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WFP PRIVATE-SECTOR PARTNERSHIPS AND FUNDRAISING STRATEGY (2013–2017)

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval.

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

Director, PGP*: Mr J. Aldous tel.: 066513-3930

Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645/2558).

* Private Sector Partnerships

EXECUTIVE SUMMARY

Breaking the cycle of hunger and ensuring sustainable food security for the world's 870 million chronically undernourished people is the work of many. WFP's ability to make a contribution and achieve its Strategic Objectives depends on sound partnerships with governments, United Nations agencies, international and non-governmental organizations, civil society and the private sector.

Since 2003, WFP has demonstrated that it can partner with corporations, foundations and individuals to efficiently generate resources to support its programmes. This new private-sector partnership and fundraising strategy covering 2013–2017 seeks to increase the support received from the private sector in line with WFP's strategic priorities and core principles and with the United Nations Global Compact initiative for private-sector engagement.

The three priorities of this strategy are to:

- i) increase the value of partnerships for capacity development;
- ii) increase the resources received through partnerships for fundraising; and
- iii) enhance WFP's ability to partner effectively at all levels with the private sector.

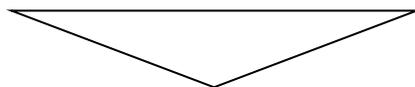
A central element of these priorities will be the identification and development of partnerships that deliver knowledge and skills that enhance WFP's ability to achieve its Strategic Objectives.

The strategy builds on the 2008 private-sector partnership and fundraising strategy, and introduces changes such as:

- i) measuring the distinct value of partnerships for capacity and partnerships for fundraising;
- ii) establishing a mechanism to assess more accurately the value of partnerships for capacity development;
- iii) distributing additional private-sector resources to the regional bureaux and country offices in line with WFP's fit-for-purpose organizational design; and
- iv) mainstreaming the private-sector function and integrating it into the Programme Support and Administrative budget.

The strategy will enable WFP to mobilize the right resources and capacities from the private sector with a view to increasing the coverage and efficiency of its funding.

DRAFT DECISION*



The Board approves “WFP Private-Sector Partnerships and Fundraising Strategy (2013–2017)” (WFP/EB.A/2013/5-B).

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

INTRODUCTION

1. WFP has demonstrated that it can engage with corporations, foundations and individuals to generate cash and non-cash resources for its programmes and contribute to the Programme Support and Administrative (PSA) budget. The decision to update the 2008 private-sector partnership and fundraising strategy¹ after five years was the outcome of several factors: i) assessment of the best practices and lessons learned in the first five years; ii) the 2012 evaluation of WFP's private-sector strategy;² iii) changes in the global context – including the economic situation – and the increasing role of the private sector in achieving sustainable development; and iv) the need for alignment with WFP's fit-for-purpose new organizational design and the upcoming Strategic Plan (2014–2017).
2. This strategy seeks to expand the support received from the private sector with a view to raising resources and developing capacity, in line with WFP's priorities and principles. These financial resources and enhanced organizational capacity are increasingly needed to support operations and country offices.
3. The private sector is a major stakeholder in helping WFP to implement the Strategic Plan (2014–2017), in which the four Strategic Objectives are:
 1. Save lives and protect livelihoods in emergencies;
 2. Support or restore food security and nutrition and establish or rebuild livelihoods in fragile settings and following emergencies;
 3. Reduce risk and enable people, communities and countries to meet their own food and nutrition needs; and
 4. Reduce undernutrition and break the intergenerational cycle of hunger.
4. This strategy seeks to align support from private-sector partners in the achievement of these strategic objectives.
5. WFP defines partnership with the private sector as collaboration by WFP units with businesses, foundations and individuals in joint or coordinated action for the purpose of advancing WFP's work under its Strategic Objectives. Such action may range from providing resources to enhancing WFP's capacities.
6. The strategy complements the following documents:
 - i) “Humanitarian Principles” (WFP/EB.A/2004/5-C);
 - ii) “New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base” (WFP/EB.3/2004/4-C);
 - iii) “Funding for Effectiveness” (WFP/EB.2/2005/5-B);
 - iv) “WFP's Private-Sector Partnership and Fundraising Strategy” (WFP/EB.1/2008/5-B/1); and
 - v) “Resourcing for a Changing Environment” (WFP/EB.1/2010/5-B/Rev.1).

¹ “WFP's Private-Sector Partnership and Fundraising Strategy” (WFP/EB.1/2008/5-B/1).

² “Summary Report of the Strategic Evaluation – From Food Aid to Food Assistance: Working in Partnership” (WFP/EB.1/2012/6-A).

PRIVATE-SECTOR ENGAGEMENT IN THE GLOBAL AND UNITED NATIONS CONTEXTS

7. For most of the past half-century, governments have assumed responsibility for addressing global problems such as poverty and hunger. The private sector has primarily been seen as a source of funding rather than as a partner. But this has changed in the constrained economic climate of the last five years. Traditional government donors are reaching a ceiling on international development assistance, while multinational companies and private-sector organizations are realizing that to engage in the markets of the developing world they must engage with stakeholders in solving global problems.
8. This has led the global community – including the United Nations – to explore new and innovative partnerships with the private sector to address international challenges. The context for work with the private sector is provided by the United Nations Global Compact, which guides United Nations organizations in engaging with businesses while ensuring the integrity and independence of the United Nations system. The Global Compact guidelines – United Nations Business Cooperation³ – are the framework for the United Nations secretariat and the funds and programmes; for WFP, the Guiding Principles for Public–Private Collaboration for Humanitarian Action,⁴ prepared by the World Economic Forum and the United Nations Office for the Coordination of Humanitarian Affairs, also provide guidance.

