

WFP's Private Sector Partnership and Fundraising Strategy: An Evaluation

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Executive Summary

Introduction

Evaluation Features

1. This evaluation of WFP's 2008 private-sector partnership and fundraising strategy was carried out between February and June 2012 by an independent team of specialists in evaluation, private-sector fundraising and partnership, logistics and nutrition. It analysed the strategy's quality and results and how these were achieved, along with how WFP's approach to private-sector fundraising and partnership could be improved in the future.

2. The evaluation used a range of methods, including interviews, questionnaires, data analysis and document¹ and literature reviews. Visits were made to five country offices – Egypt, Ethiopia, Indonesia, Kenya and Nicaragua – and telephone interviews were conducted with five more – Bangladesh, Haiti, India, Senegal and the Sudan. Interviews were also conducted with WFP staff at Headquarters, regional bureaux,² liaison offices³ and the Private Partnerships Branch (CPP).⁴ Comparable humanitarian organizations include the United Nations Children's Fund (UNICEF), the Office of the United Nations High Commissioner for Refugees (UNHCR) and six large non-governmental organizations (NGOs).⁵ Interviews were also conducted with the United Nations Global Compact, the United Nations Development Programme, the Friends of WFP in Italy, Japan and the United States, members of WFP's Board and representatives of 17 multinational corporations and foundations. Questionnaires were completed by WFP staff in senior and managerial positions, by communications and private-sector partnership staff and by all categories of WFP private partners. Overall, 222 people were interviewed and 110 responded to questionnaires.

3. The evaluation employed a consultative process. An internal reference group provided inputs at key stages. The debriefing process included a workshop for WFP technical staff, two presentations, and a discussion of draft recommendations with WFP's Executive Management Group. As part of the quality control process, the draft inception and evaluation reports were reviewed by an expert panel. The final evaluation report took into account feedback from these processes.

¹ Including WFP evaluation reports: the 2012 global logistics cluster evaluation (draft); the 2011 Haiti country portfolio evaluation; the 2011 Kenya country portfolio evaluation; the 2011 strategic mid-term evaluation of WFP's agriculture and market support in Uganda; and the 2011 strategic mid-term evaluation of the Purchase for Progress (P4P) Initiative.

² Bangkok, Cairo, Johannesburg, Nairobi and Panama City.

³ In New York, Tokyo, and Washington, DC.

⁴ Based in Bangkok, Jakarta, Rome, London, New York, Tokyo and Washington, DC.

⁵ Catholic Relief Services, the International Federation of Red Cross and Red Crescent Societies, *Médecins sans frontières* (Doctors Without Borders), Oxfam International, Save the Children and World Vision.

Context

4. The 1999 United Nations Global Compact provides the overall framework for United Nations cooperation with the business community. While recognizing the importance of private-sector partners in the pursuit of United Nations goals, United Nations organizations remain primarily accountable to Member States. United Nations general principles⁶ for working in partnership with the business community include:

- **Advance United Nations goals.** The objective needs to be articulated clearly and must advance United Nations goals as laid out in the United Nations Charter.
- **Shared values and principles.** The United Nations is interested in working with Business Sector entities that share its values, including internationally recognized principles concerning human rights, labour, the environment and anti-corruption.
- **Clear delineation of responsibilities and roles.** When a partnership arrangement with the business sector will have financial implications for the United Nations it should be implemented only pursuant to a formal written agreement [...] delineating the respective responsibilities and roles of each party, [...] with defined timelines and measurable outputs.
- **Maintain integrity and independence.** Arrangements should not diminish the United Nations' integrity, independence and impartiality.
- **No unfair advantage.** Cooperation should not provide exclusivity in its collaboration or imply endorsement or preference of a particular business sector entity or its products or services.
- **Transparency.** Cooperation with the Business Sector must be transparent. Information on the nature and scope of major cooperative arrangements should be available [...] to the public at large.

5. In 2010, Organisation for Economic Co-operation and Development (OECD) countries provided US\$128 billion of official government development assistance and US\$31 billion from private voluntary agencies, for developing countries.⁷ The United States accounted for three-quarters of private voluntary grants. The composition of overall giving in the United States for 2010 provides an indication of the relative importance of different sources of resources: the general public, individuals and charitable bequests from individuals accounted for 81 percent of the total; private foundations for 14 percent; and corporations and corporate foundations for 5 percent.⁸

⁶ Secretary-General of the United Nations. 2009. Guidelines on Cooperation between the United Nations and the Business Sector. 20 November. New York.

⁷ OECD web tables available at:

<http://www.oecd.org/dac/aidstatistics/internationaldevelopmentstatisticsidsonlinedatabasesonaidandotherresourceflows.htm>

⁸ For details and sources see Context and Annex 4 tables.

6. Companies are held accountable for demonstrating attention to social and environmental responsibility in both OECD and G77 countries, but are increasingly seeking synergy between their social responsibility and business objectives. Technological advances and the use of social media are transforming fundraising modalities for reaching individual givers, but direct mail and personal contact remain the most important means of reaching the general public.

WFP Strategic Direction and Operations

7. The 2008 private-sector partnership and fundraising strategy addresses fundraising and technical partnership with private-sector companies and foundations, and fundraising from the general public, individuals of high net worth and NGOs. It establishes a firewall between procurement and private fundraising and partnering.

8. The strategy aims to:

- i) retain existing WFP Global Humanitarian Partners and recruit new partners for each of WFP's major business areas;
- ii) retain existing WFP corporate supporters and attract new ones;
- iii) extend WFP's outreach to foundations;
- iv) cultivate high-net worth individuals; and
- v) enhance outreach to smaller individual donors through the web.

9. Private sector partnerships are expected to contribute to decreasing WFP response times, improving operational efficiency, and strengthening capacity and skills. Tapping into a company's employee and consumer base is expected to increase WFP's visibility.

10. The strategy has a specific goal of raising US\$270 million a year from private contributions by 2017; of this US\$70 million would be in kind and US\$200 million cash. At least 25 percent – US\$50 million – of the cash raised would be fully flexible for allotment to programmes as decided by WFP. The strategy requires WFP to adopt a self-financing approach, using a management fee charged to private-sector contributions to finance private-resource mobilization and the development of partnerships.⁹ It also provides a loan from the General Fund for start-up activities.

Evaluation Findings

11. **Strategy results and implementation.** Table 1 shows progress towards meeting the 2017 targets. Annual targets for overall resources and cash resources have been exceeded. Management fees and CPP operating costs have been kept within expected levels, but the costs to other WFP units that contribute to raising private-sector funding and managing private-sector relationships have not been

⁹ In addition to the management fee, indirect support costs (ISC) are charged at the normal rate on private resources.

tracked. Most of the US\$9 million loan from the General Fund for initial investment costs in the CPP has been drawn down, and is being further drawn down in 2012.

Table 1: Progress Against Strategy Targets*

Strategy target	Progress to date
Overall resources raised: US\$270 million per year in cash and kind from private sources by 2017; 10% of total WFP contributions at 2007 levels	Total cash and in-kind resources were US\$150 million in 2009, and US\$120 million in 2011. Annual targets have been exceeded each year.**
Cash resources raised: US\$200 million per year by 2017	Cash donated was US\$93 million in 2009 and US\$77 million in 2011, exceeding annual targets for those years.
In-kind resources raised: US\$70 million per year by 2017: 26% of the total	Annual in-kind resources averaged US\$62 million in 2009–2011, including US\$17 million of programme gifts in kind (PGIK) – food and non-food items, such as equipment – and an estimated US\$45 million of extraordinary gifts in kind (EGIK).
Multilateral funding raised: Of the US\$200 million per year donated in cash by 2017, at least US\$50 million (25%) to be multilateral and fully flexible	20% of private funding was multilateral in 2011.***
Diversity of funding sources: 50–60% of cash donations raised from corporations and 40–50% from individuals and foundations	Private donations were 43% from corporations, 13% from foundations, 15% from individuals and 29% from NGOs in 2009–2011.
Cost of fundraising: no more than 25% of the funds raised	CPP costs averaged 6% of the funds raised in 2009–2011, not including costs incurred by other units.
Management fees: average of 13% plus normal ISC charge of 7%	Management fee averaged 3.6% in 2009–2011, rising from 2.3% in 2009 to 4.4% in 2011. Normal ISC was charged at 7%.
Global Humanitarian Partners: recruit 15 Global Humanitarian Partners for multi-year, multidimensional relationships including a substantial cash donation	Target for corporate and foundation partners with widespread reach exceeded, but most partners are not cooperating primarily on humanitarian assistance. A minority of the partnerships are multidimensional or include a substantial cash donation that is not fully earmarked.
Loan draw-down and repayment: loan advance of up to US\$9 million from the General Fund, with possible increases to 2012 to a total of US\$19 million; repayment to commence with interest in 2013, with total repaid over five years	US\$7.44 million drawn down by the end of 2011; further draw-down anticipated in 2012.

* Time series figures derived from WFP Annual Performance Reports; proportions of EGIK and PGIK from 2009–2011 data in the CPP database. Gifts in kind may be PGIK, such as commodities valued at market rates, or EGIK, which are services that are not normally procured by WFP, such as advertising time and human resources and services. There are no comprehensive figures for EGIK; the donor is asked to determine the value of the service, but many do not do so. PGIK are included in the published data.

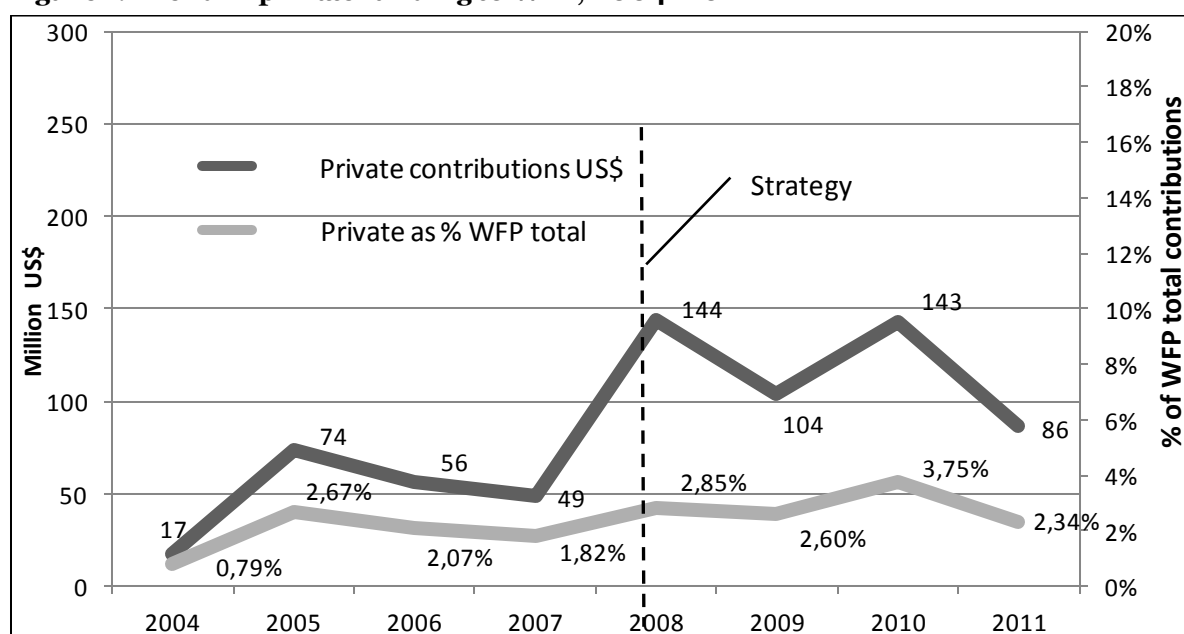
** Data include estimated total EGIK of US\$45 million per year.

*** Available to WFP for relatively flexible programming (“Annual Performance Report for 2011” (WFP/EB.A/2012/4*), Annex VIII.).

12. Figure 1 shows trends for total private resources and private resources as percentages of WFP total contributions from 2004 to 2011. Private-sector sources contributed approximately 2.6 percent of WFP total resources in 2009 and 2.3 percent in 2011.

13. 2008 was an exceptional year for both private funding and overall contributions to WFP from all sources. WFP total contributions reached their maximum to date, partly as a result of special contributions for the food and fuel price crises. Private contributions also peaked in 2008, almost trebling from the 2007 level. The peak in private-sector resources in 2008 was due to a contribution of US\$70 million from the Bill & Melinda Gates Foundation (BMGF) for expenditure over five years on the Purchase for Progress (P4P) programme. If this US\$70 million were redistributed over the five years of planned expenditure, private-resource levels would rise until 2010 and then decline in 2011.

Figure 1: Trend in private funding to WFP, 2004–2011



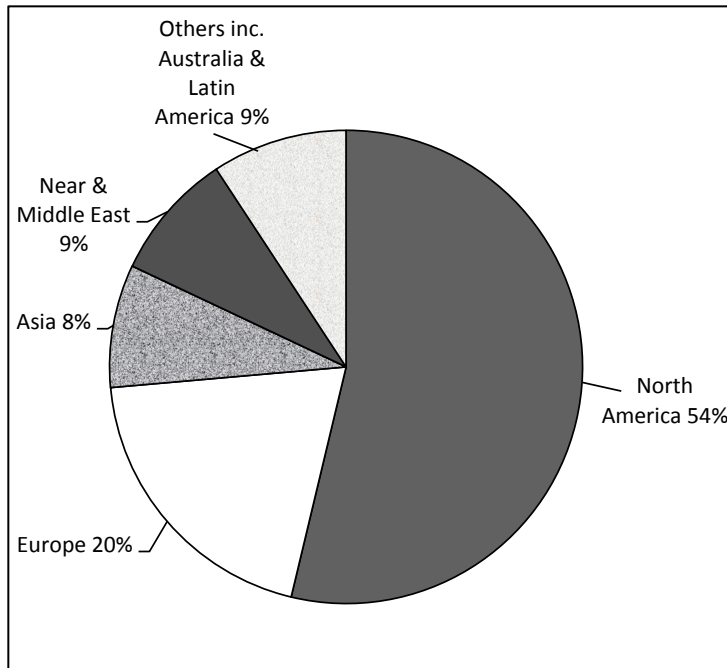
Source: WFP Annual Performance Reports, which do not include EGIK.

14. The overall trend does not compare positively with that of other organizations. UNHCR, UNICEF, major humanitarian NGOs and the United Nations Global Compact all showed increases in contributions from private sources from 2009 to 2011; they also all spent proportionately more on private-resource mobilization. Recent trends in private-sector giving vary by source. In the United States, corporate giving to all philanthropic causes declined by 15 percent between 2009 and 2011, as a result of the financial crisis, while grants from foundations recovered their previous level, with an overall increase of 9.5 percent between 2009 and 2011.¹⁰ Individual giving also increased in the United States.

¹⁰ Foundationcenter.org. 2012. *Foundation Growth and Giving Estimates*. Committee Encouraging Corporate Philanthropy.

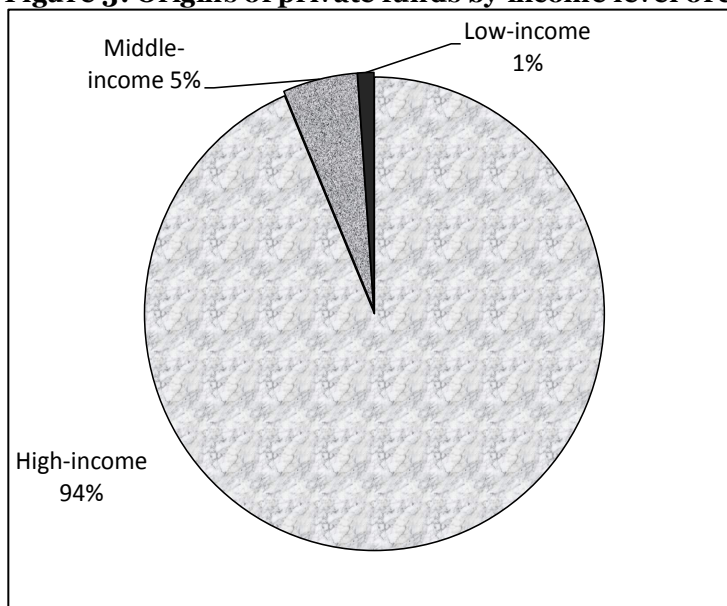
15. As shown in Figure 2, most private resources to WFP came from North America, with 54 percent, followed by Europe, with 20 percent; as shown in Figure 3, 94 percent came from high-income countries, with G77 countries accounting for 6 percent; and, as shown in Figure 4, most of WFP's private-sector resources came from corporations. Of the 94 percent of resources from high-income countries, 65 percent were from the United States, 11 percent from the Netherlands and 5 percent from Japan. Seventy percent of funds were contributed directly to WFP; the Friends of WFP-USA provided a channel for 22 percent.

Figure 2: Origins of private funds by region, 2009–2011



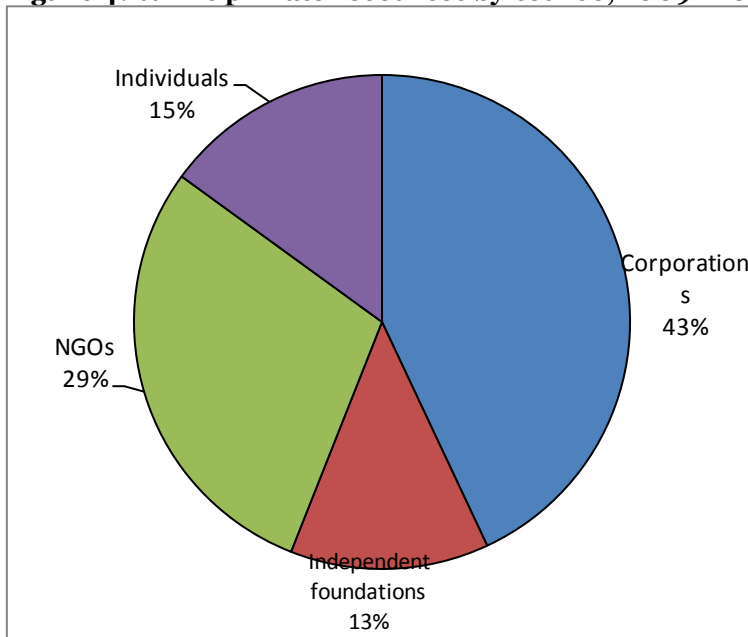
Source: CPP database.

Figure 3: Origins of private funds by income level of country, 2009–2011



Source: CPP database.

Figure 4: WFP's private resources by source, 2009–2011



Source: CPP database.

16. Table 2 shows the WFP objectives to which private-sector support has made the most significant contributions. Quantitative analysis of private contributions by objective and qualitative analysis of the balance of technical inputs showed that the greatest efforts were related to WFP's Strategic Objectives 1, 4 and 5. In emergencies, the private sector has given high levels of support to general and targeted food assistance in emergencies, emergency logistics, and information and communication technology (ICT). Support to nutrition activities has also been high, particularly for mother-and-child health and nutrition (MCHN) and school feeding. The P4P programme, which aims to build national capacity by stimulating local production through procurement from farmers, is funded primarily by BMFG and the Buffet Foundation. Policy and programme advice and advocacy have also received significant support from private sources. The Boston Consulting Group (BCG) has provided important management consultancy services to WFP, and several companies have contributed to WFP's advocacy efforts.

Table 2: Most Significant Private-Sector Support to WFP's Strategic Objectives

WFP Strategic Objectives and sub-objectives	Level of support*	Important private contributors	Type of support given
1: Save lives and protect livelihoods in emergencies			
General and targeted food assistance and emergency nutrition interventions	High	Individual contributions, NGO and corporate donations	For specific emergencies: <ul style="list-style-type: none"> • Unearmarked cash • Some commodities
Emergency logistics, special operations, and ICT capacity	High	Logistics emergency teams ** TNT, Vodafone, Caterpillar Inc.	Mobilization at onset of emergency for logistics assistance
United Nations cluster leadership for logistics and emergency ICT			Support for capacity development of WFP and other cluster members Some equipment
2: Prevent acute hunger and invest in disaster preparedness and mitigation measures			
Vulnerability analysis and mapping; early warning products and tools; disaster preparedness and mitigation	Low	BMGF and the Citi Foundation, The Rockefeller Foundation, Oxfam	Vulnerability mapping Climate insurance pilot in Ethiopia
3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations			
Food distribution programmes that facilitate re-establishment of food and nutrition security	Medium	See General and targeted food assistance and emergency nutrition interventions above	
4: Reduce chronic hunger and undernutrition			
MCHN programmes	High	DSM	Technical and cash assistance for development of nutrition solutions and policy
School feeding programmes	High	Yum! Brands, Unilever, TNT, LG Electronics, International Paper	Earmarked and non-earmarked programmes; cash, volunteers and some commodities
Addressing and mitigating HIV/AIDS, tuberculosis and other pandemics	Low/medium	TNT – North Star Alliance	Road-side clinics
5: Strengthen the capacities of countries to reduce hunger, including through hand-over strategies and local purchase			
Local procurement	High	BMGF, the Howard G. Buffet Foundation	P4P
Policy and programme advice	High	Global Alliance for Improved Nutrition, BCG	Support for WFP to develop policy solutions
Advocacy	High	Japan Advertising Council, Yum! Brands, DSM, The FEED Foundation, Zynga	Awareness and fundraising among general public, including web games
Assistance for developing WFP internal capacities			
Management advice to WFP	High	BCG	Management consultancy

WFP Strategic Objectives and sub-objectives	Level of support*	Important private contributors	Type of support given
Assistance for private fundraising	High	Nissin Foods, Yum! Brands, The FEED Foundation, Dutch Postcode Lottery	Raise money for WFP by linking contributions to product sales

* The support levels – high, medium or low – were assigned by the evaluation team, based on analysis of contributions 2009–2011 by purpose, and examination of the qualitative and quantitative patterns of major partnerships since 2004, including partnerships in kind.

** TNT, UPS, Agility, A.P. Moller-Maersk

17. Activities related to Strategic Objectives 2 and 3 received less support from the private sector. Typically, more than 60 percent of WFP’s total resources are allocated to Strategic Objective 1, while Strategic Objective 5 receives 3 percent or less.¹¹ While there is an overlap of private and other resources in support of Strategic Objective 1, private resources have tended to complement coverage from other sources of the other Strategic Objectives, particularly Strategic Objectives 4 and 5.

18. In 2009–2011 approximately 35 percent of private resources were applied to development rather than emergency activities, compared with less than 10 percent of WFP funding overall. Although most private funding goes to major emergencies, private funding for emergencies is not normally significant in comparison with total emergency funding. The 2010 Haiti earthquake was an exception, with 17 percent coming from private sources, mostly in North America. Eighty-two percent of private funds were used to support programmes in low-income countries compared with 62 percent of total WFP funding.¹² Private funding has been particularly important in a few middle-income countries, where it has accounted for 20 percent or more of WFP expenditure.¹³

19. Many positive examples of private-sector contributions were identified and – significantly – no negative impacts or outcomes. Some reports of inefficiencies, or challenges in developing or managing private-sector relationships were found. Some of the most significant results in nutrition and emergency response have been realized through longer-term partnerships that draw on the strengths of companies sharing common objectives with WFP, rather than being simple donor relationships.

20. For example, WFP’s partnership with TNT led to TNT’s rapid deployment to the emergency response in Aceh, Indonesia following the 2004 tsunami, and was a catalyst for development of the Logistic Emergency Teams – consortia of several global logistics companies supporting the global logistics cluster. TNT’s partnership with WFP has expanded from collaboration on logistics to include support to school feeding, the Walk the World advocacy campaign and other activities.

¹¹ WFP Annual Performance Reports.

¹² WFP Annual Performance Reports and the WFP-CPP database.

¹³ For example, in 2009–2011, in Bhutan, Cape Verde, Egypt, the Gambia, India, Indonesia and, the Islamic Republic of Iran. All of WFP’s work to support Japan following the 2011 tsunami and nuclear emergencies was privately funded.

