP with generous dividends.<sup>7</sup> WFP's losses are settled promptly and in full, and the Captive has often operated flexibly, accepting claims that are strictly speaking outside its coverage. The Captive also covers WFP in locations where commercial companies are reluctant to provide insurance.
13. Since WFP holds external commercial insurance for losses beyond those covered by the Captive, it must operate the Captive in a manner consistent with the terms and conditions of its external policies and the established practices and norms of commercial insurance markets. Thus, not all losses are covered by the Captive, even if they are pre-delivery losses. Commercial insurance policies typically

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<sup>2</sup> General average refers to partial losses sustained from "voluntary sacrifice" such as jettisoning cargo to save a ship or extraordinary expenses incurred by one party for the benefit of other parties, such as the cost of towing a stranded vessel.

<sup>3</sup> Salvage operation refers to any act undertaken to assist a vessel or any other property in danger.

<sup>4</sup> A sue and labour clause in a marine insurance policy allows the insured to recover the reasonable cost of preventing or minimizing a loss of insured property for which the insurer would have been liable.

<sup>5</sup> Low premiums are a basic requirement. The rate at which reserves are built up therefore depends on a high rate of recovery of losses from third parties and effective loss-prevention measures.

<sup>6</sup> If WFP relied on an external policy as its first layer of insurance, the lowest premium rate obtainable would be not less than 2.25 percent of cost and freight value. Even if the policy were used solely to cover losses that WFP could not recover from liable third parties, the premium would be no less than 1.5 percent. The Captive's low premiums save WFP approximately USD 7.5 million annually. Furthermore, given the areas in and conditions under which WFP operates, insurance would simply be unavailable on most markets.

<sup>7</sup> Since its inception the Captive has paid out approximately USD 35 million to WFP in dividends. This works out to an average annual dividend of USD 2.5 million.

exclude losses resulting from events that are within the control of the insured party or that are considered to be unavoidable. A loss that would otherwise be covered is nevertheless not payable if it is the subject of such an exclusion. The main categories of exclusions, referred to as “excepted perils”, include “inherent vice” (characteristics of the cargo that cause it to deteriorate without any external cause), wilful misconduct by the insured party, losses caused by insufficient or unsuitable packing and losses caused by war on land.

14. Since the Captive was introduced WFP’s operational landscape has changed substantially, and WFP’s risk profile has evolved accordingly. Instead of handing over commodities to recipient governments at national ports of entry, as it did previously, WFP now clears, stores, transports and hands them over to cooperating partners and beneficiaries within the territories of recipient countries. Although title to the commodities passes to the recipient governments at the ports of entry, WFP retains a duty of care for the commodities so long as they are under its custody and control and is therefore accountable for any losses that occur during this period.
15. As WFP’s operational reach has increased, there has been a dramatic increase in the number of difficult and insecure environments in which it must transport and deliver commodities; the conflicts in Afghanistan, Iraq, Somalia, South Sudan, Sudan and the Syrian Arab Republic exemplify this. WFP’s contractual arrangements with service providers include some safeguards against loss, but not all losses can be adequately covered in this way. In hostile and insecure environments the choice of private commercial partners is limited, and they are often unwilling to accept the risks involved in delivering humanitarian relief. As a result WFP is effectively its own logistics service provider. It also provides logistics services for other humanitarian actors in accordance with its Inter-Agency Standing Committee mandate for the Logistics Cluster and through bilateral arrangements. Supply-chain activities are premised on the transfer of risk to service providers, but in these cases the risks remain with WFP, which also assumes the risks associated with providing services to others.
16. WFP has increased its use of specialized nutritious foods and other manufactured nutritious products, which come with their own complex risks such as production defects not apparent at the time of acquisition, short shelf life, sensitivity to environmental variations and deterioration caused by faulty handling or storage. Governments unfamiliar with these products have in some cases refused or delayed their release, resulting in losses.
17. To reduce WFP supply lead times, improve the timeliness of food deliveries, procure food at advantageous times and reduce response times (particularly in emergencies), WFP implements forward-purchase and stock pre-positioning arrangements under its Global Commodity Management Facility. The benefits are considerable in terms of reduced lead times, from the receipt of donations to the distribution of food assistance, but there is an associated set of risks.
18. When the Captive was set up WFP’s cargo operations were largely seaborne. Since then there has been substantial growth in local and regional food purchases, whose risks cannot be adequately covered by marine insurance.
19. WFP has modernized its resource planning systems and has improved its ability to track food consignments with its Logistics Execution Support System (LESS). LESS can track commodities at any location in real time and hence provides opportunities to enhance risk management.
20. WFP has managed its self-insurance arrangements for 22 years, and it will draw on the experience gained and the related structures, procedures and partnerships to expand the arrangements to areas of operations that were previously excluded.
21. There have also been major developments in the insurance industry. Marine insurance policies still provide all-risks coverage, but they have been expanded to provide coverage throughout organizations’ supply chains. Coverage can be provided from the time raw materials are sourced, through assembly and work in progress, during storage and transit and, in some cases, after final delivery. Such policies are now usually characterized as “stock throughput insurance programmes” and are the industry’s instrument of choice because they are flexible and can easily be tailored to individual needs. No other standard policy provides greater scope for adjusting coverage to specific requirements, including to address the unique risks faced by WFP in various locations.