PRIVATE-SECTOR ENGAGEMENT IN WFP

9. WFP's mandate, the skills of its staff, its field presence and its expertise in vulnerability analysis and mapping, procurement, logistics and telecommunications make it attractive to the private sector as a partner. WFP defines the private sector as businesses, foundations and individuals:¹
 - i) Businesses can draw on their expertise and resources to provide WFP with cash, expertise and donated services. They can help to increase awareness of WFP through communications directed at a variety of audiences.
 - ii) Foundations can fund innovative programmes with organizations such as WFP that pilot them and subsequently scale them up.
 - iii) Individuals can provide direct financial support for emergency responses and long-term development.
10. These contributions enable WFP to complement the funding from government donors and achieve greater impact in implementing its Strategic Objectives.
11. In 2008, the Board approved WFP's ten-year private-sector partnership and fundraising strategy. The strategy was evaluated at mid-term by the Office of Evaluation, which contracted an independent team. The evaluation² found that the strategy was sound and that the value of the private sector for WFP had been demonstrated. It also recommended:
 - i) a clearer distinction between partnerships and fundraising; ii) a balance between funding types; iii) an integrated planning process; iv) the incorporation of the Private Sector Partnerships Division (PGP) into the PSA budget; v) a single unit responsible for all donor relations and a single reporting line; and vi) revising the due diligence process.

³ <http://business.un.org/en/assets/83f0a197-b3b8-41ba-8843-d8c5b5d59fe1.pdf>

⁴ <http://www.un.org/partnerships/Docs/Principles%20for%20Public-Private%20Collaboration%20for%20Humanitarian%20Action.pdf>

12. This updated strategy addresses the recommendations of the 2012 evaluation in the context of private-sector support for international humanitarian and development organizations. It was developed with the assistance of The Boston Consulting Group and in the light of consultations with WFP's Member States, other United Nations agencies and private-sector partners. The strategy supports WFP's reorganization, which encourages decentralization and the empowerment of country offices.
13. This strategy has an important limitation in that it assumes that investment available to augment the private-sector function will be modest, and that in this respect will continue to lag behind that of agencies such as the United Nations Children's Fund (UNICEF) and the Office of the United Nations High Commissioner for Refugees (UNHCR). The priorities, activities and desired outcomes of the strategy are based on recognition of this limitation.

WFP'S PRIVATE-SECTOR ENGAGEMENT, 2008–2012

14. Between 2008 and 2012, WFP invested US\$7.4 million⁵ in developing the capacity to engage with the private sector. It raised US\$549 million in cash, including US\$283 million in sustainable funding⁶ and US\$266 million from donations such as one-off contributions for corporate emergencies and large donations from private foundations for particular projects. Of these funds, 90 percent – US\$493.4 million⁷ – went to programmes such as school meals, mother-and-child health and nutrition, and emergency relief. Another US\$104 million was received as in-kind gifts from the private sector. The operating costs of the PGP were covered, and US\$27.7 million was contributed to the PSA budget. The balance in the special account for the PGP at the end of 2013 is projected to be US\$7.5 million, slightly more than the initial US\$7.4 million investment.

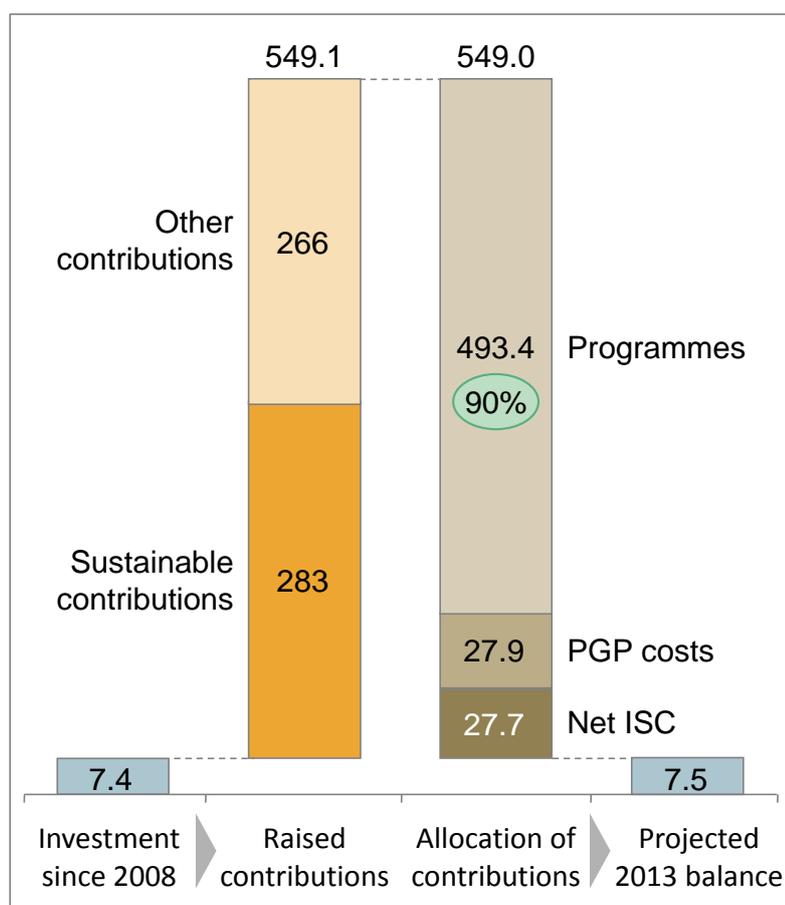
⁵ Advance received from the General Fund in 2008/09.

⁶ Sustainable contributions were defined as highly predictable contributions from ongoing and new partnerships, mainly from corporate donors and online individuals. The concept of "sustainable" is critical in that it requires evaluation of the year-by-year performance of private organizations in view of the volatility of private donations such as contributions from non-governmental organizations and foundations during emergencies and large unpredicted gifts that can skew planning and reporting.

⁷ Excluding indirect support costs transferred to the PSA budget.

Figure 1: WFP Private-Sector Funds Flow Analysis (2008–2012)

(US\$ million)



15. WFP has developed partnerships with international businesses in sectors such as food and beverages, financial services, logistics and technology and has benefited from cash, capacity development and awareness-raising through its corporate engagements. WFP is recognized in the United Nations for its “best of industry” partnerships for capacity development.
16. Successful partnerships with foundations have been established with the Howard G. Buffett Foundation, the Bill & Melinda Gates Foundation and the Children’s Investment Fund Foundation. These partnerships have helped to fund Purchase for Progress and the Right Food at the Right Time: Improving the Nutrition of Children Under 2 initiative. WFP is best positioned to work with large foundations that seek partnership with an organization that has depth and reach, and that can take proven initiatives to scale.
17. WFP’s online attempts to secure the support of individuals have been less successful. A new website was created in 2009 and a number of online tools were developed to support individual giving, but insufficient investment in acquiring new donors caused WFP to lag behind UNICEF and UNHCR in developing a portfolio of individual donors.
18. In the past five years WFP has improved its emergency-response capacity by maximizing the collection and use of funding from corporations and individuals, for example in the responses to the Haiti earthquake, the Pakistan floods, the Sahel drought and cyclones in Bangladesh, Myanmar and the Philippines.
19. Annex I sets out subsidiary strategies for businesses, foundations and individuals.