Conclusions and Recommendations

Quality of the Strategy

21. The strategy placed WFP's efforts within the overall United Nations framework and established targets and a modality for WFP's work in private-sector fundraising and partnership. However, WFP's Strategic Plan 2008–2013 did not address the efficiency, effectiveness or organization of WFP's overall resource mobilization. The strategy did not clearly link targets for private fundraising and partnership to WFP's Strategic Objectives, resulting in inadequate analysis of the comparative strengths of private partnerships in relation to WFP goals. This was only partially corrected by the 2010 Board policy document "Resourcing for a Changing Environment".¹⁴ Areas to be strengthened include:

- i) defining partnerships and fundraising and clarifying the distinctions between them;
- ii) establishing clearer objectives and direction for corporate partnerships that are mutually beneficial to WFP and the companies involved;
- iii) recognizing that WFP can play a role in mobilizing the private sector to contribute to achieving WFP's broader objectives in humanitarian assistance and development, in addition to providing direct support to WFP-specific activities;
- iv) prioritizing areas for partnership based on partnerships' potential for addressing WFP's Strategic Objectives;
- v) providing guidance and criteria for identifying the countries where WFP should focus its private-resource mobilization efforts, taking account of potentials as well as needs;
- vi) enhancing guidance on modalities and potentials for partnership and fundraising with different categories of partners; and
- vii) defining the scope and limits of partnership with private corporations in terms of WFP objectives and activities.

22. Private partnership and fundraising is a component of WFP's overall mobilization of resources, most of which come from governments. The private sector was found to have particular comparative advantages in specialist areas of technical expertise and provision of technology, for example for nutrition. Corporations were also sometimes found to have facilities and access on the ground that WFP did not have, including in sudden-onset emergencies. Foundations and NGOs also had strengths. The added value of private resources needs to be maximized by using them to further WFP objectives in ways that enhance effectiveness, rather than merely supplementing resources from government donors. There are strong inter-relationships between the public and private sectors, ranging from broad government interest in promoting corporate-sector development and private investment, to state-owned companies and public-private foundations. WFP now needs comprehensive resource mobilization and partnership strategies that focus on

¹⁴ WFP/EB.1/2010/5-B/Rev.1.

its corporate objectives, retaining flexibility while differentiating among the various sources of funding and partnership in both the private and public sectors.

23. WFP should take advantage of opportunities to cooperate with its United Nations and NGO counterparts for private-sector fundraising. UNICEF and UNHCR are already cooperating systematically with major NGOs in sharing information on private-resource mobilization, and some of the NGOs interviewed identified opportunities for cooperating with WFP on fundraising for specific projects. In the United Nations system, UNICEF and UNHCR are the natural partners for WFP; collaboration could be on a case-by-case basis, such as through joint efforts to gain tax relief status for donations to United Nations agencies.

Recommendation 1: Strategy development

a. WFP should develop comprehensive and discrete strategies for resource mobilization and partnerships, including:

- i. *a comprehensive strategy for resource mobilization*, to identify the potentials and modalities for all sources of funds and in-kind contributions, including donor governments, national and local governments in programme countries, other official sources of funds – local governments in developed countries, small embassy grants, etc. – international intergovernmental funders, and all non-governmental sources, including the general public, private companies, NGOs and independent foundations; the strategy should also address WFP's role in inter-agency fund mobilization and coordination;
- ii. *a comprehensive strategy for partnerships* designed to contribute to the achievement of WFP's objectives, in which partners engage in joint action with WFP to meet shared objectives, but may or may not contribute funds; in particular, the strategy should cover partnerships with local and international NGOs, private companies, independent foundations, and academic and research institutions; it should define the concepts, benefits and limits of partnership and recognize that WFP will need to devote resources to partnerships, to realize their full potential; and
- iii. *sub-strategies* covering resource mobilization and partnership with all non-governmental sources, including private corporations, independent foundations and the general public.

b. The strategy or strategies must identify how WFP's country offices, regional bureaux and Headquarters units can most effectively seek opportunities to mobilize resources and develop private and non-governmental partnerships within a coherent and coordinated overarching framework, and what support they will need for this, including practical guidance and training.

[Decision in principle by WFP management on recommendations 2, 3 and 4 should be taken and incorporated into the strategies suggested in Recommendation 1, because they relate to strategic direction.]

Enhancing Results

24. As shown in Table 3, some targets may not be fully met by 2017 because of the present approach to fundraising and partnership. Depending on the valuation of in-kind contributions, the total of US\$270 million per year could be attained by 2017,

considering that the annual targets are being exceeded. However, the annual targets set in the strategy consistently increase by at least US\$20 million a year, while the funds actually raised have risen and fallen over the years, with large increases based on one-off contributions, major disasters or the launch of a major programme supported by private donations, such as P4P. Cash resources follow the same pattern, but the emphasis on fundraising from the corporate sector may limit the amount of cash received, as corporations do not always generate significant cash funding, but do generate significant in-kind resources. The proposed management fee has not been applied in full, which has reduced resource availability to CPP. The loan was only partially drawn down, but commencing repayment in 2013 – as originally envisaged – would negatively affect the operational resources available for private-resource mobilization.

Table 3: Potential to Reach Targets by 2017

Strategy target	Potential to reach 2017 target
Overall resources raised	Medium
Cash resources raised	Low/medium
In-kind resources raised	High
Multilateral resources raised	High in % terms/medium in US\$ terms
Diversity of funding sources	Medium
Cost of fundraising	High
Management fee	Low
Global Humanitarian Partnerships – multi-year, multidimensional	Medium
Loan repayment (loan draw-down was only 47% of proposed level)	Low (without compromising working capacity)

25. The many positive results of private partnership leave no doubt of the benefits of partnering with corporations and foundations, but opportunities have been lost in securing funding from other types of private sources and in further resource mobilization from independent foundations. WFP has an increasing and as yet unmet need for funding that is not tied to particular countries or programmes. The strategy has made no significant contribution to addressing this issue because the concentration on corporations and, to a lesser extent, foundations – which are seldom a source of unconditional flexible funding – has resulted in a relatively limited amount of untied funding being raised.

26. All comparable NGOs and United Nations agencies interviewed have emphasized fundraising from the general public for fully flexible repeat giving. In recent years, UNHCR has been particularly successful in mobilizing a continuous income stream from the general public, but this has required substantial initial investment.¹⁵ WFP has pursued fundraising from the general public to only a very limited extent,

¹⁵ The UNHCR budget for fundraising, primarily from the general public, rose from US\$25 million in 2010 to US\$50 million in 2012.

through Friends of WFP-USA and online giving. The major humanitarian NGOs interviewed welcomed WFP's raising of funds from the general public, especially in North America and the United Kingdom, but this should be assessed on a case-by-case basis in other countries. If WFP places greater emphasis on fundraising from the general public, as recommended, it will need to balance its expectations with how much it is prepared to invest.

27. It is less difficult to raise funds for major emergencies than for development. Development funding is a particular priority for WFP, especially in non-emergency countries. Foundations are a potentially significant source of such funding.

28. Partnerships with corporations and some foundations can contribute to the achievement of WFP's objectives even when few or no resources flow from the partner directly through WFP. In all successful partnerships, both parties contribute and both parties benefit. The contributions and benefits may not be equal, but as long as the net gain exceeds the net cost to each partner, the partnership is justified. This principle has still to be mainstreamed in WFP. Companies are increasingly seeking complementarity between their corporate social responsibility objectives and their wider business objectives for building their markets; WFP may justify partnerships in these cases, as long as the goals of the United Nations are advanced, with a net gain towards WFP objectives. WFP has not been consistent in its approach to the market development objectives of partner companies, and guidance for managing this issue is not clear. WFP should develop practical guidance on such issues as balancing its own and the company's objectives; the extent to which company involvement in such areas as WFP policy development is acceptable, especially when it coincides with the company's market interests and involves the use of company logos in WFP projects;¹⁶ and ground rules for raising money for WFP linked to sales of a company's products.

29. If WFP is to expand and gain from inclusive partnerships with corporations, foundations and NGOs, it needs to facilitate their sense of partnership with WFP as a whole. Many United Nations organizations that give less priority to the private sector than WFP do have a formal mechanism, such as a joint committee or observer status on boards, for private-sector and NGO representatives.¹⁷

¹⁶ During its country visits, the evaluation team found that UNICEF could be more flexible than WFP.

¹⁷ Including United Nations organizations such as the Food and Agriculture Organization of the United Nations, the International Labour Organization and the World Health Organization.

Recommendation 2: WFP has emphasized partnership with private-sector corporations. WFP should now pursue greater balance in its approach to different types of private-sector non-governmental and individual actors, including by:

- i) giving more emphasis to, and making the essential up-front investment for, repeat giving from the general public, to mobilize unrestricted contributions that WFP can allocate to countries and activities according to its approved programme of work, and contributions in response to WFP appeals for specific operations;
- ii) giving more attention to independent foundations to mobilize financing, particularly for piloting innovations; and
- iii) rebalancing the emphases on corporations and corporate foundations to maximize the benefits from partnerships that contribute directly to WFP's objectives, as distinct from fundraising.

In the spirit of partnership and dialogue, WFP should develop modalities through which corporations, foundations and NGOs can present their views on policies and implementation arrangements to WFP senior management and the Executive Board.

[Decision in principle on this recommendation will need to precede preparation of the strategies in Recommendation 1, but its implementation must await strategy approval. Some progress on strengthening online fund mobilization is possible immediately.]

Implementation Issues

30. Effective engagement in private fundraising and partnership by WFP as a whole has not been a priority, and WFP does not have a clear framework of priorities or roles and responsibilities. An integrated planning process that takes account of both private and other untraditional resources should be developed. The planning of private resources separately from other smaller sources of funds such as embassies or local governments – large government donations are in a separate category – is inefficient and hinders the optimal use of potential resources. Another possibility is joint fundraising with partners such as NGOs. Planning for fundraising should facilitate action according to agreed strategic priorities by decentralized country offices, regional bureaux and Headquarters units, supported by training and guidance from the centre. An annual or biennial exercise could facilitate this, with guidance on potentials and overall organizational priorities from the centre and feedback on real opportunities, needs and ideas for partnership from countries and units; this exercise should be voluntary as not all countries or units will find it relevant. Given their important roles, the Friends of WFP should be included. WFP's publication and wide dissemination of evolving priorities for partnership could assist staff in developing partnerships and provide a basis for discussion with potential and existing partners.

Recommendation 3: WFP management should design and implement an integrated planning process for prioritizing areas for partnership development with, and fundraising from, private and non-governmental sources and other categories of small and medium partners and donors, such as local governments. Priorities should be made publicly available and used in seeking and developing partnerships and raising funds from the range of sources available.

[Management can design and move forward the process during 2012–2013 even before new strategies described in Recommendation 1 are finalized.]

Budgeting for Private Partnership and Fund Mobilization

31. The management fee established by the strategy is widely misunderstood within and outside WFP. Partners were confused by the term “management fee” and by how the fee is applied together with the ISC charge. The management fee can lead to perverse incentives to seek funds for salaries and operations rather than pursuing less remunerative partnerships. It may also have contributed to WFP’s underinvestment in private-sector fundraising and partnership. Comparable organizations were not found to use this practice; instead, they integrate funding for private-sector fundraising and partnership into their institutional budgeting processes, with decision-making based on work plans and budget proposals, as for all other activities.

Recommendation 4: WFP management should propose to the Board ways of integrating private-resource mobilization into WFP’s overall budget, rather than continuing to fund it mostly from the separate management fee. These proposals should:

- a) establish the amounts to be allocated to different forms of fundraising and partnership development and management, in line with WFP’s priorities;
- b) establish total overheads for private donors, with differentiated rates that reflect the costs of mobilizing resources from different categories of donor and project, applying transparent criteria; a potential approach would be to combine the management fee with ISC and apply a simple scale of overhead charges; and
- c) assign resources to different WFP units at Headquarters, regional bureaux and country and liaison offices, according to agreed responsibilities and work plans and ensuring that the budget includes the investment requirements for raising a continuing revenue stream for the future.

[Management will need to take a decision in principle on this recommendation before developing the strategies in Recommendation 1, and its implementation should await their approval.]

Organizational Issues

32. Private-sector work is not fully integrated across WFP, and planning for private-resource mobilization is not adequately coordinated with planning for other sources of funding, notably in the Government Donor Relations Division. WFP is missing opportunities and experiencing inefficiencies through this lack of integration; for example, governments and staff of the Government Donor Relations

Division can identify and facilitate the integration of private partnership, and there are many cases of close interaction between governments and private initiatives, such as in many Asian countries. Coordination with WFP's communications staff is important for fundraising from the general public and cause-related marketing.

Recommendation 5: Reporting lines should be arranged so that CPP has the same direct line of reporting as the Government Donor Relations Division, while maintaining a strong link to the communications function. Responsibilities and functions related to developing and managing relationships with private-sector partners and donors should be defined clearly, and distributed appropriately among CPP and other units, including country offices, regional bureaux, liaison offices, and the Operations Department and Policy, Planning and Strategy Division in Headquarters.

[This recommendation does not require prior approval of the strategies in Recommendation 1 and should be implemented along with other organizational changes underway in WFP.]

Due Diligence

33. In deciding whether to work with a company, WFP applies guidance based on the United Nations Secretary-General's 2000 guidelines for cooperation with the business sector.¹⁸ This guidance was revised in 2009,⁶ and WFP needs to update its criteria in line with this revised guidance, its own revised strategy and its immediate priorities. At present, if a company is cleared following due diligence to work with WFP, the partnership can be engaged for WFP activities anywhere. Application of due diligence to specific projects would allow WFP to approve a relationship for one purpose, such as school feeding, but not another, such as policy development. WFP could then be more flexible in specific situations – such as when dealing with the extractive industries and with subsidiaries of conglomerates – but stricter overall in its application of due diligence criteria.

34. The director of CPP is currently responsible for final due diligence decisions. CPP is also responsible for developing partnerships and sometimes for managing them, when the management fee directly benefits the unit. This is a conflict of interest that puts WFP at risk of inadequately vetting decisions about which organizations with which to partner, and thus of entering into undesirable relationships. Placing due diligence responsibility in the unit responsible for private resource mobilization and partnership also limits the ownership of due diligence decisions by WFP as a whole, and so can lead to internal controversy. However, changes in responsibilities and procedures must not lead to major delays in due diligence decision-making, which would threaten potential relationships.

¹⁸ United Nations Secretary-General. 2000. Guidelines on Cooperation between the United Nations and the Business Community, 17 July 2000. New York.

Recommendation 6: WFP's due diligence process should be revised, to address the following:

- a) WFP management should transfer the responsibility for final due diligence decisions from CPP to a committee supported by another unit that does not have lead responsibility for developing private-sector relationships and does not benefit directly from them.
- b) Criteria and processes should be revised to allow due diligence decisions to apply to individual projects, as distinct from granting general clearance to organizations.

[This recommendation does not require prior approval of the strategies in Recommendation 1 and should be implemented along with other organizational changes underway in WFP.]

1. Introduction

1.1 The Evaluation Rationale and Methodology

1.1.1 Rationale for the Evaluation

1. A 2009 review of management and administration in WFP carried out by the United Nations Joint Inspection Unit (JIU)¹⁹ estimated that 84 percent of its funding came from ten major donor countries and that private sector funding could play a role in diversifying the resource base. The JIU recommended that the WFP Executive Director commission an evaluation of the Private Sector Partnership and Fundraising Strategy. This evaluation is designed to serve both accountability and learning and has as its purposes, to:

- Assess and report on the quality and results of the 2008 Private Sector Partnership and Fundraising Strategy, as well as the earlier principles approved by WFP's Executive Board in 2004²⁰ and associated operations and activities to implement the Strategy (accountability);
- Determine the reasons why changes expected to occur as a result of the Strategy did or did not actually occur and draw lessons that should help in updating the existing Strategy and in its implementation (learning).

2. The evaluation addresses four questions:

- a. What is the quality of the Strategy?
- b. What were the results of the Strategy?
- c. How has the Strategy produced the results?
- d. How can WFP's Strategy and approach to private sector fundraising and partnership be improved for the future?

3. The evaluation comprehensively addresses the Strategy and its results. It does not provide an evaluation of individual privately resourced WFP activities and partnerships. Similarly, although the work of the Private Partnership branch (CPP) is fundamental to the implementation of the Strategy, the evaluation is not focused on that unit.

4. **Stakeholders in the findings of the evaluation.** The immediate stakeholders who will make direct use of the evaluation are:

- a. The principal stakeholders in the evaluation are the WFP Executive Director, senior management and the Executive Board;
- b. Of key importance is the Communications, Public Policy and Private Partnership Division (CP), which includes the Private Partnership branch (CPP). The evaluation draws policy and strategy lessons of importance for the Division and may also identify practical points for implementation. As the Division which has been driving forward the Strategy and implementing the resource mobilization, it is the "Owner of the Strategy" and has the greatest interest in its strengthening and improvement;

¹⁹ Review of Management and Administration of the World Food Programme (WFP) Yishan Zhang and Nikolay Chulkov, United Nations Joint Inspection Unit, JIU/REP/2009/7.

²⁰ New Partnerships to Meet Rising Needs-Expanding the WFP Donor Base, WFP EB October 2004.

c.The evaluation findings should help WFP staff in line roles in countries, regional bureaux and Headquarters to better address the opportunities and limitations inherent in partnership and resource mobilization from private and other non-governmental sources;

d.WFP's private partners (companies, foundations, WFP Friends, etc.), especially those which have developed a commitment to WFP, can be expected to have an interest in the findings, particularly on the modalities of partnership and indications of the effectiveness of programmes. The private sector, if they are to make direct use of the evaluation, will require targeted products concentrating on issues of importance to them and these may be developed subsequent to the evaluation's finalization;²¹ and

e.Other United Nations agencies and the United Nations Global Compact may also be able to draw lessons relevant to their own work.

1.1.2 Evaluation Methodology

5. Annex 1 provides details of the methodology, as agreed in the Inception Report (and applied). The evaluation was formative, i.e. it was designed for both accountability on past performance and learning for the future. The evaluation used a range of methods that included interviews, questionnaires, document and literature review and data analysis. The use of several methods and sources facilitated the cross-validation of findings. A summary matrix that links the evaluation questions to the methods and sources is provided below in Table 1. Learning for the future was not restricted to WFP's own experience but was extended through literature review, expert input and the systematic consideration of lessons from comparator agencies. The emphasis of the evaluation was on assessing immediate results and potential for contribution to impact, rather than the direct assessment of those impacts, which would not have been realistic or cost-effective given the timeframe and budget of the evaluation.

6. As a part of the quality control process, the inception report and the evaluation report were reviewed by an expert panel. An internal reference group provided inputs and the debriefing process prior to finalization of the report, included a WFP workshop, two debriefing presentations and a discussion of recommendations with senior management.

²¹ These are not included in the evaluation work plan and budget and would need to be developed subsequently by the private sector unit – CPP or the Office of Evaluation.

Table 1. Summary Evaluation Matrix (for details see Annex 1)

Questions	Principal Data Methods	Principal Criteria applied with Triangulation of Data Sources
What is the quality of the Strategy? Strategy in relation to WFP’s objectives, policies and agreed strategies; comparison with strategies of others and generally held principles for coverage of strategies and policies; and extent to which Strategy takes into account, gender and inter-generational issues.	Interviews and document and literature review	Strategy comparison with other organizations and expectations for organization-wide strategies coverage, precision and implementability
What were the results of the Strategy? Extent of resources mobilized in relation to Strategy targets; conformity of resource allocation to WFP priorities; improvement of WFP capacity and efficiency; increased awareness of the hunger agenda and visibility of WFP; and reputational risk.	Questionnaires, interviews, WFP databases and documents	Progress on meeting targets and aims defined in the Strategy and evidence of contribution to WFP objectives and efficiency
How has the Strategy produced the results? Questions of management, governance, organizational systems and procedures, modalities and priorities of partnership and cooperation with other agencies. Performance on Strategy aims and targets were examined.	Questionnaires, interviews, and WFP and partner documents, WFP databases	Analysis of modalities combined with scoring in questionnaires and interviews
What are the potentials and future prospects? Are there fundamental questions for the direction of the Strategy? Experience from comparators; matching organizational priorities to opportunities; future governance.	Questionnaires, Interviews, and literature	Lessons from WFP experience and that of comparators

7. The coverage of interviews and questionnaires is summarized in Table 2. The sources of evidence, in addition to the literature review, financial data analysis²² and expert input, included:

a. Visits to country offices,²³ regional bureaux, liaison and CPP offices covered Egypt, Ethiopia, Indonesia, Italy, Kenya Nicaragua, Panama, South Africa, Thailand, the United Kingdom and the United States. These enabled interviews to be conducted with the staff of five WFP country offices and four regional offices. Visits also included interviews with two liaison offices,²⁴ as well as: the CPP teams located outside Headquarters in Bangkok, Jakarta, London, New York and Washington DC; the decentralized communication staff in London, Nairobi, New York and Washington DC; the staff of several comparators, including UNICEF and UNHCR; staff from the United Nations Global Compact and UNDP; and the “Friends of WFP” in Italy and the United States of America. Country visits also allowed discussions with representatives of national

²² Financial data on WFP income was from WFP Annual Performance Reports; data on the proportions of private income (sources and application) from the WFP-CPP database for the period 2009–11; data on web-based income from IT group of the Communications Unit (CPC). Total budget and expenditure and staffing data for CPP from CPP.

²³ Countries were selected for visits and telephone interviews from each of the developing regions to provide a cross-section of experience based on criteria of more and less private sector involvement and the complexity and objectives of that involvement (including size of the total private contributions received and importance of funding from the private sector to their programmes).

²⁴ New York and Washington DC.

governments and with comparators and the private sector, which were supplemented through phone interviews. A further five country offices were interviewed by telephone,²⁵ as was the liaison office in Japan. The visits and phone interviews enabled a comprehensive coverage of countries and locations by geographical area, level of development, WFP programmatic priorities and level of private funding (including countries which had received high levels of private funding and those which had received little or none);

b. In addition to the interviews referred to above, interviews were conducted extensively in WFP Headquarters with WFP staff and with members of the Executive Board;²⁶

c. Questionnaires were sent to WFP partners, WFP senior staff and management and to the staff and consultants of the Communications, Public Policy and Partnerships Division. Satisfactory response levels as a proportion of the total for analysis were received from all categories, except for the staff and consultants of the CPP, from which only five responses were received from the some 30 staff and consultants currently in post (i.e. only 17 percent response rate);

d. In order to gain information on partnership and resource mobilization elsewhere, information was gathered from published sources and interviews on the six largest humanitarian assistance non-governmental organizations (NGOs)²⁷ and on UNICEF, UNHCR and the United Nations Global Compact. Of these, only UNHCR is fully comparable with WFP in that it started its drive to mobilize resources from non-governmental sources at about the same time and has similar problems of relative lack of name recognition. All were found, however, to offer lessons for WFP; and

e. Previous WFP evaluations were reviewed including the recent strategic evaluation of WFP's Partnerships and country portfolio evaluations for Haiti and Kenya, the mid-term evaluation of Purchase for Progress (P4P) and the draft of the Joint Global Logistics Cluster Evaluation.²⁸

²⁵ Bangladesh, Haiti, India, Senegal, Sudan.

²⁶ WFP staff and of staff who have been particularly involved with private sector cooperation. Executive Board members were interviewed to be representative of outgoing and current Chair, and representative sample from Lists A, B1, B2 and C (Developing Countries) and Lists D and E (Economically Developed Countries).

²⁷ Catholic Relief Services (CRS), International Committee of the Red Cross and Red Crescent, Médecins sans frontières (MSF), Oxfam International, Save the Children and World Vision.

²⁸ Joint Global Logistics Cluster Evaluation (Draft), WFP, 2012; Haiti: An Evaluation of WFP's Portfolio (2005–2010), WFP, 2011; Kenya: An Evaluation of WFP's Portfolio (2006–2010), WFP, 2011; WFP's Agriculture and Market Support in Uganda (2009–2014): A Strategic Evaluation (mid-term), WFP, 2011; WFP 2008–2013 Purchase for Progress (P4P) Initiative: A Strategic Evaluation (mid-term), WFP, 2011.

Table 2. Summary of Interviews and Questionnaires (for complete list of interviewees see Annex 5)

Group interviewed and responding to Questionnaires	Number of Respondents	
	Interviews	Questionnaires
1. WFP Senior Staff and Management, Decentralized and Headquarters	(53*)	64
2. WFP Private Partnership branch Staff and Consultants (CPP)	23	5
3. WFP Communications Staff (CPC)	5	24
4. WFP Decentralized Staff (excluding CPP and CPC)	63	Included in 1 above
5. WFP Headquarters Staff	57	
6. Corporation Representatives	34	13
7. Foundation Representatives, including GAIN	4	1
8. Friends of WFP	4	3
9. Staff of United Nations agencies, including UNICEF and UNHCR comparators	14	
10. Representatives of national governments, including Executive Board	18	
Total	222	110

* Deputy Executive Directors, Directors, Deputy Directors, Chiefs and Heads not additional to total as included in 4 and 5

8. The evaluation was limited by the time available to undertake the data collection and analysis and the total resources available. Not all the financial data which were originally envisaged in the inception report could be obtained from WFP systems,²⁹ but the team is satisfied that a robust body of evidence was collected, triangulated and analysed to support its findings and the conclusions and recommendations which result from those findings.