### Extension and expansion of coverage under the self-insurance scheme

22. In view of the changes in WFP's operational landscape, its self-insurance arrangements need to be adjusted to better address its current risk profile. The following adjustments are accordingly proposed:
  - i) To provide insurance coverage from the moment WFP takes possession of goods to the moment it hands them over to cooperating partners, governments or beneficiaries; and
  - ii) To provide insurance coverage for all WFP physical commodity losses, including those from "excepted perils" typically excluded from commercial insurance policies.
23. If these proposals are implemented, the self-insurance retention scheme will cover significantly more losses. The extension of coverage to extended delivery points, for example, will shift the bulk of post-delivery losses to the pre-delivery loss account, thereby substantially increasing claims against the self-insurance scheme. WFP's past losses suggest that this increase could amount to USD 15 million per year.
24. It should be borne in mind, however, that past losses are only representative if the risk profile remains the same. WFP's business model and risk profile are changing, which will certainly have an impact on future losses. The quantity of commodities handled by WFP has gradually decreased since 2009, and pre-delivery losses are declining accordingly,<sup>8</sup> but the value of post-delivery losses rose from USD 10.1 million in 2009 to USD 18.7 million in 2013. Between 2014 and 2015 the value of such losses fell slightly, but the average level of losses is projected to remain at USD 15 million. Losses were particularly high in 2016 as a result of looting in South Sudan.
25. The expansion of coverage to include "excepted perils" losses carries with it an element of political and reputational risk. Losses in this category can be substantial, and they could easily wipe out the financial base of the Captive if incurred repeatedly. Oversight arrangements must therefore ensure that when such losses occur lessons are learned and measures put in place to prevent future similar losses and that those responsible for the losses are held to account.
26. This will be done through the Board of Directors for the Governance and Oversight of the Insurance Function. Thus, for example, any losses not covered by external insurance arrangements will require advance approval by the Board of Directors prior to claim settlement.
27. A major element of WFP's management of food deliveries is the ability to minimize avoidable losses. Even if WFP were to implement the most stringent risk-control procedures, however, it would be impossible to eliminate such losses completely. The proposed changes to the Captive will nonetheless enable WFP to reduce the total cost of risk insurance by using an optimal combination of risk control, self-insurance and external insurance.

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<sup>8</sup> Some of the reasons for this decline include improved storage, increased use of containers and increases in local and regional procurement.

## ANNEX VII

### **Terminology**

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 indicated in terms of money 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 by free text statements in country strategy portfolios, are classified in standardized groups across 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**

Corporate level report submitted to the Board and donors highlighting WFP's key achievements and challenges. Reporting progress against the WFP strategic plan and Management Plan, it 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 reporting systems and on consultation with divisions, regional bureaux, country offices and partners.

#### **Appropriation**

The amount approved by the Board for purposes specified in the PSA budget 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.

#### **Beneficiaries**

Beneficiaries are individuals that benefit directly (Tier 1) or indirectly (Tier 2, Tier 3) 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 to enable 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.

## Country strategic plan framework

The country strategic plan (CSP) framework is WFP's approach to strategic and programmatic planning at the country level. It introduces a unique programmatic framework based on coherent country portfolios, which replace existing programme categories and project documents. The CSP framework includes the following elements:

- **Country strategic plans:** CSPs can be designed for a period of up to five years and need to be approved by the Executive Board. CSPs are informed by country-led national zero hunger strategic reviews or similar analyses as well as evaluations, assessments, including joint needs assessments, feasibility studies, etc.
- **Interim country strategic plan:** In situations where a strategic review is not viable or impossible to undertake, WFP will operate through interim country strategic plans (ICSPs) as unique programmatic frameworks at the country level. ICSPs are based on existing strategies, studies, assessments, including joint needs assessments, analysis and data. ICSPs can be designed for a period of up to three years and are approved by the Executive Board. WFP country offices are expected to develop and submit CSPs as soon as the conditions for completing a strategic review exist.
- **Transitional interim country strategic plans:** Transitional interim country strategic plans (T-ICSPs) are used as WFP country programmatic frameworks to “cover the gap” during the transition from project documents to Executive Board approved CSPs and ICSPs. Transitional ICSPs are implemented for up to 18 months (from January 2018 to June 2019) and approved by the Executive Director. Transitional ICSPs are based on existing project documents approved or revised in 2017.
- **Limited emergency operations:** The programme framework enables WFP to provide a quick and effective response to emergencies occurring where WFP has neither an operational presence nor an ICSP/CSP. In these cases, WFP's response is channelled through a limited emergency operation, which is followed by a special circumstances ICSP, approved by the Executive Director, should WFP's presence and assistance continue to be required.

## Critical corporate initiatives

Non-recurring investments funded by allocations from the PSA equalization account to strengthen 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 country programme or country programmes.

## Direct support cost

A cost that can be directly linked with the provision of support to an operation and that would not be incurred should that activity cease.