PRIVATE-SECTOR ENGAGEMENT, 2013–2017

20. WFP aims to enhance its leadership in the United Nations in the development of “best-of-industry” to partnerships that in a holistic manner leverage opportunities to generate resources and to build capacities with private-sector partners in support of the Strategic Objectives.
21. This strategy will achieve this aim by:
- i) increasing the value of partnerships for capacity development;
 - ii) increasing the resources received through partnerships for fundraising; and
 - iii) enhancing WFP’s ability at all levels to engage with the private sector.
22. These priorities will be achieved by: i) identifying and developing partnerships that deliver complementary knowledge, skills and capacities to enhance WFP’s ability to achieve its Strategic Objectives; and ii) developing structure, staffing, competencies and tools that build the infrastructure and capacity necessary for WFP to devote increased investments to fostering private-sector partnerships that enable WFP to better serve its beneficiaries in a cost-effective manner.
23. WFP seeks to secure greater impact and value from partnerships for capacity development. Their value is currently measured by the cash or market value of the input, whereas the true value to WFP and its beneficiaries may be a multiple of the market value. WFP will therefore begin to assess this additional value. Greater value will be achieved through partnerships for capacity development by using tools that assess the impact of partnerships relative to the direct and indirect costs of partnership management and implementation. An initial tool for providing this assessment has been developed (see Annexes IV and V).
24. WFP seeks to increase partnerships for fundraising by 9 percent per annum, to achieve US\$392 million in sustainable cash contributions from fundraising (see Annex II). This target is based on factors such as WFP’s past performance, the performance of UNHCR and UNICEF, external projections of private-sector giving, and available internal investment. By comparison, if the trend of the last five years is recognized,⁸ the cash resources generated from the private sector by the end of 2017 would total US\$632 million.
25. The 2012 evaluation recommended separate strategies for partnerships for capacity and partnerships for fundraising on the basis of the need to better understand the added value and the cost of implementing capacity development partnerships. This updated strategy promotes transparency as to the value of partnerships for capacity by introducing a new assessment process, but it does not recommend separate strategies because the approach could fail to take full advantage of the potential offered by private-sector partners wishing to contribute both capacity development support and funding. Most partnerships with businesses will have elements of both and will be developed and managed in ways that enable WFP to benefit from both (see Annex III).
26. The 2012 evaluation acknowledged the efficiency of WFP’s private-sector partnership function but recommended additional investment for growth, noting that the main reasons for missing the growth targets in the 2008 strategy had been inadequate investment.

⁸ Experience shows that the resources that could be generated over five years from one-off donations during corporate emergencies and from large foundation gifts could total US\$240 million, or US\$48 million per year. In the last five years, annual contributions from this source have varied between US\$10 million and US\$100 million.

This 2013–2017 strategy is based on the premise that funding of the private-sector function is maintained at the current level in 2013 with subsequent annual increases of 3 percent to 6 percent.

27. WFP will observe six principles in building partnerships with the private sector:
 - i) Align partnerships for capacity development and partnerships for fundraising with the Strategic Objectives.
 - ii) Adhere to the *Guidelines on United Nations Business Cooperation* and WFP's *Private Partnerships Fundraising Guidelines*.
 - iii) Demonstrate value for money.
 - iv) Assess and evaluate both partnerships for capacity development and partnerships for fundraising.
 - v) Ensure that the costs of private-sector partnerships are not subsidized by government contributions.
 - vi) Mitigate reputational risk by using a robust standardized due diligence process.
28. The 2012 evaluation recommended increasing the share of contributions received from individuals, which would require investment in acquiring and managing individual donors. Private-sector strategies being implemented by UNHCR and UNICEF, which are heavily weighted toward individual giving, require investments of between 14 and 36 percent of the resources generated.⁹ Funding from individuals has the advantage of being more flexible and predictable than resources from businesses, but in view of the costs involved this strategy does not envisage increasing the share of resources from individuals.
29. In line with the 2012 evaluation recommendations, the strategy stipulates complementary approaches for partnerships for capacity development and partnerships for fundraising.

Partnerships for Internal Capacity Development

30. Businesses can provide capacity development support in the form of technical expertise, market knowledge, contacts and relationships, business processes, and training. WFP recognizes that not all partnerships are suitable, and will seek to partner with organizations that can provide complementary benefits that support WFP's operations.
31. The value of partnerships for capacity development should exceed the direct and indirect costs of implementing and managing a partnership. WFP will begin to assess the value of such partnerships and screen them to determine whether the advantages for beneficiaries justify the direct and indirect costs of implementation. An initial tool has been developed to evaluate impacts and costs (see Annexes IV and V).
32. New and existing partnerships will be assessed using this approach, which will be updated to reflect experience of the variables that determine the value of partnerships for capacity.

⁹ UNHCR provides a good example of the cost of developing an individual donation programme: in 2011 it raised US\$111 million primarily through individual giving at a cost of US\$40 million, or 36 cents per dollar raised. In 2011 WFP's cost per dollar was 7 cents.

33. A new private-sector partnership committee chaired by the Assistant Executive Director for Partnership and Governance Services¹⁰ will review the assessments at regular twice-yearly and other meetings and decide whether to maintain, modify or discontinue current partnerships.
34. A survey of practices, needs and opportunities will be conducted every two years with a view to enhancing understanding of the value of partnerships and informing future activities. It will seek inputs from country offices, regional bureaux and Headquarters divisions as to the value of current partnerships, the support required to increase their value to WFP, and opportunities missed or insufficiently leveraged.
35. To make effective use of resources for seeking and developing new partnerships, WFP will identify suitable companies for partnerships that support its priorities and share its values. In 2009, the United Nations Secretary-General issued updated guidelines on cooperation with the private sector: WFP will issue revised guidelines based on these following approval of this strategy by the Board (see Annex VIII).