1.2. Context

1.2.1 Global Resource Mobilization and the Place of Non-Governmental Giving

9. There is a changing picture of the availability of resources for both development and humanitarian assistance from the traditional, official western donors. Overall

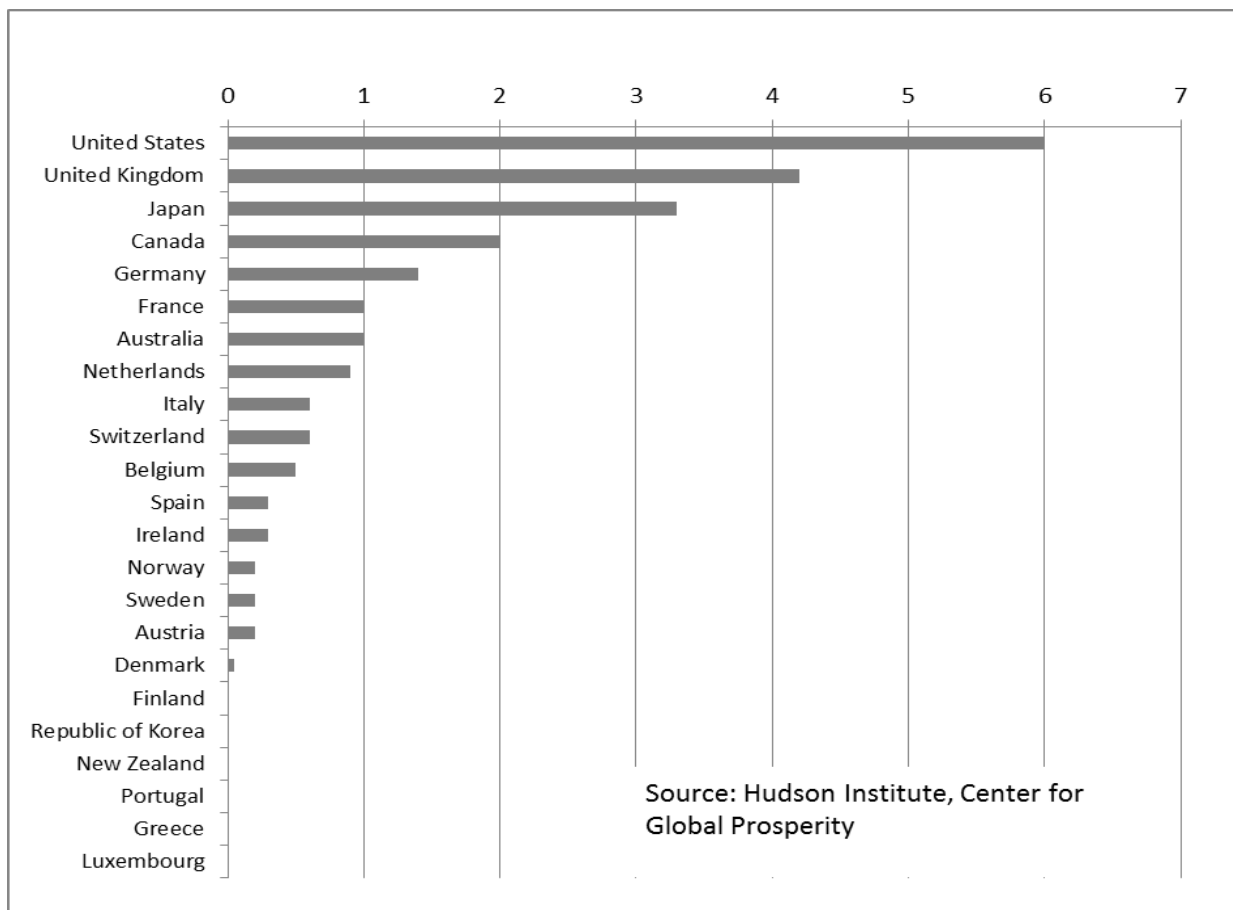
²⁹ The evaluation team was unable to obtain data on private contributions from WFP central systems. Trend data for total private sector contributions by year was obtained from Annual Performance Report Annex Tables of contributions. Data for 2009–2011 was obtained from CPP. There is no complete data on private in-kind contributions as discussed further in this report. It was not possible to obtain data on receipts by Friends of WFP, including in the United States of America. There were divergences between data sources which had to be reconciled. Furthermore, as is normally the case in international organizations which do not apply a detailed time recording system, it was not possible to account for the costs of private sector work outside of the unit primarily responsible, CPP.

official development assistance (ODA) from Organisation for Economic Co-operation and Development (OECD) member countries rose substantially in the period 2000–2010 (average annual at US\$ at constant prices 76 billion in 1999–2000 to 124 billion in 2009–10³⁰). However, with the global economic slowdown, feeding through into national budgets there was a 3.7 percent decline between 2010 and 2011 in ODA. Development assistance resources are being concentrated on fewer countries, generally with priority to the poorest, but also influenced by recent political priorities with respect to states in transition to democracy and affected by internal unrest. Proportionately more resources are being devoted to humanitarian assistance³¹ but it is not clear that the total volume from official western government sources could be further increased.

10. There has been an increase in sector-specific international funds and there is a major role of the private sector in certain of these – for example the Global Fund for HIV/AIDS Tuberculosis and Malaria and the Global Alliance for Improved Nutrition (GAIN) – a foundation.

1.2.2 Private (non-governmental giving) Overview

Figure 1: Private Donations from OECD Countries to Developing Countries, 2010 (US\$ billions)



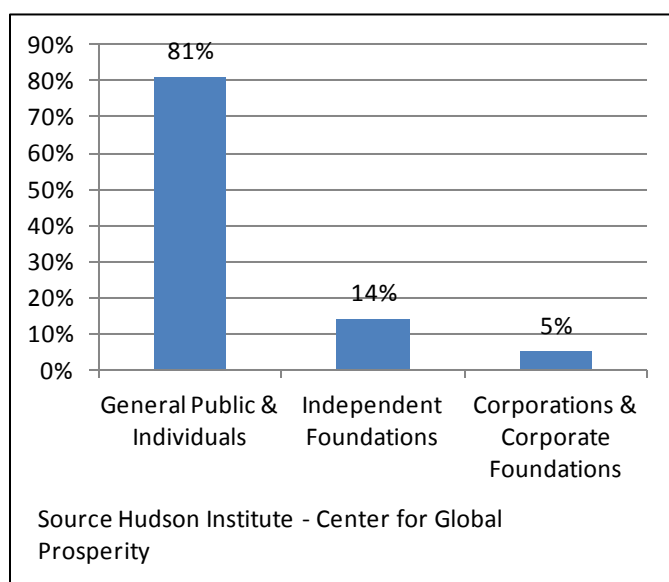
³⁰ OECD-DAC web tables

<http://www.oecd.org/dac/aidstatistics/internationaldevelopmentstatisticsidsonlinedatabasesonaidandotherresourceflows.htm>

³¹ In 2010 humanitarian assistance accounted for 8.9% of total ODA within which food aid was 6.3% - OECD-DAC – web tables.

11. In 2010 OECD countries provided US\$31 billion from private voluntary agencies to developing countries.³² As can be seen from Figure 1, the largest total quantity of private giving from OECD countries to developing countries comes from the United States of America, followed by the United Kingdom and Japan. Similar data is not available for non-OECD countries.

Figure 2: Origins of Private Giving for All Purposes in the USA (2010)



12. Excluding private capital flows, the percentages of donations from OECD countries to recipients in developing countries were estimated³³ for 2010 as: 51 percent remittances, 34 percent government donations and 15 percent private and corporate philanthropy. An indication of the relative unimportance of corporate giving to developing country recipients is provided by data for the United States of America. Of the 12 percent of the total United States assistance for developing countries only 2.3 percent came from corporations. The great majority of philanthropic giving was thus through NGOs, religious

organizations and foundations and originated largely from individual donations by the general public with a significant contribution through foundations by high-net-worth individuals (see Figure 2).

13. Data for Brazil, Russia, India, China (BRIC) countries show that giving by individuals is increasing and that a significant proportion of the general public is giving (Table 3). In China, India and Russia, giving by high-net-worth individuals is also significant and in Brazil and South Africa corporate giving is more important. A similar picture appears in most of the wealthier developing countries. Case studies in Asia suggest that most giving in Asia stems from religious motivations rooted in Buddhism, Hinduism and Islam. Analysis by the United Kingdom Charities Aid Foundation (CAF) shows that in Asia and the Middle East, Thailand has the largest proportion of its people donating money (85 percent), followed by Hong Kong (73 percent) and Indonesia (72 percent). Charitable giving by individuals is highest in Southeast Asia, to which two of the top three belong (Thailand and Indonesia). This figure increased by 9 percent from 2009–2010. In East Asia 37 percent give money, while 35 percent do in South Asia, 32 percent in West Asia/the Middle East and 18 percent in Central Asia. In all

Table 3. Proportion of the Population Donating for Causes of All Types in BRIC Countries

Brazil	26%
China	14%
India	28%
Russia	5%
South Africa	10%

Source: CAF, UK, 2011

³² OECD-DAC – web tables.

³³ By the Hudson Institute Center for Global Prosperity.

countries giving is predominantly for domestic purposes and this is the case almost exclusively in developing countries.

1.2.2.1 Corporate Giving to the Developing World

14. Global (mainly United States) corporate giving in 2010 was estimated at US\$15.5 billion, of which US\$7.6 billion went to the developing world. In the United States of America, the great bulk of corporate giving is made up of small donations of less than a million dollars and ninety percent of the total is explained by pharmaceutical drug donations. Exactly half of reporting companies gave more in 2010 than they did before the 2007 economic downturn and giving was 15 percent down in 2011 from 2009.³⁴ In the context of the Global Compact, developing countries are increasingly requiring private and public sector companies to demonstrate corporate social and environmental responsibility.

15. Private sector companies are increasingly seeking a close complementarity between their corporate social responsibility objectives and their wider business objectives. The picture varies – for example Asian companies may continue to place emphasis on cash donation for visible projects, whereas in general multinational corporations are less inclined than was the case a few years ago to simply provide funds in order to further their brand image.

1.2.2.2 Fundraising from the General Public and the Growth of Social Media

16. All the comparators (NGO and United Nations) raise non-governmental funds predominantly from the general public. Although UNHCR has had substantial corporate donations, the main thrust of its drive for private fund mobilization has been directed to the general public, for which it has invested considerably. UNICEF has historically had a strong funding base among the general public through its national associations and now emphasizes this as a strategy for income growth in emerging markets. NGO comparators all raise most of their private funding from the general public. In the United Nations system the Global Compact has a unique role. Its membership is 60 percent corporate, from which it has raised substantial funding.

17. The social media undoubtedly present a growing opportunity for fund mobilization from the general public, but the evidence the evaluation received, with the possible exception of the United States of America, was that the potential of social media was only being gradually realized and more conventional methods of reaching the general public continue to prevail in securing repeat giving by individuals. In the United States of America online fundraising for all philanthropic purposes was reported to have grown by 35 percent in 2010.³⁵ Of the nearly 2000 nonprofits studied, online giving averaged 7.6 percent of total fundraising, while for nonprofits in the international affairs and health care sectors the average was over ten percent. Giving through social media is integrated with other approaches to reach the potential giver, including approaches through the social media and by telephone alerts, advertising, etc. The potential givers are not therefore just left to happen on a website by chance.

³⁴ Committee for Encouraging Corporate Philanthropy, 2011.

³⁵ By the Hudson Institute Center for Global Prosperity.

18. Direct approaches to the general public, direct mail and other forms of appeal were found to be widely used by comparators. Targeting is largely to the age groups most likely to give and with the longest time ahead of them for repeat giving. In the United States of America this is predominantly people in later middle age and early retirement and many of them continue to be reached by direct mail. Methods are adjusted by comparators to local conditions. Direct personal contacts by door-to-door or street approaches are extensively employed in Europe and Asia but less so in North America.

19. Repeat giving from the general public has relatively low maintenance costs but building up a donor base requires major initial investment in recruiting the donors. UNHCR has been making such an investment with a budget for private resource mobilization which rose from US\$25 million in 2010 to US\$50 million in 2012. This investment is starting to pay off but currently means that fundraising costs stand at 42 percent of annual returns. This level of investment by UNHCR may be maintained for a few more years while the donor base is expanded but is then expected to reduce drastically with an established donor base among the general public. Comparators extensively use contractors, which receive some form of commission to undertake fundraising. UNICEF and UNHCR were found to use contractors directly as well as through national associations. There can be ethical and reputational issues in this, which are best avoided through transparency and avoidance of agents who charge finders' fees at a level which would offend public opinion or contractors who employ aggressive approaches in recruiting individual givers.

1.2.3 United Nations System Governance for Collaboration with the Business Community

20. The Strategy, both in content and in implementation, has gone beyond the constituents of the business community which was defined in the 2009 revised Guidelines on Cooperation between the United Nations and the Business Sector issued by the United Nations Secretary General (UNSG) in 2009³⁶ as a) for-profit, and commercial enterprises or businesses; b) business associations and coalitions (cross-industry, multi-issue groups; issue-specific initiatives; and industry-focused initiatives).

21. United Nations principles³⁷ issued in 2000 for working in cooperative arrangements with the business community provided much of the basis for the WFP Strategy. The 2009 revised United Nations guidelines³⁸ for working in partnership with the business community included that, work between the United Nations and business entities should:

- Advance United Nations goals: The objective needs to be articulated clearly and must advance United Nations goals as laid out in the Charter;
- Share United Nations values and principles: The United Nations is interested in working with Business Sector entities that share its values, including

³⁶ Guidelines on Cooperation between the United Nations and Business Community Issued by the United Nations Secretary-General November 2009.

³⁷ Guidelines on Cooperation between the United Nations and the Business Community. Issued by the Secretary-General of the United Nations, 17 July 2000.

³⁸ Revised Guidelines on Cooperation between the United Nations and the Business Community. Issued by the Secretary-General of the United Nations, November 2009.

internationally recognized principles concerning human rights, labour, the environment and anti-corruption;

- Have clear delineation of responsibilities and roles: When a partnership arrangement with the Business Sector will have financial implications for the United Nations, it should be implemented only with a formal written agreement delineating the respective responsibilities and roles of each party with defined timelines and measurable outputs;
- Maintain United Nations integrity and independence: Arrangements should not diminish the United Nations' integrity, independence and impartiality;
- Give no unfair advantage: Cooperation should not provide exclusivity in its collaboration or imply endorsement or preference of a particular Business Sector entity or its products or services;
- Ensure transparency: Cooperation with the Business Sector must be transparent. Information on the nature and scope of major cooperative arrangements should be available to the public at large.

22. The 2009 UNSG Guidelines identified the importance of the United Nations system in developing global norms and standards, in such areas as trade, human rights, employment and the environment and went on to identify three areas of United Nations collaboration:

- a. Core business operations and value chains: Mobilizing innovative technologies, processes, financing mechanisms, products, services and skills of the Business Sector to create wealth and employment and develop and deliver affordable goods and services. The United Nations and a Business Sector partner may jointly support the development of integrated value chains in sectors with prospects of growth and/or collaboration to increase access to important goods and services that contribute to reducing poverty;
- b. Social investments and philanthropy: Includes financial support as well as pro-bono goods and services, corporate volunteers and technical expertise;
- c. Advocacy and policy dialogue: Initiatives that advance a specific cause in support of the United Nations goals or promote multi-stakeholder dialogue on issues related to the purposes and activities of the United Nations. Includes promoting a concept of corporate responsibility; working with companies to bring about change in their internal business practices to align with United Nations goals; and developing norms or guidelines to engage stakeholders in support of United Nations goals.

23. WFP has clearly emphasized b) Social investments and philanthropy through WFP and with respect to this, the 2009 guidelines state: “United Nations entities that engage the Business Sector as partners in their work should allocate adequate resources and develop the policy frameworks and institutional capacities needed for engagement in a mutually beneficial way” and states that: “The United Nations will not engage with Business Sector entities that:

- a. Are complicit in human rights abuses, tolerate forced or compulsory labour or the use of child labour, are involved in the sale or manufacture of anti-personnel landmines or cluster bombs, or that otherwise do not meet relevant obligations or responsibilities required by the United Nations;
- b. Violate sanctions established by the United Nations Security Council;

c. Systematically fail to demonstrate commitment to meeting the principles of the United Nations Global Compact” (the commitments of the Global Compact are included as Annex 7 to this report).

24. In other agencies in the United Nations system there has been further individual guideline developments, such as the Guiding Principles for Public-Private Collaboration for Humanitarian Action.³⁹ UNICEF, Save the Children Fund and the World Economic Forum are currently developing the Children’s Rights and Business Principles Initiative.

1.2.4 The WFP Internal Context

25. The first intensive collaboration of WFP with private sector corporations began in 2002 with TNT, and formal approval for WFP to move into fundraising from the private sector was in 2004. The Private Sector Partnership and Fundraising Strategy (approved by the Executive Board in 2008) addresses fundraising and other forms of partnership, such as technical support. The Strategy includes private sector companies, the general public and high-net-worth individuals. It also covers fund mobilization from NGOs (not-for-profits) but excludes NGO implementation partnerships. It implicitly addresses joint ventures but specifically excludes procurement and contracting from the private sector by WFP, establishing a firewall between procurement and partnering, NGO implementation partnerships. The Strategy aims to:

- a. Retain existing WFP Global Humanitarian Partners and recruit partners for each of WFP’s major business areas;
- b. Retain and foster existing WFP corporate supporters and attract new ones;
- c. Extend WFP’s outreach to foundations;
- d. Cultivate high-net-worth individuals; and
- e. Enhance outreach to smaller individual donors through the web.

26. The strategy stated that, in addition to expanding the resource base (and increasing resources), private-sector partnerships would contribute to:

- a. Building a stronger WFP by decreasing response times, improving operational efficiency, strengthening capacity and skills; and
- b. Tapping into companies’ bases of employees and consumers to increase awareness and visibility for WFPs work.

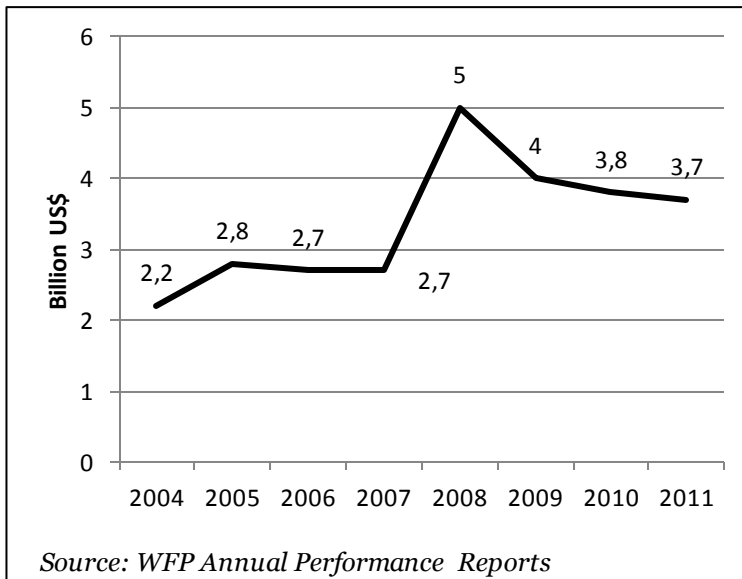
27. Several factors which underlay the orientation of the 2008 Private Sector Partnership and Fundraising Strategy continue to dominate the WFP context. These include:

- a. The small proportion of total WFP funds which are not earmarked by donors for use in a particular country or project (unallocated allocations to the General fund stood at 12 percent in 2011, a figure which varied little over the years)⁴⁰ limiting WFP’s capacity to systematically pursue its agreed objectives;

³⁹ Prepared by the World Economic Forum and the United Nations Office for the Coordination of Humanitarian Affairs – OCHA (2007).

⁴⁰ Multilateral unallocated funding constituted 13 percent of WFP income in 2004; 10 percent in 2006; 12 percent in 2008 – source WFP Annual Performance Reports.

**Figure 3: Total WFP Contributions (all sources)
(US\$ billion)**



b. The significant fluctuations in WFP’s total funding with the incidence of emergencies, as shown in Figure 3. There has been a generally upward trend in funding, which ranged from US\$2.2 to 2.7 billion in the period 2004–2007. Funding rose to US\$5.0 billion in 2008, dropping back to US\$4.0 billion in 2009 with further declines in 2010 and 2011, when it stood at US\$3.7 billion;⁴¹

c. The move in line with WFP policy from donation of commodities to donation of cash; and

d. The evolution of the pattern of WFP assistance in humanitarian crises, with growing local and regional purchases of food and the greater use of cash and vouchers.

2. Evaluation Findings

2.1 Quality of the Strategy

28. Uniqueness of the Strategy: In as far as the evaluation team could ascertain from interviews and document review, no other United Nations agency has a strategy specifically approved by its Board for its fundraising and partnership with the private sector. However, UNICEF adopted a more holistic strategic framework in 2009 which addresses all forms of partnership as well as the priorities for UNICEF’s relationship with the business community.⁴² UNHCR issued a strategy describing how it would work with the private sector in 2009⁴³ and the Federation of Red Cross and Red Crescent Societies has a strategy for its resource mobilization issued in 2011.⁴⁴ In most of the NGO humanitarian assistance comparators, non-governmental private sector fundraising is so fundamental to their approach that this is considered integral to the overall resource mobilization strategy. WFP thus continues to be among the leaders in the United Nations system in having received a clear Executive Board decision on its overall approach and having this available on the web as a public document.

29. What constitutes a Strategy: There is no single accepted definition of “strategy”, but as used in other United Nations organizations, strategies normally

⁴¹ Source of data WFP Annual Performance Reports 2004–2011.

⁴² UNICEF Strategic Framework for Partnerships and Collaborative Relationships – Executive Board Annual Session 8–10 June 2009 ECOSOC/ICEF/2009/10, Issued 26 March 2009.

⁴³ UNHCR <http://www.unhcr.org/4abb8db09.html> Report on UNHCR Resource Mobilization Strategy, including private sector fundraising to the Standing Committee of the Executive Committee of the High Commissioner’s Programme, 24 August 2009 (restricted).

⁴⁴ This document was not approved by the Council of Delegates and its status is unclear.

provide an analysis of the context, including the relationship to higher-level objectives of the institution, the goals to be achieved and implementation modalities. WFP's Private Sector Partnership and Fundraising Strategy both over- and under-fulfils some of these expectations.

30. Strengths and weaknesses of the Strategy: The Strategy reflects the United Nations principles issued in 2000 for working in cooperative arrangements with the business community, thus placing WFP's efforts within the overall United Nations framework.

31. However, the overall strategy for WFP as contained in its Strategic Plan 2008–2013 did not itself address the efficiency or effectiveness of WFP resource mobilization or other aspects of its internal functioning to achieve programme objectives. Thus, fund mobilization and partnership were not significant areas of attention and were not placed in an overall context by a higher-level WFP strategic document. Subsequent to the approval of the private sector Strategy this was to some extent corrected by the Policy Issues document for the Executive Board, Resourcing for a Changing Environment, which addressed all forms of fund mobilization and referenced WFP objectives.⁴⁵

32. The Private Sector Partnership and Fundraising Strategy established clear monetary targets for fundraising from various sources (see Table 4) and a mechanism for WFP's partnership and fund mobilization. As noted by a recent Strategic Evaluation of WFP's Partnerships,⁴⁶ WFP has no defined partnership policy and no agreed definition of partnership: rather the term is used for a wide variety of relationships. The Strategy does not place fund mobilization and partnership in the overall context of the shift from food aid to food assistance which was pending Board approval at the time the Strategy was approved. Nor does it well reflect the emphasis on moving away from in-kind commodity assistance which was already policy. There was no analysis of the comparative strengths of private partnerships in relation to the higher level goals of WFP, which may in part be explained by the fact that the 2008–2013 WFP Strategic Plan had not received formal Executive Board approval at the time of the drafting of the private sector Strategy. There was no specific reference to other existing plan or strategy documents, existing in WFP at the time but this is also understandable as a new overall Strategic Plan was under development.