## 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.

## 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 context in which WFP operations are implemented. Focus areas appear as tags in WFP logical frameworks at the WFP 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 in full of operational costs, direct support costs and indirect support costs.

**Functional areas**

Areas of expertise relevant to managing related business processes and providing internal services for the purpose of implementing operations and enabling the effective, efficient and economic achievement of programme results. The functional areas are closely related to the country office and regional bureau structures and, to a certain extent, headquarter divisions.

**General Fund**

The accounting entity established for recording, under separate accounts, indirect support cost recoveries, miscellaneous income, operational reserve and contributions received that are not designated to a specific programme category, project or bilateral project.

**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 derived from the operational requirements, prioritized and adjusted on the basis of the funding forecasts, available resources and operational challenges.

**Indirect support costs**

Costs that support the execution of projects and activities but that cannot be directly linked to their implementation.

**Integrated Road Map (IRM)**

The Integrated Road Map (IRM) defines the transformative changes required 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".

**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 country programme or WFP activities for which the contribution will be used and how it will be used, or a contribution made in response to a broad-based appeal made for which WFP determines, within the scope of the broad-based appeal, the country 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**

Any costs of WFP projects and activities other than direct support costs or indirect support costs.

**Operational requirements**

All direct operational needs and direct support costs related to approved projects and their logical extensions, and projects anticipated to be submitted for approval.

**Programme category**

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

**Programme of work**

Total of approved WFP project requirements determined in collaboration with governments and other partners and utilized for funding appeals.

**Programme support and administrative budget**

The portion of the WFP budget allocated to indirect support for WFP's activities.

**Project**

A separately identified undertaking within a programme category.

**Ration**

A ration is the food, 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.

**Results pillars**

Five categories (A–E) that describe outcome-like results for the work that regional bureaux and headquarters undertake to support country offices and therefore to align regional bureaux and headquarters offices plans and budgets. Under each pillar, a list of services and products specifies further the work of the regional bureaux and headquarters.

**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**

First level of support for 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 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 Strategic Results, and below them are outputs and activities. Strategic outcomes are classified with standard WFP outcome categories for the purpose of aggregation across the entire organization.

**Strategic Results**

Supporting the Strategic Objectives, Strategic Results align WFP's support for 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.

**Value for money**

WFP defines value for money as “getting the best results for our beneficiaries by using our resources wisely” and achieving the optimal balance between effectiveness, efficiency and economy.

**WFP budget**

The budget component of the Management Plan, approved each year; it indicates estimated resources and expenditures for programmes, projects and activities, including a PSA budget.

**WFP transfer modalities terminology**

- **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.

**Working Capital Financing Facility**

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

**Acronyms used in the document**

AED	Assistant Executive Director
CBF	Capital Budgeting Facility
CBT	cash-based transfer
CEF	contingency evaluation fund
CFO	Chief Financial Officer
COMET	country office tool for managing effectively
CPB	country portfolio budget
CPE	country portfolio evaluation
CRF	Corporate Results Framework
CSP	country strategic plan
DRC	Democratic Republic of the Congo
ED	WFP Executive Director
EDI	electronic data interchange
EPRP	Emergency Preparedness and Response Package
FAO	Food and Agriculture Organization of the United Nations
FASTER	Functional and Support Training for Emergency Response
FPI	Field Premises Improvement
FSP	financial service provider
GCC	Gulf Cooperation Council
GS	General Service (posts)
GVLP	Global Vehicle Leasing Programme
HRM	Human Resources Division
IAHE	inter-agency humanitarian evaluation
IASC	Inter-Agency Standing Committee
IATI	International Aid Transparency Initiative
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 costs
IT	information technology
KPI	key performance indicator
LESS	Logistics Execution Support System
MOU	Memorandum of Understanding
NGO	non-governmental organization
OEV	Office of Evaluation
OIG	Office of the Inspector General
OIGI	Office of Inspections and Investigations

OSCR	WFP Operational Risk Mitigation Service
P4P	Purchase for Progress
PGC	Partnership and Advocacy Coordination Division
PSA	Programme support and administrative (budget)
PSAEA	PSA equalization account
RBA	Rome-based agency
RBB	WFP Regional Bureau for Asia and the Pacific
RBC	WFP Regional Bureau for the Middle East, North Africa, Eastern Europe and Central Asia
RBD	WFP Regional Bureau for West Africa
RBJ	WFP Regional Bureau for Southern Africa
RBN	WFP Regional Bureau for East and Central Africa
RBP	WFP Regional Bureau for Latin America and the Caribbean
REACH	Renewed Efforts Against Child Hunger and Undernutrition
SADC	Southern Africa Development Community
SDG	Sustainable Development Goal
SPA	strategic partnership agreement
SPC	standard position cost
SUN	Scaling Up Nutrition movement
TB	tuberculosis
T-ICSP	transitional interim country strategic plan
UNDSS	United Nations Department of Safety and Security
UNEG	United Nations Evaluation Group
UNHAS	United Nations Humanitarian Air Service
UNHRD	United Nations Humanitarian Response Depot
VAM	vulnerability analysis and mapping