Partnerships for Fundraising

36. WFP's private-sector fundraising strategy will be approached vertically and horizontally with a focus on multinational and national businesses, large private foundations and individuals, the latter primarily online. The aim will be to establish partnerships for capacity development and partnerships for fundraising at the global, regional and country levels. WFP will seek partners that share its values and satisfy its partnership guidelines.
37. WFP will continue to work with its three current Friends¹¹ organizations located in the United States, Japan and Italy to raise cash donations. These organizations benefit from fiscal and legislative concessions that enable WFP to solicit and accept donations from the private sector. WFP may consider opening new Friends organizations where this is cost-effective and where clear benefits to WFP are identified.
38. The principle will be that WFP considers independent entities as part of "One WFP" enabling the Friends organizations, as agreed, to use the WFP brand to raise funds and provide other assistance that will support WFP programmes and operations.
39. New Memoranda of Understanding will be drawn up to facilitate coordination and cooperation with these entities: they will ensure that guidelines to protect the reputation of WFP and the United Nations are in place, that joint plans are developed and that regular dialogue takes place.

¹⁰ Proposed members: the Assistant Executive Director for Partnership and Governance Services (chair), the Director of the Private Sector Partnerships Division, two Country Directors from different regions, a Regional Director, a Senior Donor Relations Officer (Government Partnerships Division), a senior officer representing programming, logistics or information and communications technology, and a senior communications staff member. The committee will use the tool described in Annex IV and V.

¹¹ Technically independent, WFP has a Memorandum of Understanding with each organization to protect its brand and reputation.

WFP Organizational Enablement

40. The aim of this strategy is to equip WFP to secure and leverage appropriate private partnerships at the global, regional and country levels. The strategy will support WFP's new organizational structure. Some private-sector resources will be managed at the regional and country levels by partnership and fundraising specialists with the skills for developing and managing private-sector partnerships, who will be placed in regional bureaux and liaison offices.
41. The skills of country office staff and the capacity of country offices to partner with the private sector will continue to be developed, as recommended in the February 2013 survey of country offices.¹² Country offices are seeking: i) more guidance on the sectors and companies to target; ii) increased sharing of knowledge and best practices; and iii) greater clarity with regard to roles and responsibilities. Desired placement of private-sector functions and capacities is provided in Annex VI.
42. Specialist officers at Headquarters will continue to provide support services for private-sector partnerships and fundraising. This will: i) ensure that there will be access throughout WFP to staff experienced in setting up private partnerships; ii) allow for sharing of tools and resources to support private-sector engagement; iii) provide oversight to ensure that WFP enters into suitable partnerships; and iv) ensure that partnership opportunities are aligned with WFP's needs. Synergies will be achieved in WFP by using coordination mechanisms such as regional market plans and forecasts, standing global and regional team calls and an annual private partner targeting exercise.
43. The Partnership and Governance Services Department includes the PGP and the Government Partnerships Division. Its work will include planning and harmonization of partnership and resourcing strategies with a view to making the most of public-sector and private-sector relationships.
44. Over the past five years the following systems have been put in place in WFP: i) a customer-relations management database to track activities between WFP and its private-sector partners; ii) procedures for entering into Memoranda of Understanding, forecasting donations and developing budget templates to ensure coordination with the government partnership function; iii) systems for registering grants and donor reporting; and iv) compliance tools governing use of the WFP brand. These will continue to be used and will be strengthened.

FINANCING PRIVATE PARTNERSHIPS GROWTH

45. The private-sector partnership function has a five-year track record as a significant contributor to programmes and a net contributor to the PSA. It is now time to integrate the function into the PSA, as recommended in the evaluation.
46. Integration will make governance of, and accountability for, the funds raised more consistent and transparent, and will ensure that the private-partnership and fundraising function is prioritized through WFP's regular budget processes. In the medium-term it will facilitate collaboration and synergies between PGP and the Government Partnerships Division.

¹² Carried out by The Boston Consulting Group on behalf of WFP with a view to understanding how country offices are partnering with the private sector, identifying needs and opportunities for additional partnerships, and establishing country office support needs; 30 country offices responded.

47. In accordance with the General Regulations and Rules, WFP will continue to ensure that private-sector donors provide sufficient cash to cover the management and administrative costs related to their contributions. In this strategy, the rate charged to private-sector partners reflects the support and operational costs of partnerships, which will vary in size and complexity (see Annex VII). A flexible rate that reflects the true cost of a partnership will result in more transparent internal and external communication regarding the cost of partnering with WFP. Under no circumstances would the rate applied to a private-sector partner fall below the established indirect support costs (ISC).
48. Each year, the Annual Performance Report sets out for the Board the contributions made by the private sector to programmes and to overall PSA. As in the past, WFP will ensure that the private-sector function continues to be a net positive contributor to PSA and that no cross-subsidies are made. The rates charged to private-sector partners will be evaluated and adjusted to reflect costs and market dynamics in accordance with the commitment to cover management and administrative costs.

REPUTATIONAL RISK MITIGATION

49. Responding to the recommendation from the 2012 evaluation that a conflict of interest in the due diligence function be addressed, the due diligence review of private-sector partnerships and contributions has been transferred to the WFP Legal Office, reporting to an independent senior committee established to consider potential partnerships and contributions for approval. The committee is comprised of the Deputy Executive Director and Chief Operating Officer (chair); the Assistant Executive Director for Resource Management and Accountability and Chief Financial Officer; the Chief of Staff and Director of the Office of the Executive Director; and the Assistant Executive Director for Operations Services. The Assistant Executive Director of Partnership and Governance Services participates as a non-voting member.
50. WFP adheres to the principles in “New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base” (WFP/EB.3/2004/4-C), approved by the Board in 2004. Reference is also made to the United Nations Global Compact Principles and to the Secretary-General’s 2009 *Guidelines on Cooperation between the United Nations and the Business Sector*. Prospective partnerships are evaluated against risk factors, such as human rights abuses, child labour, manufacture or distribution of dangerous products, breaches of United Nations sanctions and activities, that could have negative reputational repercussions.
51. Under this strategy, partnerships with private-sector organizations will be undertaken in compliance with WFP norms and will not interfere with or modify existing governance structures. For example, partnerships would not involve or foresee private-sector representation on the Board or other governance bodies.