33. The evaluation found that, overall the Strategy was ahead of its time. It did not address modalities in detail, with the exception of the internal funding mechanism, but it was a focused operational document with clear targets. The Strategy could have been stronger if it had also:

- a. Been based, as was the UNICEF 2009 Strategy, on more extensive analysis of the experience of WFP and that of other organizations to date with the corporate sector, which might have enabled the Strategy to provide more appropriate guidance on modalities and potentials;
- b. Prioritized areas for partnership in terms of the partnership potential and the emerging direction and objectives of the WFP Strategic Plan 2008–2013 (then in draft);
- c. Provided guidance and criteria for country focus, taking account of potentials as well as needs.

⁴⁵ Resourcing for a changing Environment (WFP/EB.1/2010/5 -B/Rev.1), February 2010.

⁴⁶ January 2012 Strategic Evaluation from Food Aid to Food Assistance, Working in Partnership.

2.2 Results of the Strategy

2.2.1 Strategy Targets and the Resources Mobilized

Table 4. Progress in Meeting Strategy Targets

Target by 2017 (or unspecified date)	Progress to date	Current potential for reaching target	Reason for assessment of potential
Overall resources raised: US\$270 million per year in cash and kind from private sources by 2017 (which corresponds to 10% of total WFP contributions at 2007 levels)	Total cash and in-kind for 2009 was some US\$150 million and US\$120 million for 2011. Annual targets have been exceeded each year ⁴⁷ (percentage of total WFP contributions was 2.6% in 2009 and 2.3% in 2011)	Medium	There is no clear trend line in private resource mobilization.
Cash resources raised: US\$200 million per year in cash by 2017	Cash donated in 2009 was approximately US\$93 million and in 2011 US\$77 million, exceeding annual targets for those years	Low/Medium	There is no consistent trend in cash resource mobilization which would indicate without a change in policy that the 2017 target can be achieved
In-kind resources raised: US\$70 million per year of in-kind donations by 2017 (26% of the total)	From 2009–2011 gifts in kind have averaged US\$62, including an average of US\$17 million of programme gifts in kind (PGIK) (food and non-food items such as equipment) and an estimated US\$45 million of extraordinary gifts in kind (EGIK)	High	Target circa 86% already achieved. Gifts in kind make up over 40% of the total
Multilateral funding raised: Of the US\$200 million donated in cash by 2017, at least US\$50 million (25%) should be multilateral and fully flexible	In 2011 some 20% of private funding was multilateral ⁴⁸	High in % terms/Medium in US\$ terms	Target circa 86% already achieved

⁴⁷ These data include an estimate for total extraordinary gifts in-kind (EGIK) of US\$45 million per year. EGIK consists of services such as advertising and provision of human resources. This has not been systematically accounted for in the past and WFP-CPP intends to improve reporting on this in 2013.

⁴⁸ i.e. available to WFP for relatively flexible programming, Source WFP 2011 Annual Performance Report Annex VIII.

<p>Diversity of funding sources: Raise 50–60% of cash donations from corporations and 40–50% from individuals and foundations</p>	<p>For the period 2009–2011, private donations were: 43% corporations, 13% foundations, 15% individuals and 29% NGOs</p>	<p>Medium</p>	<p>Without a change in approach, there is not a basis for the proportions to change significantly and corporations are currently 43% but individuals and foundations are unlikely with present policies to achieve 40–50%. The important contribution from NGOs was not included in the original Strategy target.</p>
<p>Cost of fundraising: 20% of the funds raised or less</p>	<p>CPP costs for the period 2009–2011 averaged 6% of the funds raised not including costs incurred by other units which are intended to be covered by the 7% indirect support costs (ISC)</p>	<p>High</p>	<p>The costs of private fundraising, even including unaccounted costs are well below 20%</p>
<p>Management fees: Average management fee of 13% plus normal ISC charge (7%)</p>	<p>Management fee average 2009–2011 was 3.6% (rising from 2.3% in 2009 to 4.4% in 2011). Normal ISC was charged at 7%.</p>	<p>Low</p>	<p>Management fee currently much less than 13%. Thirteen percent currently maximum charge not average (Friends of WFP and other intermediaries also levy management charges not reflected in the figures.)</p>
<p>Global Humanitarian Partnerships: Recruit 15 Global Humanitarian Partners for multi-year, multi-dimensional relationships (including a substantial cash donation).</p>	<p>Target for corporate and foundation partners with widespread reach exceeded, but most of these are not primarily cooperating on humanitarian assistance. A minority of the partnerships are multi-dimensional or include a substantial cash donation that is not fully earmarked.</p>	<p>Medium</p>	<p>This target is open to interpretation but there is no trend towards an increased number of partners engaging globally in multi-dimensional relationships.</p>
<p>Loan draw down and repayment: Loan advance of up to US\$9 million (with possible increases through 2012 to a total of US\$19 million) from the General Fund with repayment to commence with interest in 2013 and be repaid over five years</p>	<p>US\$7,440,000 of the loan had been drawn down by the end of 2011 and further draw down is anticipated in 2012.</p>	<p>Low (if working capacity not to be compromised)</p>	<p>CPP is drawing further from the loan in 2012 (US\$1,760,000 remaining). CPP reports that it expects to repay US\$1 million in 2013, which, if it does, will eat into its ability to maintain current expenditure and invest.</p>

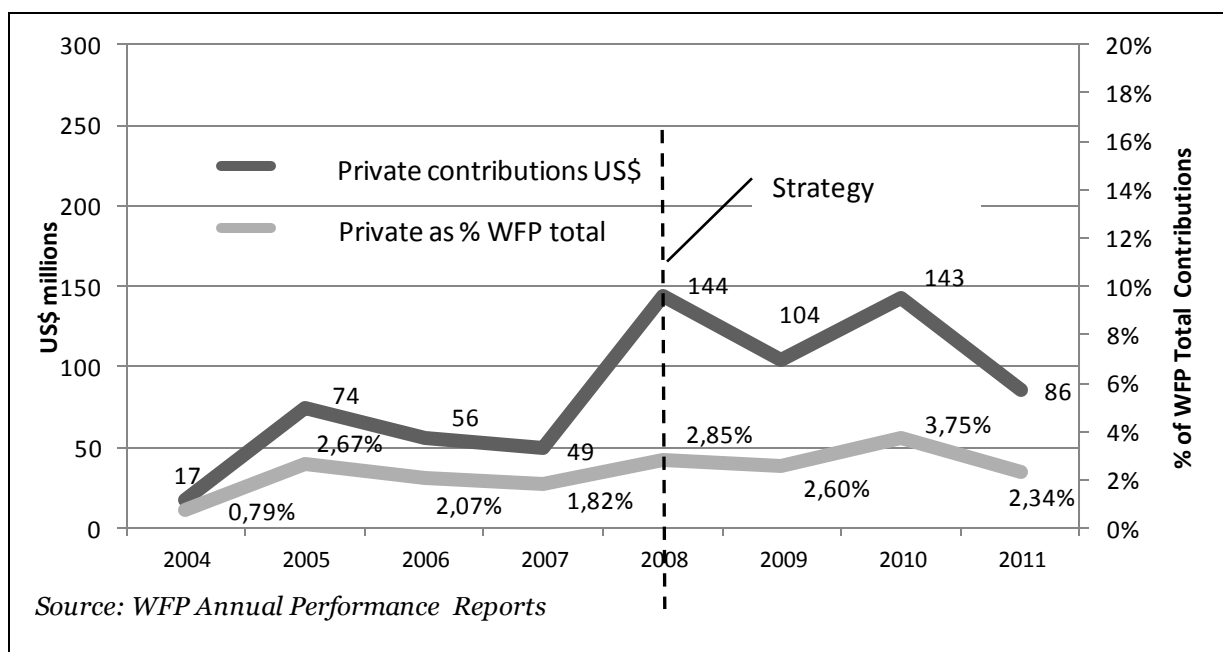
Source: Figures are derived from the WFP Annual Performance Reports and the 2009–2011 data in the CPP Database

34. Overall funds raised: The Strategy had a specific goal of raising US\$270 million per annum from private contributions by 2017 (which in percentage terms corresponded to raising the overall private contributions at 2006–2007 levels

from two percent to ten percent of WFP revenue), of which US\$70 million would be gifts in kind and US\$200 million cash. Figure 4 shows trends for total private resources (excluding extraordinary gifts in kind (EGIK)) and percentage of private resources in WFP total contributions from 2004 to 2011. The year 2008 was an exception for both private funding and overall contributions to WFP from all sources. WFP total contributions reached their maximum to date, partly as a result of special contributions for the food and fuel price crises. Private contributions also peaked in that year, almost trebling the 2007 level. The peak in private resources in 2008 was due to a contribution of US\$70 million (from the Bill & Melinda Gates Foundation (BMGF)) for expenditures over five years on the P4P programme. If this US\$70 million were redistributed over the five years of planned expenditure, private resource levels would rise until 2010 and then decline in 2011.

35. In all years to date the annual resource targets established in the Strategy have been exceeded and if the four years 2008–11 are compared with the previous four years 2004–2007, the average private contributions per annum have more than doubled from US\$49 million to US\$119 million per year. However, the trend for WFP private fund mobilization is not demonstrating a clear trend. The proportion of resources raised from private sources was not a Strategy target but there was an expectation of an increase in the percentage and this also shows no clear trend.

Figure 4: Trend in Private Funding to WFP (2004–2011)



36. In part the lack of clear trend in the level of private contributions may be explained by the fact that, fully in line with the Strategy, WFP has placed considerable emphasis on partnering with private sector corporations which are not a source of significant cash grants, especially outside of emergencies and account for 42 percent of total income (excluding extraordinary gifts in kind made up of human resources, advertising, etc.). Evidence from the United States is that overall corporate giving has declined over the period since 2008 as a result of the financial

crisis while grants from foundations have recovered their previous level.⁴⁹ The trend in private funding to WFP does not compare positively with comparators which rely much more on fundraising from the general public. UNHCR, UNICEF and the humanitarian NGOs all showed increases in contributions from non-governmental sources in the period since 2009.⁵⁰ The United Nations Global Compact also increased its funding from the corporate sector.

37. Gifts in kind: The Strategy specified that of the US\$270 million, US\$70 million (26 percent) would be gifts in-kind. The data in Figure 4 do include in-kind contributions of commodities and equipment, which averaged 16 percent of the total for 2009–11 but do not include EGIK such as advertising and do not fully account for human resources consultancy or training. There is no source of complete data on EGIK but what data there is does not suggest a trend in expansion or contraction. Currently EGIK contributions are of the order of US\$45 million, nearly all of which comes from corporations and over three quarters of which was the value of a single television advertising campaign in Japan. The overall target for gifts in kind is likely to be reached and at present they constitute over 40 percent of total private contributions.

38. Management and overhead cost: The target of keeping the management charge on private contributions at an average of 13 percent, plus seven percent indirect support costs (ISC) (a total overhead of 20 percent) has been more than met. The management fee has been on average only 3.4 percent, plus the ISC which has normally been applied comes to 10.4 percent. This does not include any charges levied by WFP Friends or other intermediaries.⁵¹ The maximum stated in the Strategy was based on a premise that the general recognized standard for overhead charges was 25 percent, which is not the level in comparators. Obtaining strict comparability of figures is difficult, but NGO comparators averaged a total of 18 percent, which includes 7 percent for fundraising and 11 percent administration cost.⁵² The costs of CPP (i.e. salaries, etc.), as distinct from overhead charges levied, have risen from two percent in 2008 to eight percent in 2011.⁵³ This figure does not capture management costs outside CPP which are intended to be covered by the ISC of seven percent and are incurred by many units (at all levels of the organization) and, as discussed below, costs tend to exceed the level of the ISC for corporate donations).

2.2.2 Coherence of Private Resource Mobilization with WFP's Objectives

39. Using questionnaires, data analysis and interviews, the evaluation assessed the extent to which private sector resource mobilization is delivering against WFP's core objectives.

40. As shown in Table 5, the great majority of WFP senior staff responding to the questionnaire found private resources were aiding the achievement of WFP's objectives but were reserved in the strength of their judgement. Only in the case of

⁴⁹ See Annex 4 Table 20.

⁵⁰ With the single exception of CRS (apparently due to its reliance on non-repeat giving through churches, which declined with the economic crisis).

⁵¹ WFP USA reported in 2010 that its overheads were equal to 5 percent.

⁵² Comparators: CRS, Oxfam international, Save the Children and World Vision annual reports for 2009–2010.

⁵³ With an average of 13 percent for the period 2009–2011 – calculated from CPP supplied data of total costs of CPP operations plus 7 percent PSA.

advocacy and awareness raising did more than half firmly agree that the private sector has made a significant contribution. The least conviction is for gender objectives and for WFP programmes providing cash and food for assets. Senior staff were also asked to rank the purposes for which private sector support were most useful. A similar pattern emerged with the highest-ranked areas being logistics and advocacy and awareness (See Annex 2).

Table 5. Questionnaire Responses from Senior WFP Staff: Private Sector Contributions to WFP Objectives

Extent of Respondents Agreement with the following Statements	Agree	Of which Firmly Agree
Private sector partnership and fundraising greatly helps WFP to achieve its humanitarian assistance objectives	74%	48%
Private sector partnership and fundraising greatly helps WFP to achieve its development assistance objectives	77%	42%
In my experience, the private sector has made a very significant contribution to WFP's:		
• Response in emergencies	82%	44%
• Mother-and-child nutrition programmes (the first 1000 days)	81%	40%
• School feeding programmes	94%	41%
• Gender objectives	58%	12%
• Food- and cash-for-assets programmes	65%	15%
• Advocacy and awareness raising	87%	57%

Source: Evaluation Questionnaire Responses of Senior WFP Staff

41. Corporations were firmly in agreement that partnership with WFP delivers development benefits. In 92 percent of questionnaire responses from corporations, it was reported that cooperation with WFP delivered more significant benefits to the poor and malnourished as compared with their other partnerships.

42. All private funding has addressed WFP Strategic Objectives. Table 6 indicates major areas of concentration within those objectives.

Table 6. Private Contributions – Support to WFP Tools for Reaching its Strategic Objectives

WFP Strategic Objectives and Sub-objectives	Level of support ⁵⁴	Important private contributors	Type of support given
1: Save lives and protect livelihoods in emergencies			
General and targeted food assistance and emergency nutrition interventions	High	Individual contributions, NGO and corporate donations	For specific emergencies: <ul style="list-style-type: none"> • unearmarked cash • some commodities
Emergency logistics, special operations, and Information and Communication Technology (ICT) capacity	High	Logistics Emergency Teams (LETs), ⁵⁵ TNT, Vodafone, Caterpillar Inc.	Mobilize at onset of emergency for logistics assistance; support capacity development in WFP and other cluster members; some equipment
United Nations cluster leadership for logistics and emergency ICT			
2: Prevent acute hunger and invest in disaster preparedness and mitigation measures			
Vulnerability Analysis and Mapping; early warning products and tools; disaster preparedness and mitigation	Low	BMGF and the Citi Foundation, The Rockefeller Foundation, Oxfam	Vulnerability mapping Climate insurance pilot Ethiopia
3: Restore and rebuild lives and livelihoods in post-conflict, post-disaster or transition situations			
Food distribution programmes that facilitate re-establishment of food and nutrition security	Medium	See General and targeted food assistance and emergency nutrition interventions above	
4: Reduce chronic hunger and undernutrition			
Mother-and-child health and nutrition (MCHN) programmes	High	DSM	Technical and cash assistance for development of nutrition solutions and policy development
School feeding programmes	High	Yum! Brands, Unilever, TNT, LG Electronics, International Paper	Earmarked and non-earmarked programmes. Cash, volunteers and some commodities
Addressing and mitigating HIV/AIDS, tuberculosis and other pandemics	Low/ Medium	TNT – North Star Alliance	Road side clinics
SO 5: Strengthen capacities of countries to reduce hunger, including through hand-over strategies and local purchase			
Local procurement	High	BMGF, the Howard G. Buffet Foundation	P4P
Policy and programmatic advice	High	Global Alliance for Improved Nutrition, BCG	Support to WFP in developing policy solutions
Advocacy	High	Japan Advertising Council, Yum! Brands, DSM, The FEED Foundation, Zynga	Awareness and fundraising general public including web games
Assistance to develop WFP internal capacities			
Management advice to WFP	High	Boston Consulting Group	Management consultancy
Assistance for private fundraising	High	Nissin Foods, Yum! Brands, The FEED Foundation, Dutch Postcode Lottery	Cause-related marketing and consumer-facing relationships

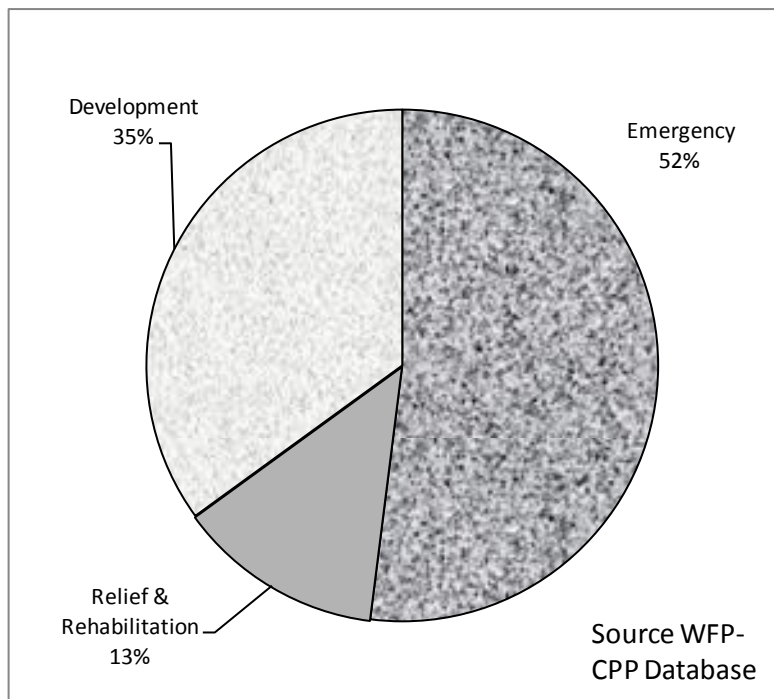
⁵⁴ The level of support indication of high, medium or low was assigned by the evaluation team from a combination of analysis of contributions 2009–2011 by purpose and an examination of the qualitative and quantitative pattern of major partnerships since 2004 including partnerships in kind.

⁵⁵ TNT, UPS, Agility, A.P. Moller-Maersk.

43. As discussed further in Section 2.2.3, there were significant examples of building on the comparative strengths of the private sector including, for example, the support to innovation in nutrition by DSM (and more recently Coca-Cola and PepsiCo), the work of TNT and the Logistic Emergency Teams (LETs) in logistics and the Boston Consulting Group (BCG) provision of management consultancy. A further positive element of private funding has been the support for development as a proportion of the whole. As shown in Figure 5, approximately 35 percent of private resources were used for development activities. This compares with less than ten percent of WFP’s total funding, although development objectives are important in the current WFP Strategic Plan.

44. Fully in-line with WFP strategic priorities, a greater proportion of private funds are used to support programmes in low-income countries than is the case for WFP funding as a whole (82 percent from private and 62 percent from WFP as a whole 2009–2011). Private sector funding has also been used to address malnutrition in middle-income countries, particularly school feeding. There were examples of significant private support for middle-income countries and in several examples private funding accounted for 20 percent or more of the total WFP funding (see Annex 4 Tables).⁵⁶ Currently in Egypt, and in prior years in Indonesia, a significant amount of private funds were raised locally for work within the country either from local individuals, corporations or foundations, or from local subsidiaries of

Figure 5: Private Resources by Purpose (average 2009–11)



multi-national corporations. Overall five percent of private funding is raised in middle-income countries (see section 2.3.3.1 for further discussion and Figure 5). In one middle-income country the evaluation found that the emphasis of private sector support raised questions of whether WFP’s target populations were being prioritized, but in others, as is evident in the discussion below, support was often improving the functionality of basic safety-net programmes, fully in-line with WFP objectives.

⁵⁶ Percentage funding of WFP total programme in middle-income countries (2009–2011): Bhutan 55 percent; Sao Tome and Principe 44 percent; Indonesia 36 percent; India 29 percent; Iran, Islamic Republic of 21 percent; Cape Verde 21 percent; Egypt 18 percent; Timor-Leste 17 percent - Source CPP Database.

2.2.3 The Outcomes and Impacts of Private Donation and Partnership

45. In most cases WFP's privately contributed resources are not separately monitored or evaluated from the remainder of the programme, of which they represent a small proportion. The focus of this evaluation was on contribution towards objectives and efficiency, as distinct from attribution. As discussed above maximum use was made of pertinent evaluations and written material, where available and the assessments and information supplied by WFP staff in interviews and questionnaires provided a central source of data. Donors also provided their perspectives through interviews. Data was triangulated across different countries and WFP units.

2.2.3.1 Emergencies

46. Survey Responses: In responding to questionnaires, 82 percent of WFP senior and managerial staff agreed that private resources had made a significant contribution to WFP's response in emergencies and 44 percent firmly agreed. They also ranked support in emergencies among the most useful contributions. Further analysis in questionnaires and interviews showed that this support was principally appreciated for logistics, including services such as storage, and that commodity donations were less highly appreciated.

47. WFP finds it easiest to raise resources from governments in very large quantities for emergency response. Non-governmental donations, including cash, are also raised mostly in response to emergency appeals. However, only in the case of Haiti, with its close proximity to North America, was a very significant proportion of the total response (17 percent) from non-governmental sources. Funding donated in emergencies and for relief operations has in general the same effects and impacts as those for WFP operations as a whole, although with the very significant exception of logistic services (see below) they could be less efficient due to the relatively small quantities involved and sometimes partners' expectations of reporting and visibility.

2.2.3.2 Logistics and Communications (ICT)

48. Survey Responses: 78 percent of WFP senior and managerial staff surveyed agreed that private resources had made a significant contribution to WFP's logistics response and 43 percent firmly agreed. 73 percent agreed that private resources had made a significant contribution to ICT, of which 43 percent firmly. Private contributions were ranked most useful for logistics.

49. WFP's longest-standing partnerships with corporations have been in logistics. The partnership with TNT began in 2002, spearheaded by the then Chief Executive of TNT and the then Executive Director of WFP. Although the partnership was inspired by the fact WFP and TNT both work in logistics,⁵⁷ it was not restricted to logistics, but included school feeding, volunteers in schools and the Walk the World annual advocacy Campaign (the budget under the Memorandum of Understanding (MoU) 2003–2008 was Euros 52.7 million from TNT, much of it in-kind). It is in logistics and in advocacy (see below) that the partnership was most effective. An arrangement gradually developed whereby in countries where TNT had the capacity,

⁵⁷ Until recently it has been TNT policy not to bid on WFP contracts.

it would mobilize its staff and facilities following a serious natural disaster. WFP staff confirmed that TNT was on the ground in Aceh – Indonesia, following the Asian tsunami of December 2004 several days before WFP was able to mobilize international staff there and TNT played a particularly important role in managing the airport hub for incoming emergency supplies. TNT also provided logistics training and some technical consultancy, although the latter was found by WFP staff to be of variable quality.

50. The TNT relationship was the catalyst for the World Economic Forum to develop the **LETs**, which originally had three global logistic companies as members (TNT, UPS and Agility), recently joined by A.P. Moller-Maersk. There is also a separate stand-by agreement with DHL. The LETs supports the Global Logistics Cluster of humanitarian assistance agencies for which WFP is the lead agency. Surge capacity is provided by mobilizing staff, equipment and facilities upon a sudden onset emergency. There are pre-agreed operating procedures and the LETs are prepared for deployment through WFP training of company staff (there are currently 150 trained staff on standby in over 30 countries with expertise in management and operations of airports, ports, warehouses and transport). Support includes:

- a. Logistics specialists (e.g. airport coordinators, airport managers and warehouse managers);
- b. Logistics assets (e.g. warehouses, trucks, forklifts); and
- c. Logistics services (e.g. airlift, trucking, customs management).

51. Either individually or through the LETs, the group provided services in some ten emergencies since 2008.⁵⁸ Support was found particularly useful in managing port and airport hubs. The only hesitation expressed by some WFP staff is that the LETs provide a link in the chain which they cannot directly monitor or control if it fails to perform. On the other hand, it is evident that, where they have facilities, the members of the LETs can often mobilize substantial resources faster than WFP itself.

52. Telecommunications – The **Vodafone** relationship with WFP originated at the World Economic Forum, where Vodafone and Ted Turner, working through the United Nations Foundation, decided to support WFP and the Emergency Telecommunications Cluster, for which WFP is the lead. Vodafone's initial efforts at building and developing expertise for ICT emergency response began in 2006 and in 2007 they developed and delivered the first training. The three-year partnership built on that experience with total funding of US\$6.1 million, of which WFP provided US\$1.8 million, i.e. this was a partnership into which WFP also put resources. The goal was to prepare a cadre of fully trained ICT professionals who could be dispatched, within 24 hours of the onset of an emergency, to set up a fully functioning computer and telecommunication system. The initial project was completed in 2011 and a new contract was negotiated until the end of 2013 with WFP and not including the United Nations Foundation. This continues the capacity-building programme and provides four seconded staff to WFP for two years. Local Vodafone companies have also cooperated with WFP, for example in financing school feeding activities and nutrition awareness activities in Egypt and piloting telecommunication equipment in Central and Eastern Africa.

⁵⁸ Including: Mozambique floods 2008, Myanmar cyclone 2008, Haiti floods 2008, Philippine floods 2009, West Sumatra Indonesia earthquake 2009, Chile earthquake 2010, Haiti earthquake 2010, Pakistan floods 2010, Japan tsunami 2011, Horn of Africa 2010.

2.2.3.3 Nutrition

53. Survey Response: In responding to questionnaires, 81 percent of WFP senior and managerial staff agreed that private resources had made a significant contribution to WFP's response in mother-and-child nutrition (the first 1,000 days) and 40 percent firmly agreed. For school feeding 94 percent agreed but only 12 percent firmly agreed. Respondents ranked private sector contributions highly useful for both nutrition and school feeding.

54. Private funding and partnerships in nutrition have been important in:

- a. Increasing knowledge and availability of micronutrient supplementation in both emergency and non-emergency situations. This has benefited WFP programmes, those of other international agencies and national governments;
- b. Advocating for integrated strategies, particularly during pregnancy and the first two years post-natal with micronutrient and protein supplementation; and
- c. Direct support to school feeding.

55. For both work on nutrition supplementation and nutrition policy and advocacy, the key partners have been DSM (see Box 4) and GAIN.⁵⁹ Collaboration with GAIN is on a project basis within a wider global framework contract. WFP has been an implementing partner for GAIN for fortification projects in Egypt, India, and Pakistan and for a national micronutrients study in Kenya. GAIN donated premix to WFP for a rapid response to the Haiti earthquake of 2010.

56. WFP's own impact on hunger and nutrition in emergencies and the impacts of the wider humanitarian and development communities are likely to be strengthened as a result of WFP's contribution to the international consensus on food supplementation. WFP's new nutrition policy also envisages that nutritional benefits will be furthered through the commercialization of products, but this remains to be demonstrated on any scale.

57. An example of how such benefits may be further developed in future is the recently initiated US\$3.5 million two-year input to the EthioPEA Alliance between PepsiCo Inc., WFP, the Government of Ethiopia and the United States Agency for International Development (USAID). The USAID project (US\$7 million) aims to stimulate increased production of chickpeas, both for export and as an ingredient for a nutrition supplement to be developed and introduced by WFP in collaboration with local private companies. Through the project, PepsiCo has been able to build relationships with the Ethiopian Government which may subsequently serve to advance its business interests, an example of a win-win relationship. PepsiCo has committed to financially supporting all steps in the value chain (agricultural research, harvest processing, and nutrition product development). Production is to be by local companies using proven WFP technology. The initial market for products will be WFP and other aid agencies, but with adaptation of the recipe, the product could also be marketed commercially as a nutritious snack for children.

⁵⁹ GAIN is a foundation registered as an international organization in Switzerland. It works closely with the private sector and has a Board which includes in a personal capacity members from foundations and private sector companies.

58. **School feeding** is the area in which there has been the greatest number of direct beneficiaries of private funding outside of emergency situations to date.⁶⁰ Private funding has enabled WFP to undertake school feeding programmes that have been innovative in allowing WFP to work in urban slums (e.g. Nairobi) and have also permitted WFP to work in middle-income countries where WFP has little international government funding. Unilever, the Howard G. Buffet Foundation (HGBF), Yum! Brands and TNT were important partners for this. In Unilever's case the partnership 2007–2011 consisted of three initiatives: a) cause-related marketing campaigns, which generated €650,000 for school feeding; b) support for school feeding with cash, products in-kind and expertise donations for a total of 80,000 school children per year; and c) Unilever employee engagement in giving and some employees who served as volunteers, including from local Unilever companies. The partnership began with support for school feeding programmes in Colombia, Ghana, Indonesia and Kenya, to which Pakistan, the Philippines and Sri Lanka were added. Some multi-country studies were undertaken as part of the partnership to explore school children's nutrition gaps and develop new fortified nutrient-dense products for school feeding.

59. The private resourcing of school feeding appears now to be in decline for reasons discussed in Section 2.3. LG Electronics is now supporting school feeding and support has continued from some other corporate and private donors with Yum! becoming an important source of funds, often not earmarked to particular countries or projects (US\$12-15 million per year). However, support to school feeding from Unilever and Howard Buffet has now ceased and new partnerships agreed with different goals. TNT, which used to support school feeding centrally, has changed its policy to decentralize to employees of local branches decisions on what they should sponsor and there is expected to be a reduction in support to school feeding as a result.

2.2.3.4 National Capacity

60. Survey Responses: Less than half (47 percent) of WFP senior and managerial staff surveyed agreed that private resources had made a significant contribution to strengthening national capacity and only 13 percent firmly agreed.

61. Nevertheless some of the initiatives with greatest potential for widespread impact have been in lower middle-income countries that have substantial food safety net programmes of their own and where the WFP and partnership inputs have been quite small but support the Government's own efforts. For example, in Egypt, GAIN provided US\$3 million for a project on fortification of *baladi* bread, an important staple in the Egyptian diet. The main contribution was from the Egyptian Government (US\$20 million). This was followed by another project in 2009 on vegetable oil fortification. TNT undertook a study on improvement of the value chain for subsidized *baladi* bread (annual subsidy some US\$3 billion per year). The study found that it would be possible to cut costs by US\$0.5 to 1.0 billion by centralizing the bakeries to reduce leakage of subsidized wheat flour and that wheat imports, which make up five percent of the total, should be of better quality as the lower quality grain was frequently blocking the equipment. Under the corporate agreement with WFP, DSM has supported the introduction in Egypt of NutriRice, a

⁶⁰ In the period 2008–2009 an average of US\$22.5 million per year was going from private funding to school feeding.

trademarked product which DSM is interested in marketing. There is now a plan to develop a national production facility as the fortified rice is being distributed to school children's families as part of the take-home ration supplied by WFP's school feeding programme (an example of a win-win relationship in private sector partnership). The example of India, discussed below in relation to innovation, also provides an example of national capacity-building (paragraph 68).

2.2.3.5 Effects on Women and Children

62. Survey Responses: Only slightly over half (58 percent) of WFP senior and managerial staff surveyed agreed that private resources had made a significant contribution to WFP's gender objectives and only 12 percent firmly agreed.

63. Most of the private partnerships and fundraising examples that the evaluation team analysed did not specifically target women, infants or girls, and the overall data available on private sector contributions is not reported in terms of how it addresses these priorities. However, it is clear that there is relatively little support from private contributions targeted specifically to the nutrition of women, including pregnant and lactating women and infants under five years or adolescent girls.⁶¹ As previously mentioned, private funding has been important in nutrition and school feeding, and many of these activities target women and girls.

64. WFP and the Children's Investment Fund Foundation began collaboration in 2011 that is expected to expand. The partnership is intended to identify appropriate foods and delivery mechanisms to address malnutrition in women and in children under two. Project Laser Beam (PLB) in Bangladesh is another example of specific targeting of private sector resources and partnership to young children.⁶² WFP and its PLB partners will develop and test a locally produced complementary food supplement for children aged 6–23 months. Another example, the North Star Alliance, addresses the problems of sex workers and female partners of truckers, as well as the truckers themselves, in the African transport industry (see Box 1). It was reported in 2011 that

Box 1: The North Star Alliance and HIV-AIDS:

Truckers in Africa have been particularly vulnerable to HIV/AIDS, as have sex workers and their other sexual partners. The health of the truckers is crucial for WFP and the logistics companies and in 2004 TNT and WFP started to work together to address HIV/AIDS in truckers with a roadside clinic. It was evident that a much broader response was needed and the North Star Alliance was founded in 2006 to create a network of roadside wellness centres. In 2007, the International Transport Federation and UNAIDS became core partners. They were followed in 2009 by ORTEC, a company which provides logistics software and has been instrumental in introducing a computerized medical records service, which means that patients can have access to their records at any centre in the network (this has medical application beyond North Star for clinics generally). The North Star Alliance now operates in 14 East and Southern African countries and five West African countries. In addition to the five core partners, it is supported by over 50 further actors in the public as well as the private and volunteer sectors.

⁶¹ For details of policies see: WFP Gender Policy Corporate Action Plan 2010–2011, WFP/EB 2/2009/4-C; WFP. 2012. Update on the Implementation of the WFP Gender Policy: Corporate Action plan 2010–2011, WFP/EB. A/2012/5-F; WFP. 2011. Draft Nutrition Policy, Informal Consultation on Nutrition, 31 Oct 2011.

⁶² WFP Bangladesh Country Programme 2012–2016 EB 2/2011/81.

46 percent of the patients were women.⁶³

65. School feeding has been an area where the private sector has made an important contribution, as discussed above with respect to nutrition, and although WFP's 2009 school feeding policy emphasizes education of girl children, how this is done varies country-by-country. Overall, WFP reports that approximately half of the children fed through school feeding programmes are girls⁶⁴ and that there are a number of potential benefits to girls who participate in school feeding, including reduced dropout rates and delayed pregnancies.

66. Overall, however, private funding is an insignificant contributor to key outcomes identified in WFP's gender policy, which are related to building WFP capacity for addressing gender in policy and programming, mainstreaming gender in programmes and activities and increasing capacity of partner governments to address gender in nutrition policies and activities.

2.2.3.6 Innovation

67. Survey Responses: Three quarters (77 percent) of WFP senior and managerial staff responding to questionnaires considered that private partnerships were important for introducing innovation; half (49 percent) were firmly convinced of this.

Box 2: BCG and Biometric Identity Cards – a major success: Biometric identity cards (substitute for ration cards) are now being rolled out for the whole of India linked to a computerized system, so that the poor, and in particular the illiterate, can identify themselves for all purposes and for benefits, including the minimum work entitlement and subsidized food distribution. This also has the advantage that corruption (by having fictitious recipients) can be reduced.

There were small pilots of biometric identity cards in several Indian states, reviewed by various parties and BCG (through WFP). A larger pilot was designed for the Federal Ministry of Food in Orissa; BCG prepared the technical specifications for the bidding on this pilot. WFP's was the largest of the pilots at that time and was tested in very remote areas, which was not the case for other pilots. Thus when the national scheme was launched by the Unique Identification Authority of India Card Initiative (UIDAICI), more than 90 percent of the WFP technical specifications were reportedly used for the nation-wide roll-out. This would not have been translated into reality without BCG's technical support to WFP. WFP did not have the requisite technical capacity within the Country Office when the project was initiated.

Following on from the initiative of biometric identity cards and other work in improving food distribution, WFP is now one of three agencies assisting in the computerization of the public distribution system.

68. Important examples of innovation are discussed above with respect to nutrition and in national supply chain management for example in Egypt (paragraph 61). Three further examples are bio-identity cards in India (see Box 2), the P4P programme and the TNT-North Star partnership for HIV/AIDs prevention and treatment in the transport sector of 19 African countries (Box 1). In each of these, including the nutrition examples above, there has been a genuine partnership, with both WFP and the private sector corporation gaining and contributing. The balance of how much each party gained and contributed varied from case to case, but in no case were the private partners

⁶³ North Star Alliance Annual Report 2011.

⁶⁴ WFP School Feeding Policy WFP/EB 2/2009/4-A.

acting in a purely donor relationship with WFP.

69. In addition to the examples discussed above with respect to innovation in nutrition, and development of national capacity, the P4P project introduced an innovative role for WFP in agricultural development. This initiative was launched in 2008 with the BMGF being an important funder and driver for the project concept. The Howard Buffet Foundation was also a significant donor. P4P is designed to leverage WFP's role in local procurement of food, stimulating agricultural and market development in ways that maximize benefits for low-income smallholder farmers, particularly women. It aims to generate an annual income gain of US\$50 each for 500,000 smallholders.

70. A recent mid-term evaluation⁶⁵ analysed the basic precepts on which P4P is based, questioning the assumptions that “women can be empowered through participation in farmers’ organizations; that grain production has the potential to help lift smallholders, especially women, out of poverty; that markets are inaccessible, inefficient and exploitive for smallholders; and that collective action through farmers’ organizations is effective in addressing market failures”. Both the evaluation team and WFP management recognized the need to continue with pilot activities, further test the assumptions and learn lessons for how WFP local procurement can further development goals.

2.2.3.7 WFP Capacity

71. Survey Responses: 63 percent of WFP senior staff and management responding to the questionnaire reported that private contributions improved WFP administrative systems and procedures (of which 20 percent firmly agreed); 67 percent reported that private contributions have strengthened staff capacity (of which 40 percent firmly agreed), 78 percent reported that private sector strengthened logistics capacity (of which 40 percent firmly agreed). However, except for support to logistics capacity, the private contributions were ranked less useful as compared with other alternatives (Annex 2).

72. The examples above of partnership in nutrition and logistics have clearly strengthened WFP's internal capacity by increasing knowledge, developing new products and strengthening WFP with expert inputs through secondments, consultancies and funding for WFP posts. Another important partnership that has increased WFP's capacity has been that with the BCG, which has delivered consultancy services valued at some US\$4 million per year plus working costs.⁶⁶ In the period 2006–2009, BCG delivered 14 consultancies in nine WFP programmatic areas.⁶⁷ WFP and BCG develop an annual plan that identifies priorities from across WFP. BCG values the exposure to the international public sector given to its staff as well as the contribution to its corporate responsibility objectives.⁶⁸

⁶⁵ WFP 2011 Annual Evaluation Report, WFP 2012 (page 12).

⁶⁶ Source BCG verbal communication.

⁶⁷ According to its web site, BCG carried out 200 social impact projects with 120 partners under its Corporate Social Responsibility objective (www.bcg.com/about_BCG/social_impact).

⁶⁸ “Making a Difference: BCG Partnership and Projects for Social Impact 2010 edition” July 2010 Boston Consulting Group.

2.2.3.8 Working With the Private Sector in a Wider Role

73. In addition to establishing underpinning international standards, the United Nations Secretary-General's Guidelines⁶⁹ have identified two roles for relationships with the business community in addition to that of contributor, i.e. working with business to create wealth and employment; and advocacy and policy dialogue. UNICEF has strongly adopted advocacy with the private sector on the Rights of the Child as part of its mandate. WFP is not a normative agency and within the United Nations system, with respect to food and agriculture, this role falls to the Food and Agriculture Organization of the United Nations (FAO), while nutrition is the subject of several United Nations agencies, including WFP. This having been said, WFP already influences, through its procurement policies, the application of improved food standards among developing country producers. A wider question also arises as to whether in the Committee on World Food Security where WFP partners with FAO, the commitment of the business community should be taken up in a way which parallels the strong engagement of civil society in the implementation of the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security.⁷⁰

74. A wider concept of partnership and involvement of the private sector has started to spread further in WFP's work on preparations for major emergencies in Africa, which is modelled on pandemic disease emergency with cross-boundary implications. The role the private sector would have to play in maintaining essential services has now been recognized and at the most recent WFP workshop for Southern Africa, a South African Bank⁷¹ was included in the team to address maintenance of essential financial services. More effort to consciously analyse the scope, and indeed the necessity, for inclusiveness of the private sector in this way would be desirable.

75. The evaluation found that the potential for WFP developing joint public-private investment was limited, but this might sometimes occur for purposes like the improvement of port facilities. There were examples of developing national private investment. Through local procurement, WFP encourages local business development. The P4P is also addressing this. Examples were seen by the evaluation team of development of the local production of food supplements; the Ethiopia PepsiCo example has elements of joint investment. However, the team also found anti-local private sector sentiments among some WFP staff and in some cases an automatic assumption that public or cooperative sector investment would be more effective in benefiting the poor than that from the private sector. The evaluation thus concluded that progress had been made in encouraging local private sector investment and that it could move further if a broader concept of partnership were adopted to further WFP's objectives without necessarily bringing direct financial benefits to WFP itself.

⁶⁹ Guidelines on Cooperation between the United Nations and Business Community Issued by the United Nations Secretary General, November 2009.

⁷⁰ ICESCR General Comment No. 12 on the right to food and Voluntary Guidelines to Support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security, adopted by the FAO Council November 2004.

⁷¹ Ned Bank.

2.2.3.9 Advocacy and Awareness Raising

76. Survey Responses: In responding to questionnaires 87 percent of WFP senior and managerial staff agreed that private resources had made a significant contribution to advocacy and awareness raising and over half (57 percent) firmly agreed. They also ranked advocacy and awareness raising of high usefulness (Annex 2).

77. Support to advocacy and awareness raising has occurred in four main ways:

- a. Supporting nutrition policy development in and with WFP as discussed above with respect to DSM and GAIN;
- b. Promoting WFP's goals by linking them with the company's own brand. Almost all companies which support WFP wish to associate their brands with WFP in some way to benefit their corporate image. This is most prominent in cause-related marketing and consumer-facing relationships (CFR). In cause-related marketing, a set amount is donated to WFP on the sale of each product and in consumer-facing relationships the customer is facilitated by the company to donate to WFP (e.g. Yum! Brands);
- c. Collaboration on publicity and appeals via such campaigns as the annual Walk the World and television appeals; and
- d. Awareness of WFP and its work among the senior management and boards of companies and foundations.

78. Local examples of cause-related marketing and CFR have shown results in, for example, Egypt⁷² and in the Netherlands, where Unilever undertook a cause-related marketing campaign on sales of one of its branded products for a limited period. Of the global efforts, the most important has been with Yum!,⁷³ which encourages its national franchises to organize an annual campaign by which customers can donate for reducing world hunger. The great majority of the money goes to WFP to support school feeding (US\$38 million was donated to WFP in the period 2009–2011 from this campaign, about 13 percent of the total cash income to WFP from private donations). Long-standing support has also come from FEED, which markets handbags and other cause-related products in North America (See Box 3).

Box 3: FEED and Cause-Related Marketing: Feed is a fashion company in New York, a social business dedicated to 'do well by doing good' and sees itself as an awareness-raising platform for issues of hunger and malnutrition around the world. The company sells fair trade bags, T-shirts and other accessories with hunger messages on them. A set donation is built into the cost of each product. Their relationship with WFP began in 2007, when Lauren Bush, related to the United States former President, was involved with WFP as a WFP Honorary Student Spokesperson. After a donation of US\$4.9 million in 2008, their contribution to WFP was US\$0.3 million in 2009 and dropped further to US\$0.2 million in 2011. Reasons for the decline include a particularly advantageous bulk sale of bags in 2008 and the amount of donation per product sold has been reduced to increase the firm's financial viability, but it is also because they have added other partners and reported that they consider that WFP should work with them more to extend their markets.

⁷² By Chipсы (an affiliate of PepsiCo).

⁷³ Yum! a United States company, owns and franchises the brands: Kentucky Fried Chicken, Pizza Hut and Taco Bell.

79. On-line games are another example (each time the game is played a fixed amount goes to WFP). WFP is one of seven partners that receive support from Zynga for web-based games. In 2010, Zynga raised US\$1.5 million for WFP in five days through four of its Facebook games for the Haiti emergency. Later, in celebration of World Food Day 2010, some US\$0.4 million was raised through Zynga's on line games for WFP's school meals programmes.

80. Cause-related marketing and CFR have been responsible for some 15 percent of cash income in recent years. However, it is not clear that the impact on public consciousness or awareness of WFP has been significant. Interviews indicated that the Netherlands is an exception, where the involvement of TNT, Unilever, DSM and the Dutch Postcode Lottery in supporting WFP, taken together, appears to have led to benefits in terms of awareness of WFP as a whole. Some interviewees believed that this had contributed to the relatively strong support the Government of the Netherlands has also extended to WFP. In Japan the support to advertising appears to have raised appreciation of the WFP brand and may also have contributed to Japanese national private donors working through WFP to provide assistance following the tsunami and nuclear accident of 2011.

81. There are several examples of television campaigns to support WFP assisted by companies and associations of professionals in publicity and entertainment, especially in emergencies. The most recent successful example was in Thailand, where Thai TV3 raised nearly US\$6 million (over the period 2009–2011). The United States Entertainment Industry Foundation held a fundraising event for Haiti in 2010, of which WFP was one of the recipients with a donation of nearly US\$8 million in 2010 and US\$2.4 million in 2011. Walk the World began with TNT employees in ten Asian countries in 2003 and was taken up at the TNT corporate level as an annual event the following year. The walk to end hunger was primarily focused on WFP and eventually came to be supported also by Unilever and DSM, primarily through sponsorship and employee involvement. Up until 2008 WFP also put considerable staff resources and some money into the events, which involved at their height most countries of the world. WFP reviewed its experience with Walk the World in 2009⁷⁴ and partners have gradually concluded that the effort needed to organize the events was not justified by the level of resources raised or the publicity garnered. This having been said, many events continue as local initiatives, including by branches of multinationals.

82. The evaluation found evidence of advocacy by companies and foundations for WFP and its mission. TNT was WFP's first major corporate partner and its then Chief Executive, Peter Bakker, became an important advocate for WFP, including at major events such as the World Economic Forum at Davos. He was instrumental in recruiting BCG as a WFP partner and for the extent of publicity WFP received through TNT, particularly in the Netherlands. TNT's example also led to the LETs discussed above (Paragraph 50). Such advocacy can be negative as well as positive and there are examples of publicized statements which have been critical of WFP and not entirely correct. Some longer-term WFP partners reported in interviews a sense of disenchantment with WFP and the United Nations system as a whole, which they compared negatively with the more nimble and flexible NGOs. This having been said, interviews showed that on balance to date, WFP's overall image is positive in the

⁷⁴ Which raised US\$1 million on an investment of approximately US\$35,000 in 2009.

corporate sector in comparison with other agencies of the United Nations system, with the exception of UNICEF.

2.2.3.10 Reputational Risk, Ethics and Due Diligence

83. In deciding whether to work with a company WFP applies the United Nations Guidelines, issued in 2000, on Cooperation Between the United Nations and the Business Community. The United Nations Secretary-General has issued revised guidelines in 2009 which are less prescriptive.⁷⁵ At present, if a company is cleared following due diligence to work with WFP, partnership can be engaged anywhere for WFP activities. Comparators have the possibility to apply due diligence to specific projects and thus to give situation-specific clearance. This can also allow them to approve a relationship for one purpose, e.g. school feeding but not another, such as policy development. They can thus be more flexible in individual situations (e.g. in dealing with the extractive industries and with subsidiaries of conglomerates) but stricter overall in their application of due diligence criteria.

84. The potential of a relationship to raise funds is always going to be an important factor in deciding whether to pursue a relationship with a company. There are however, also questions of the extent to which WFP may work against its own basic objectives (e.g. promoting improved nutrition) by associating itself with a particular product for purposes of fundraising. What is called for is good judgement, as well as the application of reputational risk criteria. The way in which WFP has associated with the quality end of the fast food industry was not found by the evaluation in its interviews or judgement on the application of due diligence criteria to have been negative, nor were the associations with PepsiCo and Coca-Cola in specific locations for specific purposes unrelated to direct marketing of sugary drinks. However, in view of the relatively small potential for raising resources, the dubious nutritional impacts of the product⁷⁶ and the implications for WFP's image of the way it is marketed, the cause-related marketing relationship with 50 Cent for Street King was found by the evaluation to be questionable. It had also had a negative impact on WFP staff morale, which was widely reported to the evaluation team. The fact that due diligence criteria are for companies in general and not for a particular project means they do not provide guidance on any conflict with WFP objectives as referred to in the cause-related marketing example.