REPORTING

52. Under this strategy, reporting will feed into the Annual Performance Report and the Audited Statement of Accounts with clear indicators for measuring actual financial resources raised, the value generated by private-sector partnerships and the overall value to WFP. A major outcome of full integration will be the ability to monitor the impact of the private-sector function across WFP. Results achieved under this new strategy will be tracked according to WFP’s performance-management framework. WFP will continue to convene annual informal consultations on the private sector.

ANNEX I**SUBSIDIARY STRATEGIES FOR BUSINESSES, FOUNDATIONS
AND INDIVIDUALS****Businesses**

1. Utilize a targeted prospecting approach based on alignment between the competencies and interests of the business and WFP's needs:
 - a) focus on developing partnerships that can generate US\$2 million or more annually;
 - b) focus on developing partnerships that meet a WFP need, such as capacity development, in-kind budget relief or multilateral funding; and
 - c) identify opportunities to promote the WFP brand through business partnerships.
2. Implement a corporate partnership benefits matrix:
 - a) define funding minimums and any support and servicing provided;
 - b) screen partnerships to ensure that they are managed fairly, equitably and efficiently; and
 - c) ensure transparency regarding services and support provided by WFP to partners and stakeholders involved in private-sector partnerships.
3. Maximize holistic account management and reporting capacity:
 - a) secure capacity development and fundraising benefits from partners; and
 - b) coordinate the involvement of WFP staff to leverage partnership potential.
4. Evaluate the impacts and costs of partnerships for capacity:
 - a) use the evaluation tool to screen prospective partnerships for capacity, and ensure that value received provides the desired return on investment;
 - b) use the evaluation tool to increase the value received from existing partnerships for capacity and, if necessary, exit from the partnerships; and
 - c) evaluate partnerships for capacity and their impact on beneficiaries.

Foundations

5. Optimize relationships with large private foundations:
 - use proactive outreach to major private foundations to enhance understanding and awareness of WFP's work and to understand programmatic interests that align with WFP's needs.
6. Act as facilitator with WFP countries offices and programmes:
 - advise and assist in preparing proposals, the stewardship of grants and reporting.

Individuals

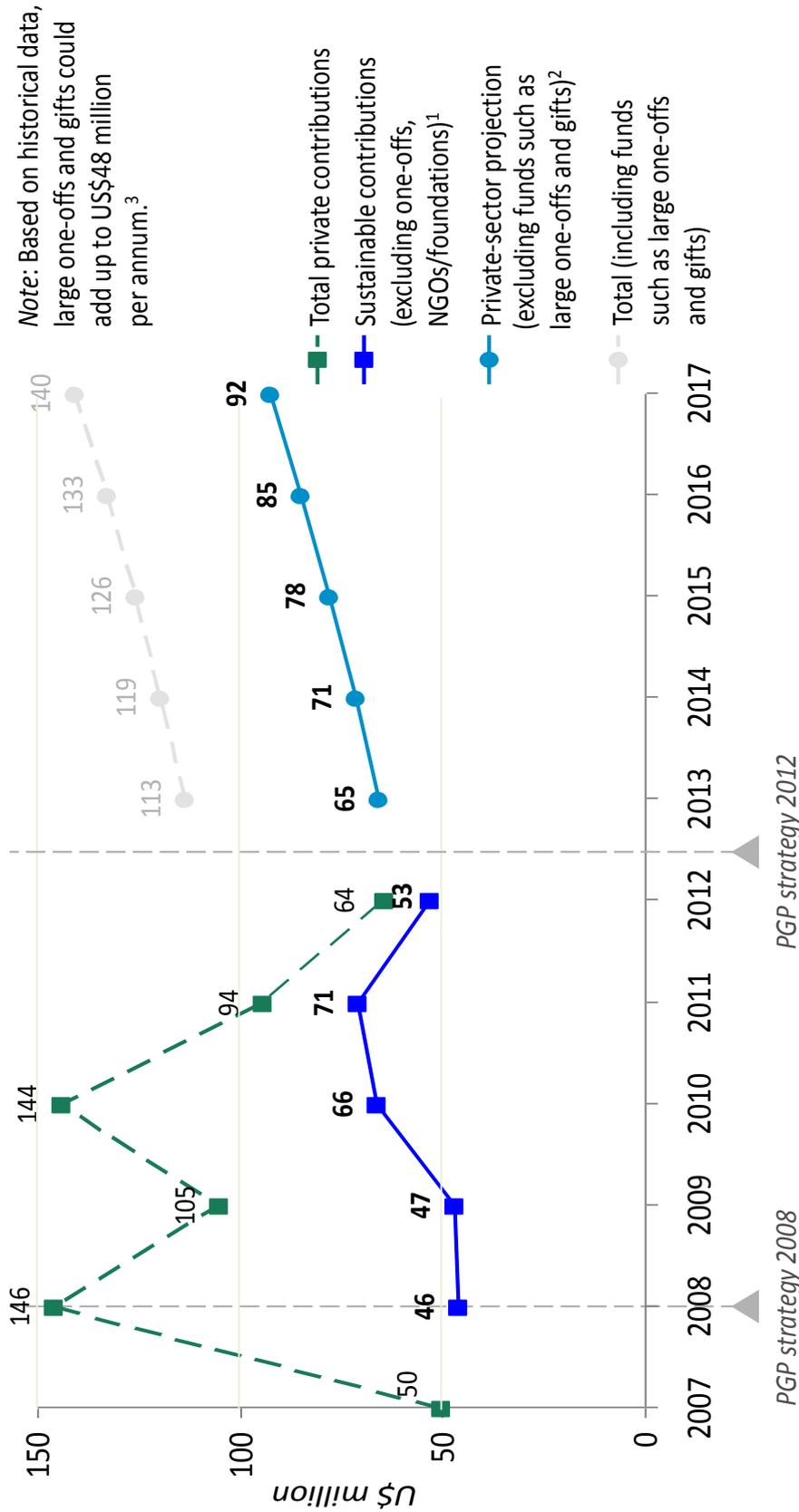
7. Build a portfolio of online supporters:
 - a) continue to build the list through non-paid channels such as Google AdWords or the Hunger Quiz;
 - b) secure tax deductibility in markets;
 - c) implement enhanced payment mechanisms; and
 - d) develop a stewardship programme for large gifts of over US\$5,000 per annum.