85. Questions of balance in benefit to the company and contribution to WFP objectives, need clarity on acceptance of the principle that, in-line with the UNSG 2009 Guidelines, there is full recognition that in partnership there is mutual benefit, but WFP needs more clarity on how this works in practice, for example on:

- a. The extent to which WFP welcomes private involvement in policy development where there is a benefit to the company. All the evidence available to the evaluation has indicated that the DSM support to nutrition policy development and advocacy on that policy was positive and the policy fully in-line with WFP's basic position, however some have questioned the ethical principle of a company's support in this area and WFP needs clarity on whether companies should be involved in policy development at all and whether they should be involved in policy development when a certain policy direction could potentially develop their markets, as has been the case with DSM;

⁷⁵ United Nations Secretary-General Revised Guidelines on Cooperation Between the United Nations and the Business Sector, November 2009.

⁷⁶ Believed to be glucose and caffeine based.

b. The extent to which a relationship can allow for market development. WFP works with companies, national and international, in efforts which further WFP's objectives, but may result in the company expanding a market for its products.

i. Support of programmes, for example in nutrition, in areas which are not of top priority in terms of absolute proportions of malnourished but where there are significant pockets of malnourishment and market potential for the company, whether these be urban slums or middle-income countries. If WFP does not wish to pursue such objectives for overall reasons of policy, it has to be accepted that this will limit access to several existing and potential corporate partners;

ii. The evaluation saw no examples of direct product promotion, outside the association in cause-related marketing and WFP does not permit private donors to provide branded products to its programme activities, for instance, school feeding or mother-and-child health programmes, in order to avoid providing any potential market advantage and because it could be construed as WFP product endorsement. The evaluation found that comparators, including United Nations agencies, were in practice more flexible than WFP in accepting donations for similar purposes (several NGO comparators reported that they considered it a significant opportunity for specific corporate relationships). In WFP it has been a point of contention with some private companies and may have affected at least one food company's withdrawal from school feeding. WFP now needs to weigh the cost of its present policy, which can limit food companies' interest in supporting projects against the potential benefits, recognizing that in cause-related marketing and CFR it is also associated with the market for a product and in the acceptance of services where brands are sometimes prominently displayed, WFP is not applying the same criteria on brand promotion;

c. Saying no and reputational risk: WFP often does advise donors of services and small quantities of commodities on other organizations which would be more suitable recipients than WFP. The evaluation came across one case of a donation of over a million dollars in a major emergency where there would have been less misunderstanding if WFP had said no in the first place. There is understandably, a reluctance to reject higher profile commodity or service donations because refusal can be misinterpreted by the donor and the press with negative reputational implications for WFP.

86. There were instances of failure to apply WFP due diligence criteria, especially by Friends of WFP. Companies donating purely services in-kind may not currently be subject to due diligence or sign memoranda of understanding. This could provide a back-door entry into partnership. To date, this has not occurred in any way considered to pose a risk, but procedures need to be introduced to contain risk – procedures that are not a bureaucratic barrier to small initial collaborative efforts.

87. The CPP is currently responsible for final due diligence decisions. It is also responsible for developing partnerships, so there is a conflict of interest and the absence of wider ownership in WFP for the decisions taken, which can lead to internal controversy.

2.3 Strengths and Weaknesses of Strategy Implementation for the Achievement of Results

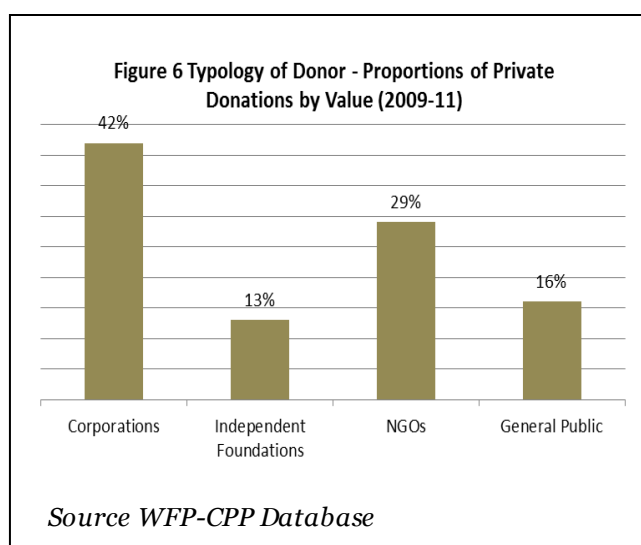
2.3.1 Categories of Partner and Sources of Funds

2.3.1.1 Sources of resources (corporations, foundations, NGOs and the general public) and where resources are mobilized

88. WFP obtains funds from the general public (individuals) and high-net-worth individuals, and both receives funds from, and partners with, corporations, NGOs and foundations. As most high-net-worth individuals donate through foundations they have established, they are treated together with foundations in the statistics and in most of the discussion below. Furthermore, following an 18 month trial with disappointing results, WFP ceased from 2009 onwards to target high-net-worth individuals separately.

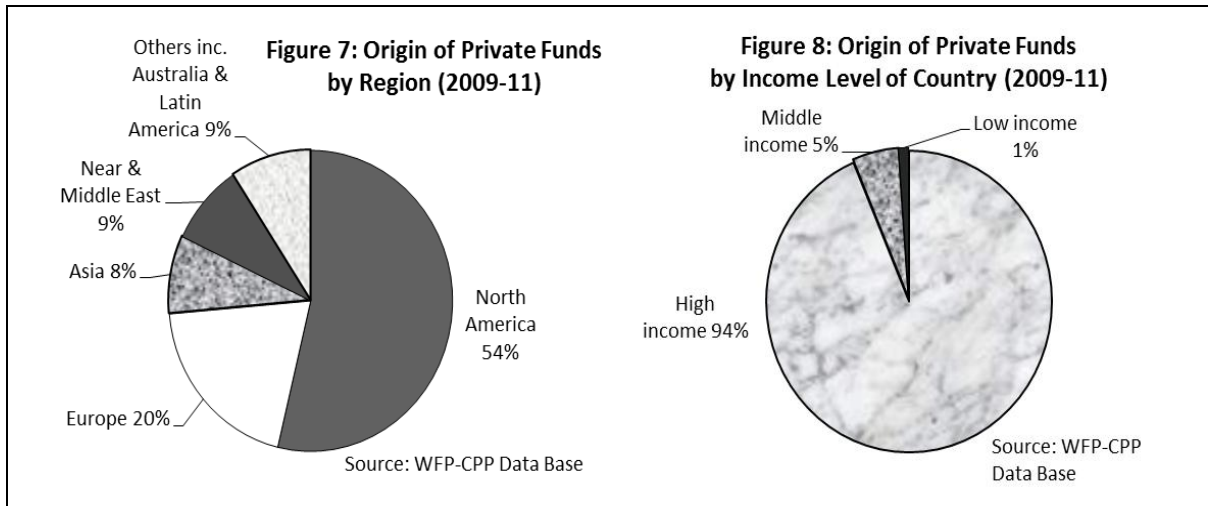
89. As shown in Figure 6, 42 percent of resources come from corporations (most of the corporations are international).⁷⁷

90. Figures 7 and 8 summarize private funding by region and income level of country. The great majority of funds currently originate from high-income countries. North America accounts for almost two thirds of the funds, followed by Europe and Asia. Europe yields less funding for WFP than might have been expected given its overall pattern of giving for development (see Section 1.2). The



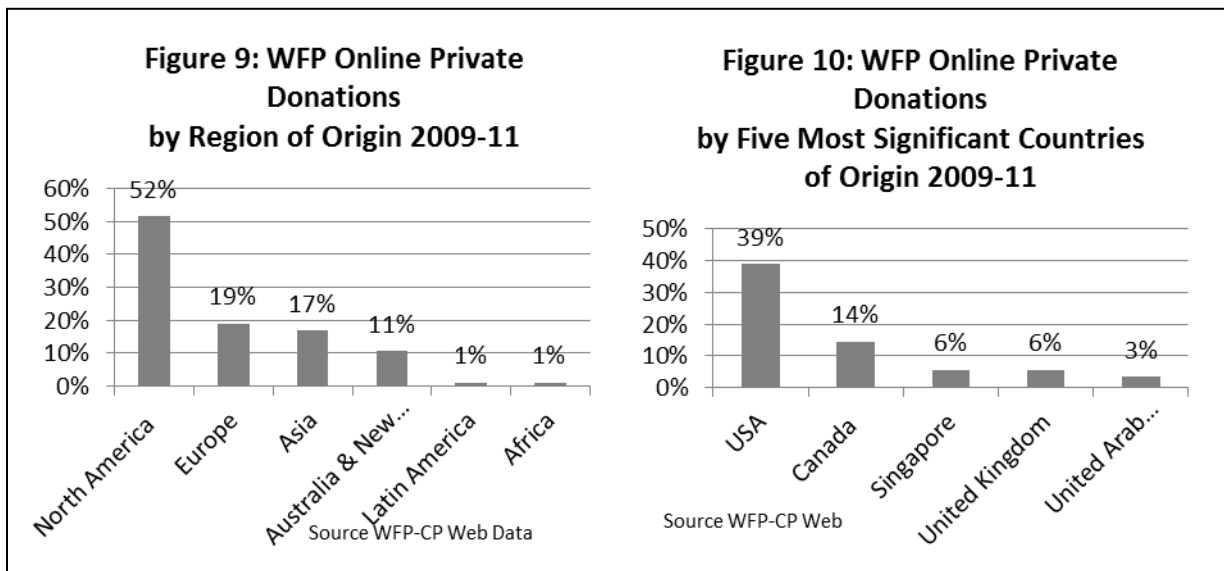
United Kingdom, although the fourth-largest single source of funds, has been disappointing (overall it is calculated to be the country with the second-highest rate of giving per head of population and provides the second-largest private contribution to developing country assistance after the United States of America-see Figure 1). It is also the seat of a large number of corporate headquarters. France, Germany, Italy and Spain have also been disappointing against the same criteria, while the Netherlands and Switzerland appear high on the list of donors to WFP in proportion to their populations, but in the case of Switzerland this results from it being the headquarters for GAIN and other organizations, that are categorized as private and contribute to WFP.

⁷⁷ The percentages in Figure 2 do not reflect some important human resource and advertising partnerships in-kind such as those with the LETs or BCG which as previously discussed are not fully available from the WFP data (EGIK). If these are included, the proportion of resources from corporations becomes well over 50 percent.



2.3.1.2 WEB Donation to WFP

91. Donation to WFP via the web has been rising steeply from US\$2 million in 2009 to US\$6.7 million in 2011. In the period 2009–2011 over 93,000 individuals made donations: 79 percent of these were one-time donations.⁷⁸ Average donations have varied little over the period at US\$60–70 and one time donations have tended to be larger than repeat donations. Given the resources required to translate and manage multi-language sites and outreach, the online fundraising was developed to maximize potential in English speaking countries as the organization has the strongest base of content in English. This having been said, WFP and Friends of WFP websites have now developed sites in additional languages (Arabic, Danish, French, German, Italian, Korean, Norwegian, Russian, Spanish and Swedish). These non-English language sites have come gradually on line in the period 2009–2011 but only accounted for 2.1 percent of total on-line income over that period.



92. As can be seen from Figures 9 and 10 the largest proportion of on-line income came from the United States and Asia was only slightly behind Europe as an overall source of on-line giving.

⁷⁸ Eighty-three percent of funds received on-line are from one time donors and only 17 percent from repeat donation.

2.3.1.3 Cash and in-kind donations

93. Unsurprisingly, the most appreciated form of donation for WFP is normally cash, even if that cash is tied to particular projects. There are exceptions to this however, where WFP finds it could not easily procure the service in the market. An outstanding example of this is the role of the LETs which provide a trained and rapid surge response. Where resources are not provided as cash, or the cash is tied to procuring certain items (for example Caterpillar equipment), both questionnaires and interviews indicated that, although no form of donation was regarded as unacceptable by the majority of managerial and senior staff, the views on non-cash donations were more varied:

- a. The greatest proportion of respondents valued secondees and consultants, together with other forms of technical collaboration which were scored high for increasing the technical quality of WFP's work;
- b. Equipment donations and the provision of services like storage were also appreciated but interviews revealed that services such as flights were difficult to make use of and could involve a lot of additional work that outweighed the value;
- c. The provision of publicity services for WFP was considered important and, overall, senior staff and management considered that the most useful outcome of private partnership had been in raising awareness of WFP but interviews found that most of this was indirect and not a result of the provision of publicity *per se*. Donation of publicity coverage to WFP was regarded as a high priority by those staff concerned with communications and was also considered to stimulate fundraising from both governmental and private sources;
- d. WFP overall policy is to reduce food commodity donation and increase cash contributions that can be used to purchase food as necessary in the most favourable markets, including regional markets. While not outright rejected, there was found to be considerable reluctance to accept private donations of commodities. Interviews revealed that these were sometimes provided for high-profile emergencies for which food donation was not the most pressing shortfall. Shipment locations were not always convenient; donors did not necessarily agree to pay for the transport and could expect considerable press coverage of their donation. The donations could also be quite small. This caused difficulties in busy major emergencies that reduced the overall benefit of commodity donation; and
- e. Provision of volunteers was not rated highly by WFP senior staff and managers due to the short period of many assignments. This resulted in volunteers requiring relatively large amounts of WFP staff time in proportion to their contribution. Many volunteers came with general skills and were not fulfilling unique specialized roles. Companies such as TNT and Unilever also expressed much reduced interest in resourcing this type of assignment, which was originally seen as boosting morale and providing an enhancing experience for their staff. There was reported to be some disappointment by companies with the extent to which returning volunteers left the company shortly after the assignment and this contributed to the companies having less interest in providing this form of support to WFP.

2.3.1.4 Working with Corporations

94. The great majority of the 13 corporations that responded to the questionnaire regarded the relationship with WFP as long-term and most wished to expand the relationship and were satisfied overall. However, the majority also wished to see major changes in the relationship. The 15 corporate interviews delivered a positive picture of the relationships but interviewees considered WFP should improve its responsiveness to company interests, its working modalities and feedback to the company on performance. WFP was also found to be bureaucratic, especially compared to the NGOs with which many of the companies also partner.

95. Companies found that WFP was not a good point of entry for market expansion, developing corporate morale or in most cases for staff learning. It was found to be relatively beneficial for brand image and, in some cases depending on the relationship, for company, as distinct from individual learning.

96. Evidence from evaluation interviews and the recent pattern of corporate engagement with WFP indicates that social responsibility policies of many of the larger multinational corporations have shifted away from acting purely as a donor. Engagement in genuine partnership is now sought, where WFP is also expected to contribute resources and the corporation may not feel obliged to make all its input to the partnership through WFP or as funding. National corporations acting locally have also often sought this type of engagement.

97. Several of the longest and highest-value relationships with WFP were experiencing fatigue. The reasons for this varied by company. For example, the attitude of the board of one major partner to corporate social responsibility had shifted sharply and the intention for the future was that organizations like WFP should be prepared to pay for the services they received. Several major humanitarian NGOs had agreed to do so. Corporate social responsibility had also been decentralized and the department which dealt with WFP was closed. BCG intends to maintain its relationship with WFP at the current level and is expanding its corporate social responsibility relationships with other partners. Other major partnerships were negatively influenced by the experience with Project Laser Beam (see below, Box 4).

Box 4. Project Laser Beam: Following discussions in Davos at the World Economic Forum between the then Executive Director of WFP and corporate chief executives, PLB was launched as a public-private 'transformational' partnership between WFP, Unilever, Kraft Foods, DSM, and GAIN in 2009. It was to be a five-year US\$50+ million initiative with a multi-stakeholder model and a major role for the private sector. The focus was to be on a package of interventions to improve food, health and hygiene conditions, but concepts and management structures were only loosely defined. There was little internal consultation in WFP and this seems also to have been the case in each of the corporate partners. PLB started in Bangladesh and Indonesia, largely at the instigation of Unilever and Kraft, with the intention of replicating the project in other countries later on. While WFP, as the Secretariat (with one dedicated PLB officer position within CPP – first based at Headquarters, later on in Indonesia), expected that all funds would be channelled through its offices, this was later on changed when NGOs became the implementing partners for major components of PLB. In both countries WFP wanted the private sector partners to work in remote poor areas while the companies involved were interested in more centrally-located areas where there is more market development potential. For marketing purposes, the companies wanted to concentrate on fortified products for older children and adults while WFP insisted on the application of mother-and-child nutrition interventions with a focus on pregnant and lactating women, infants and toddlers (the 1000 days approach). The private sector partners expected WFP to principally provide technical guidance on nutrition with the understanding that the companies would want to develop their business through the PLB project. This was not the concept in WFP or the way institutional arrangements were made in WFP, with little involvement of the nutrition service or initially of country offices. It now seems likely that the PLB Secretariat will move from WFP (it has already effectively done so) and PLB will concentrate activity in Bangladesh to establish proof of concept.

98. It is also evident that where a partnership continues to focus on a particular activity such as the provision of training or consultancy services, after an initial high uptake within WFP the total demand for the service is likely to stabilize at a lower level.

99. The origins of the major WFP partnerships with both foundations and corporations have frequently been at the chief executive level in both WFP and the partner. This has been essential in initiating the partnership, but there is evidence that the involvement of programme and operational units of WFP at an early stage of concept development has often been inadequate. This has contributed to problems and in some cases programme designs which were sub-optimal.

100. An important principle of partnership is to ensure, at the start, that objectives of the partnership are clear, both for each individual partner and for the partnership as a whole, and that there is coherence in these objectives. Partnerships which involve multiple partners become inherently difficult to manage and absorb more effort in managing the relationship, as distinct from delivering the outputs. The LETs and Project Laser Beam are effective and ineffective examples of this. Although there are several partners in the LETs, the objectives are very clear and the partnership evolved, if not from the bottom-up, at least on a clear basis with the responsible WFP managers. Project Laser Beam (see Box 4) did not have an early agreement on objectives from the partners or buy-in at working level in either the corporations or WFP. The continuation of misunderstandings also on working modalities and the priority attached to Laser Beam has meant that within WFP it continued to be

managed by the CPP and not the responsible Country Offices and the Operations Department (OD). Furthermore, as the recent partnerships evaluation⁷⁹ found, nutrition partnerships are more difficult to negotiate because there are different schools of thought about how nutrition should be addressed and some disagreement about roles among United Nations actors.

101. WFP staff are very conscious of the high level of publicity exposure and reporting that many corporate partners require, sometimes for quite small donations. This can be particularly onerous in well-funded emergency situations where staff are overstretched. The extra overhead work involved with corporate partners is not reflected in the ISC level or in budgets provided to the country offices.

2. 3.2 Organization for Private Sector Fundraising and Partnership

Table 7. Senior and Managerial Staff Questionnaire Responses on WFP Organization for Private Partnership

Percentage of Respondents Which:	Disagreed	Of Which Firmly disagreed
Private sector partnership management arrangements fit well in the organizational structure	49%	33%
Distribution of work between the CPP and the rest of WFP in terms of developing and managing private sector partnerships is good	54%	35%
Collaboration between the CPP and the rest of WFP is good	49%	31%
Communication between the CPP and the rest of WFP about private sector partnerships and fundraising is effective	60%	44%

Source: Evaluation questionnaire responses

102. The CPP in the Communications, Public Policy and Private Partnership Division is charged with direct responsibility for private resource mobilization and partnership. Other units of WFP work technically with partners and in many of the major ongoing partnerships take the main responsibility for implementation and management of the relationship. Country offices have in several cases played a dynamic role at local level, for example in Egypt (see paragraph 61) and in earlier years in Indonesia. The Logistics and the Information and Communications Technology Divisions have now appointed staff whose main responsibility is for private fund mobilization and partnership. CPP states that it would prefer that the technical units manage partnerships, but they do not always have the resources.⁸⁰

103. The positioning of CPP in CP together with Communications and web-Information Technology (IT) has allowed a number of synergies. Web-IT staff in CP have developed the web platforms for on-line giving and for receiving funds through intermediaries. The Communications staff are responsible for the WFP ambassadors' programme; ambassadors have been used to some extent to promote private partnership and in at least one prominent case, that of Drew Barrymore, ambassadors have become donors themselves. The communications staff frequently

⁷⁹ January 2012 WFP Strategic Evaluation from Food Aid to Food Assistance, Working in Partnership.

⁸⁰ e.g. From 2007–2009 Kemin Industries supported WFP on food packaging and other shelf-life issues. CPP negotiated a cash donation to allow WFP to hire an expert to manage the work in the technical unit.

assist with organization of visits and the provision of publicity for donors of all categories, including private sector contributors, who can be very demanding in this regard.

104. As can be seen from Table 7, WFP senior managers are not fully satisfied with organizational arrangements for private fundraising and partnerships. There are a number of underlying reasons for this, including the management fee, which is discussed together with the funding of CPP below (from paragraph 109). CPP has not had resources to adequately support the work of country offices or other units in mobilizing funds and thus has not been able to prioritize this. Some partnerships were initiated and conceptualized top-down with little early involvement of the responsible operational or technical units. The lack of a dual reporting line for CPP staff in non-Headquarters locations makes it more difficult for the managers of the offices where the staff are located (regional, liaison or country) to effectively integrate other work done on resource mobilization and partnership with that on the private sector.

105. Staff point out that there are now many sources of funds, varying from traditional bilateral donors to emerging and minor donors, embassy grants, and national and local governments. In many countries there is an overlap between government and private sector. Private and governmental funding may be partnered in the same programme, as has occurred in P4P and for high-protein supplement production in Ethiopia. Country offices and on occasion CPP have managed these resources in an integrated way but, the framework, reporting lines and skill mix are not currently in place for this.

106. The companies interviewed did not generally have views on the detail of WFP's internal organizational relationships, but some of the donors involved in Project Laser Beam said that the difficulties experienced pointed to a lack of integration in WFP. Several companies insisted that they did not currently work through CPP and some private partners stated that they would prefer to work directly with the WFP technical unit concerned for technical partnerships.

2.3.2.1 The Private Partnerships Unit (CPP)

107. **Organizational location of the Private Partnership branch:** A private partnership unit was established in 2003. Its present head joined WFP in 2004,⁸¹ at the time a private sector approach was first formalized by the Executive Board. A Fundraising Director was hired externally in late 2006 to develop a strategy. The CPP became part of the Communications, Public Policy and Private Partnership Division in 2008 (prior to that, private sector relationships were handled in what is now the External Relations Department), and the current Director of CP took responsibility for CPP. The Director, who has also been responsible for communication, reports directly to the WFP Executive Director.

108. Under WFP's recent organizational review several decisions have been made that are relevant to the evaluation. Communications, Public Policy and Private Partnership are to be divided and Communications will report directly to the Executive Director. An Assistant Executive Director for Partnership and Governance Services will oversee government partnerships, private-sector partnerships, inter-agency partnerships and the Executive Board Secretariat, in addition to Liaison

⁸¹ As a donor relations officer.

Offices. Information technology will be consolidated with a new unit established in the Policy, Programme and Innovation Division.

109. Funding and Expenditure of CPP: As can be seen from Table 8, CPP derives most of its resources from the management fee discussed above and the loan from the General Fund, which is currently specified by the Strategy to be repaid with interest commencing in 2013.

Table 8. CPP Income and Expenditure (US\$000)

	2008	2009	2010	2011
Income – Programme Support and Administration (PSA) Funding	2505	1232	1113	1140
Income - Management Fee	3518	5821	5325	3940
Total Income	6023	7053	6438	5080
Expenditure	3334	4734	5686	6597
Balance	2689	2319	752	-1517

Source: CPP provided data

110. Some major partnerships are not charged a management fee, including those providing human resources in-kind such as the LETs,⁸² and this can be fully justified for genuine partnerships as distinct from private donor relationships with WFP. Reasons why the main source of income, the management fee, has averaged 3.64 percent (reaching 4.4 percent in 2011) rather than being closer to the 13 percent specified as the top average in the Strategy were reported by WFP staff and some donors interviewed to include: a) resistance to the 13 percent level by some major donors (also as many of them were partners before 2008 and were not previously subject to this level of fee, it was not always easy to increase it); b) the charges levied by the Friends of WFP and other intermediaries are taken into account in setting the fee level⁸³ so as not to charge non-competitive total overhead rates; c) in-kind contributions for advertising and human resources (EGIK) are not charged a management fee; and d) ISC is charged (7 percent) on contributions excluding EGIK and 13 percent is treated as the maximum fee level charged by WFP and *not* the average, as CPP considers that WFP needs to remain in the same range as other agencies in its total overhead charges.

111. **Staffing and internal organization of CPP** is summarized in Tables 9 and 10 with staffing detail in Annex 4 tables. In 2008 almost all CPP staff were based in Rome, with some in Bangkok. Staffing rose steeply from 2008 to 2009 but has since levelled off.

Table 9. Person-years of CPP staff and consultants with contracts of 11 months or more

2008	2009	2010	2011
18.7	27.0	32.3	31.1

Source CPP estimates

112. With a new Director in 2008, CPP examined its staffing pattern and in 2011 the WFP Executive Director approved changes. Staff from CPP were deployed from Headquarters to decentralized locations for fund mobilization, including the large markets of the United States of America, United Kingdom and Japan. Moving staff nearer to the markets and time zones they serve took place in 2011 and was

⁸² The LETs partnership is not directly with WFP but the Humanitarian Assistance Cluster.

⁸³ WFP USA reported in 2010 that its overheads were equal to 5 percent.

completed in 2012. The WFP recruitment policy was relaxed to allow the employment of fund mobilization specialists as external recruits on two-year contracts that would not be subject to rotation, but have the possibility of renewal, a policy which is now in effect. The Director of CP has been posted in Washington DC since 2010 and, as of July 2012, the Head of CPP was posted in Bangkok. There has been a high rate of turnover of staff as specialist fundraising staff have been built up in the main locations. Staff turnover has also resulted from the high incidence of short-term contracts, resulting in part from dependence on management fee income, and a desire to maintain flexibility and strongly link renewal to performance.

Table 10. WFP CPP Staff, temporaries and consultants (short- and long-term) Distribution July 2012 (equivalent persons years)

Location	Director & above	Professionals and Consultants	Staff at General Service level	Interns	Total
Rome		8.6	15.2	4.6	28.4
New York		5.0	1.0		6.0
Washington DC	1.0	3.0	1.0		5.0
Bangkok	1.0	3.0	2.0	1.0	7.0
London		2.0	0.4		2.4
Sydney		0.4			0.4
Tokyo		1.4			1.4
Seoul		3.1			3.1
Beijing			1.0		1.0
Jakarta			1.4		1.4
Dubai	0.0	0.0	2.6		2.6
Total	2	26.5	24.6	5.6	58.7

Source CPP Estimates

113. WFP regular staff have also preferred not to remain in CPP but to follow mainstream career paths within WFP. In this context it may be noted that in responding to questionnaires WFP senior staff and managers considered that: not all CPP staff should be fundraising specialists (54 percent); CPP staff should be subject to field rotation (82 percent); and CPP staff do not all have adequate knowledge of WFP work in the field (67 percent).

114. The distribution of staff by region and time zone does reflect the main sources of income and the concentration of effort on corporations. It is similar to that of United Nations comparators. In terms of potential, there is a lack of attention to Latin America. The concentration of staff in the United States of America may not be optimal, as there is an overlap of staff responsibilities with those of the United States

Friends of WFP. Although with modern communications the distribution of staff in diverse locations is much less of an issue than it was in the past, the evaluation did find that CPP staff in the United States of America had relatively poor communication with the rest of WFP, perhaps because the normal lines of communication for country and regional offices are with Rome.

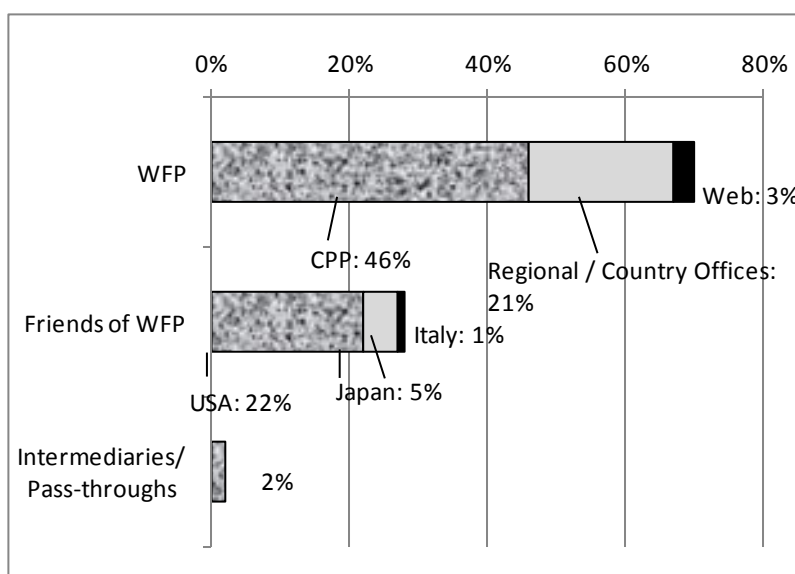
115. The comparatively small number of staff (4) devoted to on-line fundraising, which is the only form of direct fundraising from the general public, reflects WFP current practice to not prioritize this area of work (as discussed below, this is recommended for change by the evaluation).

2. 3.2.2 Receipt of Funds and the Role of Friends of WFP and other Intermediaries

116. **Tax Relief:** An important incentive for both individual givers and corporations is eligibility for tax relief. A few countries grant tax relief directly to United Nations organizations, including Canada and the Netherlands. The European Court of Justice has ruled that if tax relief is granted in one country of the European Union it must be granted in all, thus making WFP technically eligible in all European Union (EU) countries. However, most countries have not translated this into their national regulations. WFP has applied for tax relief eligibility in France and Italy. UNHCR and UNICEF have suggested that joint approaches to countries on behalf of the United Nations system would be advantageous and that government representatives to the organizations could assist in this.

117. The main modalities which WFP uses, to date, to permit donors to gain tax relief are Friends of WFP (established in the United States of America, Japan, Italy and Hong Kong) and intermediary NGOs with charitable status known as pass-throughs. Pass-throughs have been identified in several countries which charge varying levels of fees to transmit local donations to WFP.⁸⁴ In Scandinavian countries, the level of overhead charged by the intermediary NGOs reached as high as 25 percent, which is too high to make this a satisfactory mechanism.

Figure 11: How Funds Reached WFP 2009–2011



118. **Receipt of funds:** WFP itself receives directly, with no intermediaries, some 70 percent of the total funding. Of the remainder, the Friends of WFP in the United States of America and Japan are the important mobilizers and sources of funds and are important to donors for gaining tax relief on their contributions.

⁸⁴ Fully functioning pass-through arrangements have been made in Australia, Germany, and United Kingdom.

119. **Friends of WFP** can reduce WFP’s fundraising workload, as well as provide a channel for tax relief. They now have websites which follow the same pattern as that of WFP and organize the same or similar fund-raising campaigns. This seamless approach has many advantages, both in cost and consistency of message. It is pursued by UNICEF but it also has the problem that where divergences do occur, it is not clear to the public accessing the site that the “Friends” are in fact separately registered entities from WFP with their own Boards.

120. The composition of Friends’ Boards currently reflects a heavy presence of corporations, which has advantages and disadvantages for resource mobilization, depending upon their relationship with the rest of the corporate community. WFP staff consider that the staff of the Friends may also have a limited understanding of WFP, which they also consider is a problem for the CPP itself (paragraph 111). For both Friends and CPP staff there is a need for investment of resources in increasing their understanding of WFP’s work in the field.

121. Each of the Friends has an MoU with WFP. With the exception of the United States of America, they fully apply WFP due diligence criteria. However, WFP-USA, while applying the criteria, does on occasion collaborate with partners that have not met WFP the criteria as applied by WFP itself and the names of corporate donors are not always supplied to WFP. A new MoU, currently being negotiated, will tighten the requirements for application of the same due diligence criteria as WFP but will not ensure a unified categorization of companies following the application of those criteria.

122. There may be possibilities for expanding Friends to other countries if enthusiastic sponsors can be found but the costs should not be under-estimated.⁸⁵ They provide a cost-efficient mechanism, including for raising funds from the general public, as seen in UNICEF and UNHCR. However, the relationship needs to be bound by a strong MoU and if it becomes necessary, WFP may need to sever its ties and rescind the right to use its logo. A cautionary example was provided by the experience in India. Having taken legal advice, and following the then Executive Director’s approval, WFP gained the agreement of the tax authorities, established a Friends of WFP-India (this was a country office initiative not endorsed by CPP). An Indian public sector company was prepared to provide US\$5 million to the trust for national programmes to be implemented by WFP, but the independent Board of the Trust wanted to spend the money on operating their own projects and not pass the money to WFP. So WFP severed its relationship with the Trust, which is reported to currently be dormant. The performance of Friends could usefully be subject to systematic annual monitoring by WFP against a specific set of publicly available criteria.

2.3.3 The Management Fee and WFP Procedures

123. Survey Responses: In responding to the questionnaire, 55 percent of WFP senior staff and managers considered that procedures for handling private funding were inadequate. For corporations, the biggest single problem was the long delays in making decisions in WFP and agreeing to an MoU, and, depending on the nature of the partnership, agreeing on the use of the WFP logo and on reference to the company name and the use of its branded products in the project. Three quarters of

⁸⁵ A WFP internal study in 2005 estimated new Friends organizations required US\$3–5 million per year for three years seed capital.

managers were dissatisfied with the distribution of the management fee.

2.3.3.1 The Management Fee

124. The management fee reflects the Strategy and provides incentive to CPP but is widely misunderstood within WFP. The term “management fee” was found to be misleading within WFP and to corporations. Corporate partners had difficulty in understanding two overhead line items (ISC and management fee). Staff have often not appreciated the fact that the fee is not averaging 13 percent and that CPP is dependent upon the fee for its running costs. These misunderstandings have contributed to dissatisfaction in WFP about which units are allocated the management fee. The fact that there is no additional income over and above ISC to country offices and other units reduces their incentive. The fee has other potentially perverse incentives:

a. The fee and CPP’s dependence upon it incentivizes maximum mobilization of funds, not resourcing partnership for achievement of WFP objectives. Some WFP staff were of the opinion that this has been a problem in the past (with for example the TNT North Star partnership for HIV/AIDS, which they consider was neglected). It has also meant that CPP does not have resources for, or prioritize, supporting the development of partnerships at country level that may involve small levels of incoming resources to WFP in absolute terms; and

b. The fee structure and loan to be repaid contributed to under-investment in building up a continuing income/partnership stream in sharp contrast to UNHCR, which initiated its private resource mobilization drive at much the same time as WFP, but with emphasis on fund mobilization from the general public. This underinvestment has also extended to training CPP staff, with CPP lacking funds to train and expose new specialist fundraising staff to WFP’s work and to train WFP staff in CPP or elsewhere in resource mobilization and partnership.

125. Overall, the fee structure, and the way CPP is funded from it, has contributed to the isolation of CPP as something apart. No comparators were found to link the budget of resource mobilization units so closely to funds raised as is done in WFP. Rather, comparators’ funding decisions were made in the context of overall budgeting, with funds being raised as one criterion but with the objectives of the units and the work to be undertaken kept in mind. In UNHCR’s case this has meant that there has been heavy investment in fundraising over the last few years with start-up funds, in order to build up a continuing income stream for the future. Many organizations report average overhead and management costs, not linking them to specific partnerships, but this also reflects that much of their fund mobilization is from the general public.

126. When consultancy inputs are provided as a free good, as occurs with BCG for managerial consultancy, they may be underappreciated: it was reported to the evaluation that there was not always adequate commitment from the WFP units to execution of the consultancy study or its follow-up. There is no management fee paid by BCG for what is an in-kind input to WFP. It is suggested that requesting units would value the contribution more if they had to cover part of the cost and, rather than cost-sharing with the donor (as is done by other BCG partners), this could be a reimbursement of ISC equivalent (or more) to the General Fund.

2.3.3.2 Memoranda of Understanding (MoUs)

127. WFP develops MoUs with corporate partners and with foundations. These provide the legal basis for the relationship and usually cover a period of several years, for which a particular programme or programmes is agreed. The points of contention when negotiating MoUs are well known, including:

- a. WFP is not subject to national legal process, but instead to international arbitration;
- b. WFP is not subject to external audits commissioned by partners to meet their own requirements;
- c. Maintenance of open access to intellectual property; and
- d. Issues on use of the WFP logo may also arise.

128. As these questions are well recognized and become points of contention with corporations' legal departments, they need to be raised very early on in discussions if they are not to lead to misunderstanding later on.

129. A donor of in-kind resources can enter into a relationship with WFP without this passing through CPP and thus being subject to an MoU or due diligence. There is an implicit risk in this, but no actual problems were reported to the evaluation. However, there is a need to ensure that, while small collaborative efforts are not derailed, extensive partnerships do not develop outside a legal framework and without vetting. Similar considerations apply to partnerships which are operated through Friends of WFP, where the Friend is legally the collaborator but WFP usually becomes the implementer.

130. Although the same principles need to be recognized in any agreements WFP makes, MoUs are often not the best modality for dealing with foundations for which WFP generally makes grant agreements. GAIN, which operates as a foundation, stated that it does not believe there is a need to institutionalize the partnership, as every situation requires a different form of collaboration. Its preference would be for technical partnerships with their own individual project agreements. The agreement with BMGF for P4P is *de facto* a project document.

2.3.3.3 Recording Gifts in Kind

131. WFP is now planning to record in its accounts EGIK, which consist mostly of human resources and free publicity, with a major effort to cost them at the values provided by the corporations, as is done in UNICEF. These contributions are substantial (up to US\$50 million per year, depending upon how they are calculated), but it may be noted that many of the comparator agencies did not manage such contributions centrally, including UNHCR or always attempt to quantify these categories of in-kind contributions. Although the effort in WFP provides admirable transparency and recognition of the donors, the effort involved in accurate accounting may not be justified by the gains and a simpler qualitative and estimate system of reporting adopted, especially as recent experience has been that donors often do not provide a figure despite several requests.

2.3.3.4 Twinning

132. There is an inconsistency in WFP rules on so called "twinning," where transport of a commodity donation from a developing country government can be transported

using the cash donation of another government. This cannot be done if the donation is from a developing country private sector donor, however large and potentially useful the donation. This anomaly, which required a complex and time-consuming work-around in a case reported to the evaluation, needs to be removed.

2.3.4 Oversight and Governance

133. The great majority of Executive Board (EB) members expressed satisfaction with the level of information and oversight they had on the implementation of the Private Sector Partnership and Fundraising Strategy, noting that the EB had a very heavy workload and the extent of private contribution to WFP is relatively small.

134. Most representatives of national governments to WFP consider that they have adequate information on actual partnership and fundraising in their own countries. Some traditional donors and some developing country representatives consider, however, that they could better support the implementation of the Strategy if they did have more information on companies involved as partners and the work they are doing with WFP.

135. Since the agreement of the Strategy, there has been evolution of CPP organization and the modality of concentration of effort in partnerships and fundraising with corporations. This has not been formulated in an enhanced strategy or plan discussed and formally agreed by management. Updating and issue of a management directive, including targets, every two years would lend clarity and authority to work with the private sector and private fundraising.

136. Reporting to the EB has been through “informal consultations” with PowerPoint presentations. In most organizations of the United Nations system where strategies on particular topics have received formal board approval, there is a formal periodic analytical update to the board on progress.

3. Conclusions and Recommendations

3.1 Quality of the Strategy and the Need for A Revised Strategy in the Context of Overall WFP Resource Mobilization and Partnership Strategies

137. The Private Sector Partnership and Fundraising Strategy clearly conforms to the United Nations principles issued in 2000 for working in cooperative arrangements with the private sector, thus placing WFP’s efforts within the overall framework of United Nations collaboration. However, the overall strategy for WFP, as contained in its Strategic Plan 2008–2013, did not itself address the efficiency or effectiveness of WFP resource mobilization or other aspects of its internal functioning to achieve programme objectives. Thus, fund mobilization and partnership were not placed in an overall context by a higher-level WFP strategic document. This was to some extent corrected by the 2009 Executive Board issues document, *Resourcing for a Changing Environment*⁸⁶ which addressed all modalities of fundraising, but this was not an elaborated strategy. Terminology was misleading because the title “private sector” has contributed to the image of the Strategy, and the way in which it was

⁸⁶ *Resourcing for a Changing Environment* WFP/EB.1/2010/5-B/Rev.1, 12 February 2010) February 2010.

implemented, as being largely concerned with private sector corporations, which did not reflect the resource picture when it was approved or currently. There has been inadequate analysis of the comparative strengths of private partnerships in relation to WFP goals.

138. WFP has an evolving strategy for its overall resource mobilization, of which most comes from governments. Private partnership and resource mobilization is a component of this.

139. Areas to be strengthened in future strategy include:

- a. defining partnerships and fundraising and clarifying the distinctions between them;
- b. establishing clearer objectives and direction for corporate partnerships that are mutually beneficial to WFP and the companies involved;
- c. recognizing that WFP can play a role in mobilizing the private sector to contribute to the achievement of WFP's broader objectives in humanitarian assistance and development, in addition to its role as a provider of direct support to WFP-specific activities;
- d. prioritizing areas for partnership in terms of the partnership potential to address WFP's strategic objectives;
- e. providing guidance and criteria for identifying the countries where WFP should focus its resource mobilization efforts, taking account of potentials as well as needs;
- f. including stronger guidance on modalities and potentials for partnership and fundraising with different categories of partners; and
- g. defining the scope and limits of partnership with private corporations in terms of WFP objectives, activities and reputational risks.

140. Private partnership and fundraising is a component of WFP's overall resource mobilization, most of which comes from governments. Sources of funds, especially to pursue WFP's development objectives and in middle-income countries, have gradually diversified, including national and local governments, embassy grants and emerging and minor governmental donors as well as private sources. Corporations found to have particular comparative advantages in terms of specialist areas of technical expertise and provision of technology, for example in nutrition. Corporations were also found to sometimes have facilities and access on the ground which WFP did not always have, for example in sudden onset emergencies. Foundations and NGOs also had strengths as discussed below. The added value of private resources needs to be maximized, using them to further WFP objectives in ways which enhance effectiveness, rather than merely supplementing the major resources from governmental donors. There are also strong inter-relationships between the public and private sectors, ranging from broad government interest in promoting corporate sector development and private investment, to state-owned companies and public/private foundations.

141. WFP should take advantage of opportunities to cooperate with its United Nations and NGO counterparts for private sector fundraising. UNICEF and UNHCR are already cooperating systematically with major NGOs in information sharing on private resource mobilization and in interviews some NGOs identified opportunities for cooperation with WFP on fundraising for specific projects. In the United Nations system, UNICEF and UNHCR are the natural partners for WFP, and

collaboration can be on a case-by-case basis, e.g. joint efforts for gaining tax relief status for donations to United Nations agencies.

142. The 2011 Strategic Evaluation – From Food Aid to Food Assistance – Working in Partnership, recommended development of a partnership strategy. In its response WFP management did not consider that a full strategy was currently justified. Approaching the issues of partnership from a different perspective in this evaluation has further reinforced the need for a comprehensive strategy on partnership which goes beyond resource mobilization. WFP now needs comprehensive resource mobilization and partnership strategies focused on its corporate objectives, retaining flexibility while differentiating among the various sources of funding and partnership from both private and public sources.

143. Recommendation 1: Strategy development

a. WFP should develop comprehensive and discrete strategies for resource mobilization and partnerships, including:

i. *a comprehensive strategy for resource mobilization*, to identify the potentials and modalities for all sources of funds and in-kind contributions, including donor governments, national and local governments in programme countries, other official sources of funds – local governments in developed countries, small embassy grants, etc. – international intergovernmental funders, and all non-governmental sources, including the general public, private companies, NGOs and independent foundations; the strategy should also address WFP's role in inter-agency fund mobilization and coordination;

ii. *a comprehensive strategy for partnerships* designed to contribute to the achievement of WFP's objectives, in which partners engage in joint action with WFP to meet shared objectives, but may or may not contribute funds; in particular, the strategy should cover partnerships with local and international NGOs, private companies, independent foundations, and academic and research institutions; it should define the concepts, benefits and limits of partnership and recognize that WFP will need to devote resources to partnerships, to realize their full potential; and

iii. *sub-strategies* covering resource mobilization and partnership with all non-governmental sources, including private corporations, independent foundations and the general public.

b. The strategy or strategies must identify how WFP's country offices, regional bureaux and Headquarters units can most effectively seek opportunities to mobilize resources and develop private and non-governmental partnerships within a coherent and coordinated overarching framework, and what support they will need for this, including practical guidance and training.

Decision in principle by WFP management on recommendations 2, 3 and 4 should be taken and incorporated into the strategies suggested in recommendation 1 because they relate to strategic direction.

3.2 Results of the Strategy

3.2.1 Main Results

144. The Strategy had a specific goal of raising US\$270 million per annum from private contributions by 2017, of which US\$70 million would be gifts in kind and US\$200 million cash (which corresponded to raising the percentage of overall private contributions at 2006–2007 levels from two percent to ten percent of WFP revenue). Depending upon the valuation of in-kind contributions, the total of US\$ 270 million per annum could be attained, considering that the annual targets are being exceeded. However the annual targets set in the strategy consistently increase each year by at least US\$20 million, whereas in reality, funds raised have risen and fallen over the years, with large increases based on one-off contributions, major disasters or the launch of a major programme supported by the private donations (P4P). Without a major change of Strategy any expectation that private resources could emerge as a major supplement to that from governments is unlikely to be realized and as a percentage of total contributions, private and voluntary contributions have been averaging around three percent.

145. Cash resources follow the same pattern as total resources but the emphasis on fundraising from the corporate sector may limit the amount of cash received, since corporations do not always generate significant cash funding, whereas they do generate significant in-kind resources. The management fee has not on average been applied up to the level proposed, which has reduced resource availability to CPP. The loan was only partially drawn down but if repayment were to commence in 2013 as originally envisaged, it would negatively affect the operational resources available for private sector fundraising (for details on progress against all targets see Table 4).

146. Resources from private donation were found to be in line with WFP Strategic Objectives but corporate support could sometimes have been better targeted to specific areas of potential synergy and comparative advantage (see Tables 5 and 6). Many examples of the results of private partnership are discussed in Section 2.2.3 and leave no doubt that there have been contributions to the achievement of WFP objectives from partnering with corporations and foundations.

147. The evaluation found that the partnerships which had delivered most on the comparative advantage of working with corporations had not been those primarily providing cash donation, but those where there was a technical and institutional synergy with the company for clearly perceived mutual gains on the companies' and WFP's objectives. In addition to the limited donation of relatively untied cash, corporate and foundation partnerships have been most useful and efficient for:

- a. Technical cooperation in the case of emergencies for surge capacity and specialist knowledge in areas such as the operation of airport hubs (e.g. the LETs) and for innovation and supplementation of WFP's technical expertise (e.g. DSM and BMGF and Howard Buffet Foundations);
- b. Consultancy designed to increase WFP internal capacity, bearing in mind WFP absorption capacity (e.g. BCG);
- c. Complementary efforts for development, contributing to WFP's objectives with the mainstream of the work not necessarily through WFP (e.g. North Star, and – potentially – PepsiCo EthioPEA);
- d. Advocacy, cause-related marketing (e.g. Yum! and Feed); and

e. Mutually beneficial relationships with the private sector (e.g. school feeding and nutrition in the first 1000 days in potential market areas for corporations such as urban slums, middle-income countries and countries where cooperation is being sought with national private sectors).

148. Corporate and foundation partnerships have been less useful and efficient for:

- a. Commodity donations unless these are very large;
- b. Donations of services such as flights which are difficult to link to needs; and
- c. Major emergencies. Currently, private fundraising for major emergencies is marginal in proportion to the overall funding and can impose considerable strain on over-stretched staff (an evident exception to this was Haiti).