8. Develop robust country-specific giving programmes in Japan and the United States:
 - a) provide content and technical support for Friends organizations;
 - b) utilize the ability of Friends to invest in, and support, paid acquisition processes;
 - c) test new concepts; and
 - d) share best practices.

ANNEX II

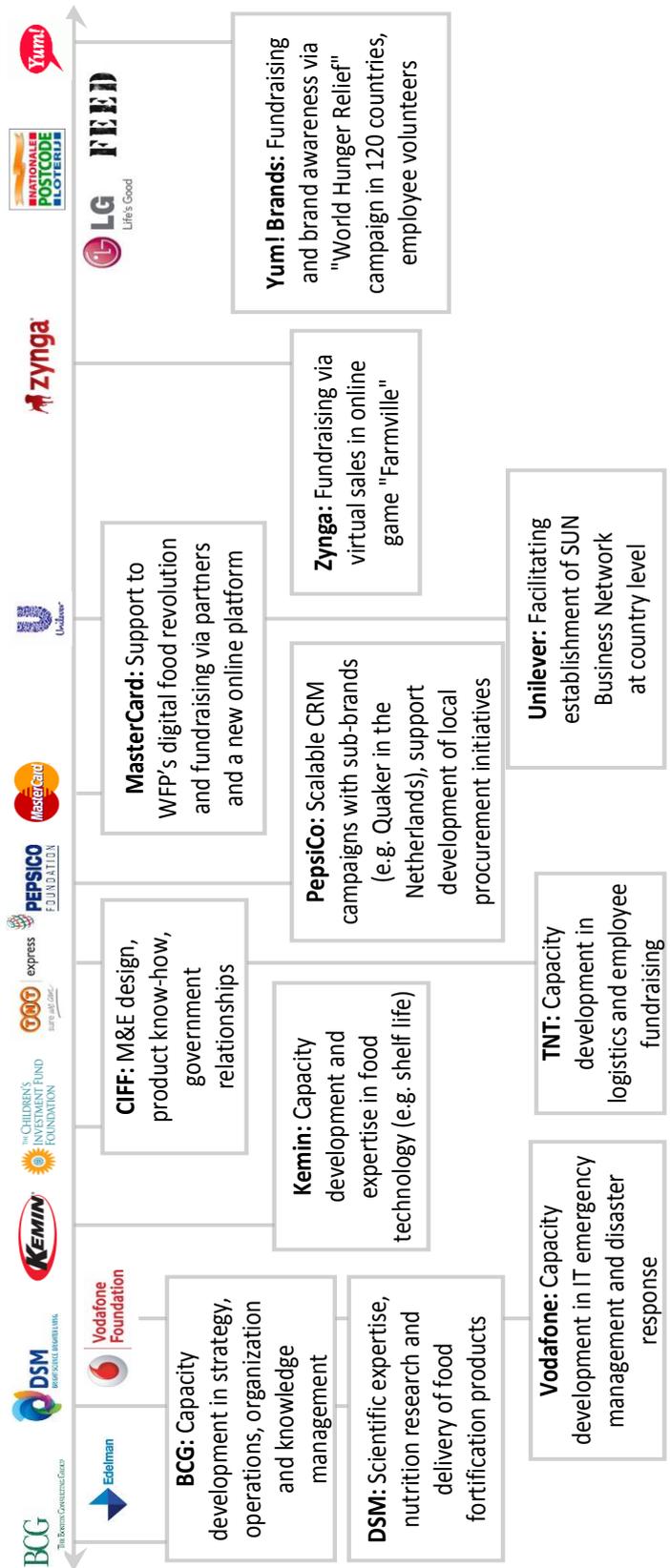
DEVELOPMENT OF PRIVATE-SECTOR CONTRIBUTIONS

Overview of Private Sector Partnerships Division contributions (from 2007)



¹Excluding major NGOs, one-offs and accumulated other donations by NGOs/foundations. ²Projection based on WFP's historical performance, the performance of UNICEF and UNHCR, external projections of private-sector giving, and anticipated internal investment (2012 reevaluated sustainable base of PGP and annual growth rate of 9%). ³Based on historical experience, the incremental resources that could be generated over five years from one-offs during corporate emergencies and from large foundation gifts could add up to US\$240 million (→ US\$48 million per annum). It should be noted that within the last five years annual contributions from this source varied between US\$10 million and US\$100 million.
Source: PGP "Engaging the Private Sector – 2008-2012" Report, PGP Final Year Report 2011, PGP databases 2008–12.