3.2.2 Investment and Rebalancing of Effort to: Increase Funding for Fully flexible Multilateral Resources from the General Public and Development Finance from Foundations- and to Emphasize Partnership with Corporations, as well as, Fundraising

149. **Fully flexible multilateral funding:** A major requirement of WFP is for fully flexible multilateral funding to address those of its agreed objectives and countries which attract less governmental donations. Although 20 percent of private funding was unallocated, this amounts to a very small percentage of WFP's overall budget and thus has made no significant contribution to addressing this issue:

a. Corporations are not the main source of donations to domestic or international causes in developed countries. The dominant donors are voluntary agencies (which obtain resources primarily from individual givers among the general public), followed by independent foundations.⁸⁷ Corporations will seldom provide fully flexible multilateral funding. Some provide funding for particular emergencies and in cause-related marketing and CFR funds are raised for specific purposes such as school feeding, with a high degree of flexibility for their allocation. In general, corporations are interested in very specific partnerships, not necessarily with a large cash component. As well as the increasing emphasis by corporations on partnerships as distinct from donation, evidence is that overall corporate giving has currently plateaued while it is continuing to grow from the general public and to a lesser extent from independent foundations;

b. All comparators (NGO and United Nations) have heavily emphasized fundraising from the general public for untied resources and repeat giving. Once established, individual repeat giving from the general-public has lower costs than does fundraising from other sources of non-governmental funding. In addition, it provides stability of funding and can provide a boost in emergencies through secondary appeals. However, this cannot be achieved quickly without substantial investment (UNHCR which started its drive for private funding at the same time as WFP has invested heavily (currently in the order of US\$50 million per year) in building up a continuing future income stream from the general public);

c. Effective fundraising from the general public requires a balanced strategy which can increasingly make use of on-line giving and other forms of social media, but

⁸⁷ See Figure 2. In the United States of America 81 percent of all giving is by individuals and the general public, independent foundations 14 percent and corporations and corporate foundations 5 percent.

must also pursue more conventional methods of fund mobilization, which are comparatively expensive in the investment phase; and

d. In line with the Strategy, WFP has only pursued fundraising from the general public to a very limited extent through Friends of WFP-USA and through on-line giving untied to particular markets. As WFP tends to emphasize emergency appeals for giving by the general public, this also means these funds are not fully flexible and have not led to substantial repeat giving. In interviews with NGO comparators, it was reported that they did not object to WFP fundraising from the general public and many welcomed it in the major North American and United Kingdom markets. They responded to questioning that the pool of giving for development and humanitarian assistance was not fixed and there was competition with philanthropy for many other purposes. The agencies were mutually inter-dependent in their field operations and publicity for mutually shared causes could benefit all. Care and the American Red Cross have made substantial contributions to WFP. Many NGOs share corporate partners with WFP. Some humanitarian assistance NGOs expressed an interest in joint fundraising and several of them participate in extensive joint information sharing with UNHCR and UNICEF. This having been said, there may be countries where there is specific NGO resistance and WFP needs to be selective in those countries which it actively targets and in the methods used. Joint data sharing with other agencies can provide or improve the evidence base for this selection.

150. If, as recommended, WFP places greater emphasis on fundraising from the general public, it will need to balance its expectations with how much it is prepared to invest. Either WFP can:

a. Further emphasize fundraising through the social media with greater targeting and emphasis on repeat giving (less tied to emergencies) and some greater focused local efforts possibly through Friends of WFP; or

b. WFP can invest substantially with the aim of building a significant income stream, as UNHCR has done, but the emphasis will still need to be on those markets with greatest immediate potential.

151. Funding for development from independent (non-corporate) foundations: There is less of a problem in raising funds for major emergencies than for development and there is a particular WFP priority for development funding, especially in non-emergency countries. Analysis of foundations' practices shows that they often have published priorities for funding and a significant number are development-oriented. Some are more likely to support middle-income countries than are traditional governmental donors. Foundations' modality is to respond to specific requests for project grants. Preliminary dialogue remains important, but their overall approach is often much more technocratic than that of corporations. Other United Nations organizations are increasingly tapping them for specific project grants and CPP reports that it is now systematically assessing potentials.

152. Partnership with Corporations: Partnership may be in pursuit of WFP objectives without any resources from the partner(s) flowing through WFP. As noted by the 2011 partnerships evaluation,⁸⁸ there is no defined concept of partnership in WFP. Definitions of partnership in general use are specific to types of relationship – business, personal, etc. but all have two things in common: each party contributes

⁸⁸ January 2012 WFP Strategic Evaluation from Food Aid to Food Assistance, Working in Partnership.

and each party benefits. The contributions and the benefits may not be equal but as long as the net gain exceeds the net cost to each partner, the partnership is justified. Some partnerships have more potential to contribute to the achievement of WFP's objectives than others and it is these which need to be pursued. However, discussions about which partner has benefited most are not relevant; the important consideration is whether or not there is a net gain in pursuit of WFP objectives. This principle is fully reflected in the UNSG's 2009 Guidelines but remains to be mainstreamed in WFP.

153. Successful partnerships with corporations must have clear benefit for the companies involved. The evidence from WFP and elsewhere is that companies are increasingly seeking a close complementarity between their corporate social responsibility objectives and their wider business objectives. Although the picture varies and Asian companies may continue to place emphasis on cash donation for visible projects, in general multinational corporations are less inclined than was the case a few years ago to simply provide funds in order to further their brand image.

154. Recognition of the principle of mutual benefit in pursuit of both company and WFP objectives means the strategy and internal guidance need now to be clear on both the potentials and the limits WFP decides to place on partnership (see also conclusions on due diligence below) and internally consistent in the criteria it applies.

155. Many companies now wish to see a clearer mutually beneficial relationship that provides advantages to the corporation as well as fulfilment of WFP's objectives. Advantages to the corporation may include brand recognition, market entry or opportunity to explore new products. They may also wish to target their contributions to benefit geographical areas where they are developing their markets or producing their product so they are seen as directly helping their customers or the families and communities of their own staff. In practical terms, this could mean engaging with the malnourished in major developing market areas, rather than remote areas of relatively low market potential. It could also mean there is a desire to engage with the malnourished of middle-income countries rather than the very poorest countries.

156. Corporations are concerned to progress their markets. WFP has been very clear in creating a firewall between contracting to WFP and partnership but has not been entirely consistent in its approach on overall market development. This having been said, the evaluation concludes that in general the correct balance has been achieved. The potential for resources to be mobilized will always be a significant factor in decisions and the evaluation only found one case of real reputational risk and lack of coherence with WFP objectives (in cause-related marketing). The employment and income generation potentials of private sector partners' objectives need to be considered in-line with the UNSG Guidelines.

157. WFP does sometimes say no, either gently discouraging a donor considered unsuitable or because what is being offered is not what is required. There is nevertheless a reluctance to reject higher profile commodity or service donations as refusal can be misinterpreted by the donor and the press. More public indication on the web of what is required and what is not could help to reduce this difficulty, especially in emergencies.

158. When WFP limits certain categories of partnership for overall reasons of policy, it has to be accepted that this reduces access to several existing and potential

corporate partners. WFP thus, needs be clear in its revised Strategy and develop practical guidance on such issues as:

- a. The extent to which it is acceptable for a company to assist WFP in policy or national institutional development, especially where this may also develop its markets in countries (the only examples reviewed by the evaluation where there was a potential market opening were in nutrition, where the results had been positive and fully in line with WFP objectives);
- b. Programmes in areas which are not of top priority in terms of absolute proportions of malnourished, but where there are significant pockets of malnourishment and market potential for the company, whether these be urban slums or middle-income countries;
- c. Acceptance of the use of branded products, on which WFP places more restriction than both NGO and, it appears in practice, United Nations comparators; and
- d. Ground rules for cause-related marketing and consumer-facing relationships which take account of wider concerns of relationship to WFP objectives and reputational risk.

159. Geographical targeting: For funding from all sources, potential countries for WFP to raise funds are first and foremost the traditional developed markets where there are large quantities of money being given and a tradition of giving. There is potential in middle-income developing countries for fund mobilization but this generally needs to be for use in the country itself or in the region. Country and regional offices need to be empowered to make use of these opportunities.

160. Potential for inter-agency cooperation in private resource mobilization: There is potential for inter-agency cooperation in private resource mobilization and some NGOs have suggested this on specific projects. In United Nations system collaboration a bureaucratic approach needs to be avoided, cooperating where possible – for example, in information sharing and joint efforts for gaining tax relief. The natural partners of WFP for this are UNICEF and UNHCR rather than the other Rome-based agencies, which currently do not have major private fund mobilization efforts.

161. A voice to the private sector and NGOs: If WFP wishes to expand and gain from inclusive extensive partnerships with corporations, foundations and NGOs, it needs to facilitate their sense of partnership in the Programme. International organizations increasingly have the private sector on their boards (**which is not recommended for WFP**) and all the comparators and many United Nations organizations⁸⁹ that give less of a priority to the private sector than WFP have a formal mechanism, such as a joint committee or observer status on boards, for private sector and for NGO representatives.

⁸⁹ Including the United Nations itself and organizations such as, the Food and Agriculture Organization of the United Nations, the International Labour Organization and the World Health Organization.

162. Recommendation 2: WFP has emphasized partnership with private-sector corporations. WFP should now pursue greater balance in its approach to different types of private-sector non-governmental and individual actors, including by:

- i. giving more emphasis to, and making the essential up-front investment for, repeat giving from the general public, to mobilize unrestricted contributions that WFP can allocate to countries and activities according to its approved programme of work, and contributions in response to WFP appeals for specific operations;
- ii. giving more attention to independent foundations to mobilize financing, particularly for piloting innovations; and
- iii. rebalancing the emphases on corporations and corporate foundations to maximize the benefits from partnerships that contribute directly to WFP's objectives, as distinct from fundraising.

In the spirit of partnership and dialogue, WFP should develop modalities through which corporations, foundations and NGOs can present their views on policies and implementation arrangements to WFP senior management and the Executive Board.

Decision in principle on this recommendation will need to precede preparation of the strategies in Recommendation 1, but its implementation must await strategy approval. Some progress on strengthening on-line fund mobilization is possible immediately.

3.3 Implementation Issues

163. When working in partnership with corporations and foundations, the objectives being pursued within the partnership and the modalities to be employed in pursuit of those objectives must be made very clear. The least difficulties occurred in partnerships when:

- a. All partners saw clear advantages to them in the relationship;
- b. Partnerships had clearly defined goals and modalities that were agreed by all parties;
- c. The managerial arrangements were well defined and management of projects was with the appropriate technical operating units of WFP;
- d. Complexity was avoided;
- e. The number of partners was relatively small (depending on the nature of the partnership, the effective working maximum seemed to be four or five, with difficulties of management and of agreement on goals increasing steadily with the number of partners); and
- f. Partnerships had critical mass in terms of resources and potential for impact, where work involved in maintaining the partnership (including accounting, reporting and providing publicity expected by the partners) did not impose excessive proportional costs on the relationship.

3.3.1 Planning for Partnership and Resource Mobilization from Corporations, Foundations and Other Smaller Donors

164. Effective engagement by WFP as a whole in private fundraising and partnership has not been a priority and WFP does not have a clear framework of priorities or

roles and responsibilities. An integrated planning process which takes account of both private and other less traditional resources should be developed, as it is neither efficient in use of systems or likely to optimize on use of potential resources, to plan for private resources separately from other smaller sources of funds, such as those from embassies or local governments (large governmental donations are in a separate category). This planning should facilitate decentralized country office, regional bureaux and Headquarters unit action within agreed strategic priorities and supported with training and guidance from the centre. An annual or biennial exercise could facilitate this, with guidance on potentials and overall organizational priorities from the centre and feed-back of real opportunities, needs and ideas for partnership from countries and units (this exercise should be voluntary as not all countries or units will find it relevant). In view of their key roles, the “Friends of WFP” need to be included. Publication and wide dissemination by WFP of the evolving priorities for partnership could assist staff in developing partnerships and provide a basis for discussion with potential and existing partners.

165. Recommendation 3: WFP management should design and implement an integrated planning process for prioritizing areas for partnership development with, and fundraising from, private and non-governmental sources and other categories of small and medium partners and donors, such as local governments. Priorities should be made publicly available and used in seeking and developing partnerships and raising funds from the range of sources available.

Management can design and move forward the planning process during 2012–2013 even before the new strategies described in Recommendation 1 are finalized.

3.3.2 Budgeting and the Allocation of Support Cost – PSA for Private Partnership and Fund Mobilization

166. The management fee reflects the Strategy and provides incentive to CPP but is widely misunderstood within WFP. The term “management fee” was found to be misleading both within WFP and to private partners. Corporate partners had difficulty in understanding two overhead line items (ISC and management fee). Misunderstandings have contributed to dissatisfaction in WFP about which units are allocated the management fee, as many units beyond CPP are involved in both private resource mobilization and management. The fee has other potentially perverse incentives:

- a. The fee incentivizes maximum mobilization of funds, not resourcing partnership for achievement of WFP objectives, which may have a small monetary component. Also, CPP does not have resources for, and has not been able to prioritize, supporting the development of partnerships at country level that may involve small levels of incoming resources to WFP in absolute terms; and
- b. The fee structure and loan to be repaid contributed to under-investment in building up a continuing income/partnership. This underinvestment has also extended to underinvestment in awareness training for CPP staff on WFP and training throughout WFP on private resourcing and partnership.

167. Overall, the fee structure, and the way CPP is funded from it, has contributed to the isolation of CPP as something apart. Comparators’ funding decisions were made

in the context of overall budgeting, with funds being raised as one criterion but with the objectives of the units and the work to be undertaken kept in mind.

168. The term “management fee” should be dropped and the level of total overhead cost, including ISC, charged on private work should reflect the total cost and should be based on transparent criteria that should be publicly available. This would also facilitate WFP staff being fully aware of the criteria and able to discuss them with potential partners early in the conceptualization of a relationship. This should not remove the possibility for flexibility, but decisions to waive normal charges need to be made outside the unit negotiating the partnership to avoid a conflict of interest. Total overhead costs charged to donors need to reflect both the overhead costs and the potential of the relationship, recalling however, that once set, overhead charges are difficult to raise later. In setting the total overhead level to be charged, the size of the relationship and its complexity, as well as requirements for reporting and publicity will all be factors.

169. Commodity donations were generally found marginal in emergency situations and could be problematic in school feeding. They should be subject to an overhead charge which reflects any additional workload over government-donated commodities.

170. Partnerships where resources come from both parties (as distinct from donor relationships) will need to be treated differently from those which are primarily for fundraising. Consideration should be given to charging overhead costs only on the monetary portion of the contribution passing through WFP in the case of such partnerships.

171. The income from the overhead should be assigned where the partnership is being implemented. As partnerships move into the implementation phase, the responsibilities will often shift more towards operational units.

172. Recommendation 4: WFP management should propose to the Board ways of integrating private-resource mobilization into WFP’s overall budget, rather than continuing to fund it mostly from the separate management fee. These proposals should:

- a. establish the amounts to be allocated to different forms of fundraising and partnership development and management, in line with WFP’s priorities;
- b. establish total overheads for private donors, with differentiated rates that reflect the costs of mobilizing resources from different categories of donor and project, applying transparent criteria; a potential approach would be to combine the management fee with ISC and apply a simple scale of overhead charges; and
- c. assign resources to different WFP units at Headquarters, regional bureaux and country and liaison offices, according to agreed responsibilities and work plans and ensuring that the budget includes the investment requirements for raising a continuing revenue stream for the future.

Management will need to take a decision in principle on this recommendation before developing the strategies in Recommendation 1, and its implementation should await their approval.

3.3.3 Organizational Issues

173. The evidence of this evaluation demonstrates that: there is a relative lack of integration of the CPP in WFP; private sector work is not fully mainstreamed in all

parts of WFP; planning for private resource mobilization is not integrated with that for other sources of funding; WFP is missing opportunities through this lack of integration and is experiencing inefficiencies.

174. Many WFP staff remain both uninformed and unrealistic with regard to the opportunities and constraints in private partnership. Understanding now needs to be deepened across WFP and this will require resources to be allocated for the purpose, which CPP has not been able to prioritize to date.

175. WFP fundraising from governments and their official aid programmes has been located in the Government Donor Relations Division of the External Relations Department (ERD), as is the unit responsible for partnership with NGOs. These units report to a Deputy Executive Director. At Headquarters level there is now a need to ensure the same reporting line for the Private Partnerships Unit and ERD, so that funding from all sources is handled in an integrated way, with recognition that there are several sources of funds in addition to those from private donations and traditional official development assistance (e.g. small Embassy grants, municipalities, national governments). WFP central systems have been designed for large contributions. The recording and tracking of all small grants could be integrated in the same business module as employed by CPP for the private sector.

176. CPP will need to maintain a strong link to the unit responsible for communications for all aspects of fundraising from the general public and cause-related marketing. The same appeals and advocacy need to be reflected in both WFP's publicity and fund mobilization.

177. The roles of CPP in providing policy support and partnership initiation and management need to be carefully defined. There should be clear delegations of authority and guidance to field offices and Headquarters technical units for fund mobilization, including initial contacts, national level relationships and maintenance of collaborative partnerships. Support needs to be budgeted to build capacity, especially at field level in those countries having national potential. Inefficient duplication in maintenance of relationships should also be avoided in such areas as logistics, nutrition and information and communications technology.

178. Fundraising from the general public, grant application to foundations and working with major private sector corporations are all separate specialist skills, as is web-based fundraising, and these need to be planned, budgeted for and organized separately, within CPP. WFP senior staff consider that CPP staff have inadequate understanding of WFP and staff dealing with corporations and foundations do need to have a good understanding of the organization and its work. This can probably only be gained through several months of secondment in a variety of field locations. This is also the case for staff of Friends of WFP. Some of the decentralized staff of ERD and CPP should have shared responsibilities. A support facility for country offices and a pool of staff able to assist country and regional and liaison offices needs to be developed. There needs to be more job security and continuity of staffing in CPP, which will be facilitated by the proposed change in budgeting arrangements.

179. The division of work and the role to be performed by Friends of WFP could be further developed in selected locations, if the substantial start-up investment funds are budgeted for. Inefficiency and duplication of effort between Friends and CPP needs to be avoided. A prerequisite for this is a Memorandum of Understanding which provides clarity on the relationship with WFP and facilitates the application of common policies.

180. Recommendation 5: Reporting lines should be arranged so that CPP has the same direct line of reporting as the Government Donor Relations Division, while maintaining a strong link to the communications function. Responsibilities and functions related to developing and managing relationships with private-sector partners and donors should be defined clearly, and distributed appropriately among CPP and other units, including country offices, regional bureaux, liaison offices, and the Operations Department and Policy Division in Headquarters.

This recommendation does not require prior approval of the strategies in Recommendation 1 and should be implemented along with other organizational changes underway in WFP.

3.3.4 Procedures

181. Several of the comparators examined had internal policies that gave guidance in relation to such factors as volume of resources to be donated and degree of flexibility on questions such as the extent they would take into account the wishes of the donor on reporting, publicity, etc. All safeguard use of their logo through signed agreements.

182. The points of contention for WFP in MoUs are well known, including that WFP is not subject to national legal processes, but to international arbitration, and that WFP is also not subject to external audit commissioned by partners. Issues of intellectual property for which WFP wishes to maintain open access and use of the WFP logo may also arise. As these questions are well recognized and become points of contention with corporations' legal departments, they need to be brought to the attention of those in the corporation developing the partnership very early on. If they are not, this can lead to misunderstanding. Inconsistencies in regulations for "twinning" private sector donated commodities with another donor need to be resolved, as do those for recording gifts in kind.

183. The existing principles and procedures for project processes with foundations that fund individual projects need to be further developed, as foundations generally operate with individual project grants.

3.3.5 Due Diligence

184. In deciding whether to work with a company, WFP applies guidance developed on the basis of the UNSG 2000 Guidelines for Cooperation between the United Nations and the Business Community. This guidance was revised in 2009⁹⁰ and WFP needs to update its criteria in line with the revised UNSG guidance, its revised Strategy and immediate priorities.

185. At present, if a company is cleared following due diligence to work with WFP, partnership can be engaged anywhere for WFP activities. Application of due diligence to specific projects would allow WFP to approve a relationship for one purpose, e.g. school feeding, but not another, such as policy development. The Programme could then be more flexible in individual situations (e.g. in dealing with the extractive industries and with subsidiaries of conglomerates) but stricter overall in its application of due diligence criteria.

⁹⁰ United Nations Secretary-General Revised Guidelines on Cooperation Between the United Nations and the Business Sector, November 2009.

186. Questions of balance in benefit to the company and contribution to WFP objectives need clarity on acceptance of the principle that, in-line with the UNSG 2009 Guidelines, there is full recognition that in partnership there is mutual benefit. The fact that due diligence criteria are for companies in general and not for a particular project also means they do not provide adequate guidance on areas, such as any conflict with WFP objectives and companies' involvement in policy development, discussed above in paragraph 158.

187. There were instances of failure to apply WFP due diligence criteria, especially by Friends of WFP. Companies donating purely services in-kind may not currently be subject to due diligence or sign Memoranda of Understanding. This could provide a back-door entry into partnership. To date, this has not occurred in any way considered to pose a risk, but procedures need to be introduced to contain risk – procedures that are not a bureaucratic barrier to small initial collaborative efforts.

188. The CPP is currently responsible for final due diligence decisions. It is also responsible for developing partnerships, so there is a clear conflict of interest and the absence of wider ownership in WFP for the decisions taken, can lead to internal controversy.

189. Recommendation 6: WFP's due diligence process should be revised, to address the following:

a. WFP management should transfer the responsibility for final due diligence decisions from CPP to a committee supported by another unit that does not have lead responsibility for developing private-sector relationships and does not benefit directly from them.

b. Criteria and processes should be revised to allow due diligence decisions to apply to individual projects, as distinct from granting general clearance to organizations.

This recommendation does not require prior approval of the strategies in Recommendation 1 and should be implemented along with other organizational changes underway in WFP.

Glossary of Terms – As used in the Text

Cause-related marketing: A product or service is sold which promotes a cause or organization, usually bearing the logo of the cause or organization and normally with a certain amount of money (a percentage or fixed sum) per item of the product sold goes to the cause or organization.

Consumer-facing relationships: A product, group of products or service is sold and the customers are offered publicity and invited to contribute to a cause or organization, normally through an addition to the customer's bill or placing a donation in an envelope or box. Customers may also be invited to sign up for a longer-term giving relationship with the cause or organization.

General public: The populace at large, ordinary individuals, private citizens.

Pass-through: An intermediary NGO (not for profit) which receives funds and enables tax relief to be obtained by private donors on contributions to WFP.

Partnership: Definitions of partnership in general use are specific to types of relationship – business, personal, etc. but all have two things in common: each party contributes and each party benefits. The contributions and the benefits may not be equal but as long as the net gain exceeds the net cost to each partner, the partnership is justified.

Strategy: There is no single accepted definition of “strategy”, but as used at organizational level in the United Nations System, strategies normally provide an analysis of the context, including the relationship to higher-level objectives of the institution, the goals to be achieved and implementation modalities.

Tax relief: Includes tax deductions made for donation to charities, foundations, not-for-profits and other philanthropic causes and tax refunds made to charities, foundations, etc. by governments to match donations.

Acronyms

BCG	Boston Consulting Group
BMGF	Bill & Melinda Gates Foundation
BRIC	Brazil, Russia, India, China
CAF	Charities Aid Foundation
CFR	Consumer-Facing Relationships
CP	WFP Communications, Public Policy and Private Partnership Division
CPC	WFP Communications, Public Policy and Private Partnership Division, Communications Unit
CPP	WFP Communications, Public Policy and Private Partnerships Division – Private Partnership Branch
CRS	Catholic Relief Services
DAC	Development Assistance Committee of OECD
DHL	A global logistics corporation
DSM	A global science-based company
EB	WFP Executive Board
EGIK	Extraordinary Gifts in Kind
ERD	WFP Government Donor Relations Division
EthioPEA	Alliance of PepsiCo Inc, WFP Ethiopia, ministries and agencies in Ethiopia, and USAID
FAO	Food and Agriculture Organization of the United Nations
FEED	FEED Projects LLC; FEED Foundation
GAIN	Global Alliance for Improved Nutrition
ICT	Information and Communication Technology
ISC	indirect support cost
IT	Information technology
JIU	United Nations Joint Inspection Unit
LETs	Logistic Emergency Teams
LG	LG Corp., a Korean corporation
MoU	Memorandum of Understanding
NGO	non-governmental organization
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OD	WFP Operations Department
OECD	Organisation for Economic Co-operation and Development
ORTEC	A corporation providing IT solutions in logistics
P4P	Purchase for Progress Programme
PGIK	Programme Gifts in Kind
PLB	Project Laser Beam
PSA	Programme Support and Administration
PSN	WFP Nutrition and HIV/AIDS Service
TNT	A global logistics corporation
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
UNSG	United Nations Secretary-General
UPS	United Parcel Service (a global logistics company)
USAID	United States Agency for International Development
YUM!	Yum! Brands Inc. - global restaurant corporation

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