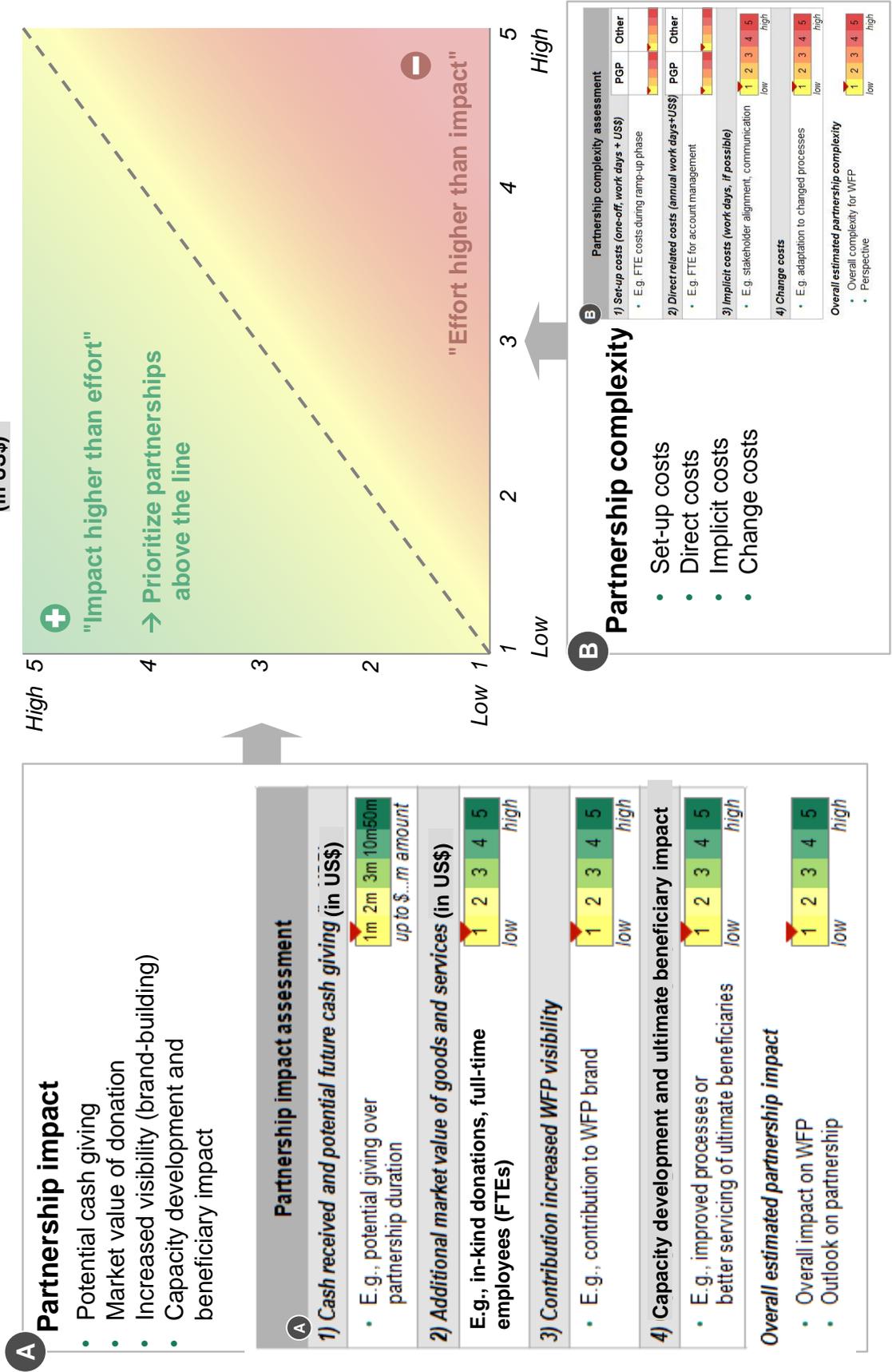
PARTNERSHIP CONTINUUM



ANNEX III

VALUE ASSESSMENT OF PARTNERSHIPS

Evaluate impact against complexity to prioritize the most promising partnerships



ANNEX IV

ANNEX V

PARTNERSHIP ASSESSMENT TEMPLATE (VERSION 1)

Capture the value of partnerships for WFP beyond cash raised

Partner		Partnership name	
Start of partnership		Key areas covered	
Technical WFP unit		Projected duration	
Template filled in by	Name (date)	WFP focal point	

A Partnership impact assessment

1) Cash received and potential future cash giving (in US\$)

- E.g. potential giving over partnership duration up to US\$...m amount

2) Additional market value of goods and services (in US\$)

- E.g. in-kind donations, FTEs provided low high

3) Contribution increased WFP visibility

- E.g. contribution to WFP brand low high

4) Capacity development and ultimate beneficiary impact

- E.g. improved processes or better servicing of ultimate beneficiaries low high

Overall estimated partnership impact

- Overall impact on WFP low high
- Outlook on partnership low high

B Partnership complexity assessment

	PGP	Other
1) Set-up costs (one-off, work days + US\$)		
E.g. FTE costs during ramp-up phase		
2) Direct related costs (annual work days+US\$)		
E.g. FTE for account management		
3) Implicit costs (work days, if possible)		
E.g. stakeholder alignment, communication	low high	
4) Change costs		
E.g. adaptation to changed processes	low high	

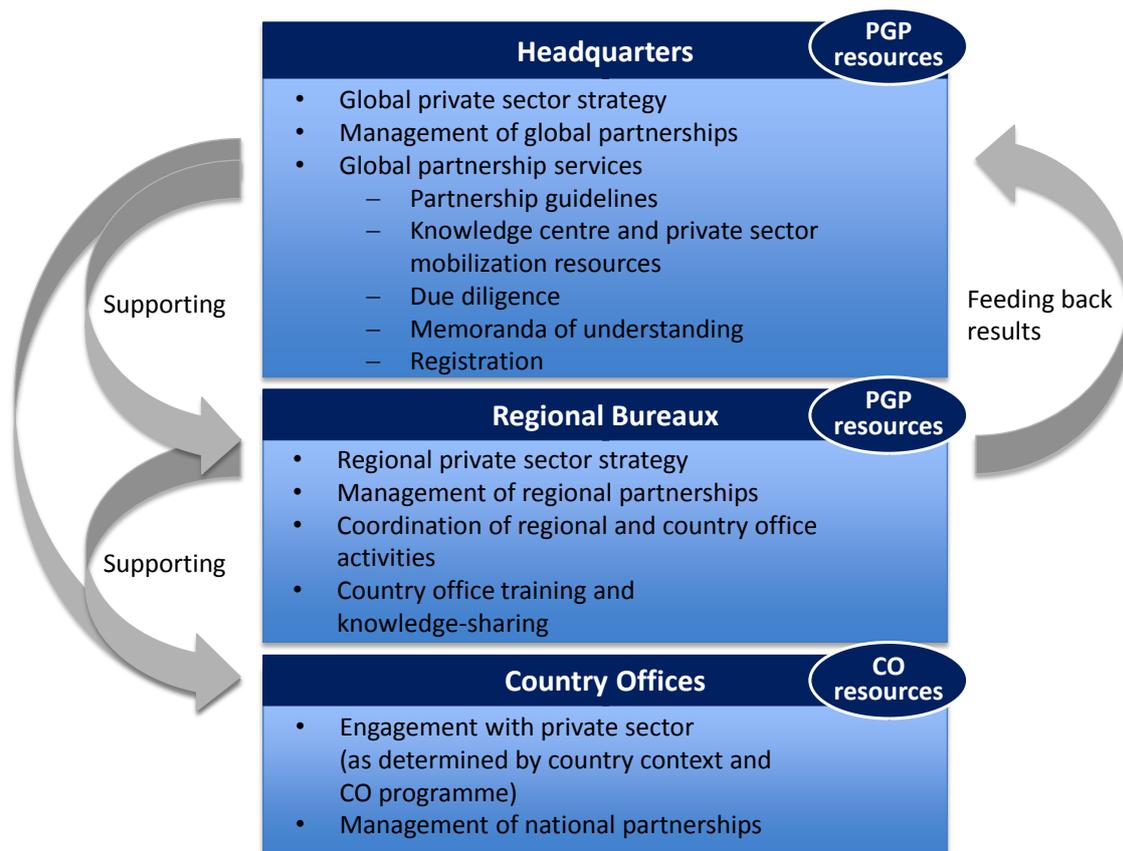
Overall estimated partnership complexity

- Overall complexity for WFP low high
- Perspective low high

ANNEX VI

ORGANIZATIONAL ENABLEMENT

The strategy will enable the organization to secure and leverage private partnerships at the global, regional and country levels through use of these capacities.



ANNEX VII

FINANCING PRIVATE-SECTOR GROWTH

	Standard rate	Discounted rate
Corporations	20%	12%
Individuals	15%	15%
Foundations/ NGOs	15%	10%
Funds raised by country offices	12%	10%
	if	if
Size of donation	Small	Large
+		
Partnership complexity	<ul style="list-style-type: none"> • Individualization of reporting • Additional communication effort • Other additional effort 	<ul style="list-style-type: none"> • Standard reporting • No additional communication effort • No other additional effort

- The average rate assessed to private-sector contributions will cover the cost of private-sector management and administrative functions.
- For 2014, this average rate will be approximately 12%.
- A detailed “rate chart” will be created for implementation in 2014.
- WFP will regularly assess if a decrease of rates to a minimum of the current established ISC is in line with the commitment to cover the cost of management and administrative functions and will adapt rates accordingly.
- For specific cases, exceptions from rate model may apply.

ANNEX VIII

PRINCIPLES OF COOPERATION FOR PRIVATE-SECTOR PARTNERS

1. Upon approval of the revised strategy, the Office of the Executive Director will issue revised *Guidelines for Private-Sector Partnerships*. This annex will form the basis for the new guidelines.

Background

2. In 2004, WFP's Board adopted "New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base" (WFP/EB.3/2004/4-C), of which *WFP Private-Donor Selection for Cooperation* was included as Annex II and *WFP Code of Conduct* as Annex III. The annexes set out the criteria WFP would use for selecting its private partners and provided a set of principles that private entities would sign on to. They were based on the *Guidelines on Cooperation between the United Nations and the Business Community*, issued by the United Nations Secretary-General in July 2000.
3. In 2005, the WFP Fundraising and Communications Division issued *Private Donor Guidelines* to provide guidance for private partnerships and fundraising, based on the above-mentioned WFP Board and Secretary-General documents. The Secretary-General issued new guidelines in November 2009. WFP is proposing that the present annex, *Principles of Cooperation for Private-Sector Partners*, replace the *Private Donor Selection for Cooperation* and *Code of Conduct* because it is better aligned with the Secretary-General's 2009 *Guidelines on Cooperation between the United Nations and the Business Sector*.

Private-Sector Partner Selection Criteria

4. WFP's private partners must aim to advance and support WFP's mandate and values, and must demonstrate a commitment to meeting the principles of the United Nations Global Compact.
5. WFP aims to work with the private sector, primarily through mutually beneficial cooperation with businesses, foundations and individuals, in the following ways:
 - a) Businesses can draw on their expertise and resources to provide WFP with cash, expertise and donated services. They can help to increase awareness of WFP through communications targeting a variety of audiences.
 - b) Foundations can fund WFP programmes – from pilot to subsequent scale up.
 - c) Individuals can provide direct financial support for emergency responses and long-term development.
6. WFP has a rigorous research and due diligence process to determine if and when to engage with a private entity. More specifically:
 - a) WFP will not engage with private entities that 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 land mines or cluster bombs, or that violate United Nations Security Council sanctions.
 - b) WFP may choose not to engage with, or may terminate an existing engagement with, private entities whose public image is compromised by past activity or involvement in any of the categories of activities listed above, or whose operations or public statements might otherwise undermine WFP's reputation.

- c) WFP may decline an engagement with a private entity if that entity could be seen to compromise WFP's neutrality.
 - d) Private partners are responsible for disclosing any present or past activity or act in the categories outlined above before concluding an agreement with WFP. They must refrain from such activity during their relationship with WFP.
7. The following general principles apply to all cooperation with private partners:
- a) WFP does not grant exclusivity to any private partner. Neither may cooperation with WFP imply an endorsement or preference of any private partner, its products or services.
 - b) Private donations are subject to the same WFP policies established for all other partners and must meet full-cost recovery criteria.
 - c) Joint activities should avoid compromising or appearing to compromise the integrity and independence of WFP. Cooperation shall not be deemed to establish either party as the agent of the other party or create a "legal" partnership or joint venture between the parties. Neither party has power to bind the other party or to contract in the name of the other party or create a liability against the other in any manner whatsoever.
 - d) Private partners agree to allocate sufficient time, resources and capabilities to carry out agreed activities.
 - e) Cooperation with WFP does not mean that the private partner has a role in WFP's decision-making processes or a right to influence its policies.
 - f) The governance and policy of WFP remains the sole purview of WFP Member States.

Transparency and Accountability

- 8. All commercial transactions carried out by WFP remain subject to WFP's procurement policies and Financial Regulations.
- 9. Information on agreed activities will be publicly available, recorded in WFP's financial statements and reported to WFP's Executive Board.
- 10. Private partners must respect the confidentiality of information received from WFP. Information obtained by private partners will not be used for commercial interest.
- 11. Arrangements between WFP and private partners will be set out in a written agreement, and implemented in a manner that ensures clear and agreed responsibilities and accountability by all parties.
- 12. Under no circumstances will a private partner or any of its affiliates use confidential or proprietary information pertaining to WFP or its activities for private or commercial gain where such information has been acquired as a result of its special relationship with WFP.

WFP Name and Emblem and Intellectual Property

- 13. A private partner may use the WFP name and emblem to show the private partner's support for WFP or an entity affiliated with WFP, or to assist in raising funds for WFP. In this regard, incidental profit for the private partner may exceptionally be authorized provided the principal purpose of the use of the WFP name and emblem is to show support or raise funds for WFP.

14. The use of the WFP name or emblem does not imply WFP's endorsement of the private partner, its products or services. WFP shall not authorize the use of the WFP name or emblem for commercial purposes and in any manner that suggests an endorsement, preference for or promotion of any private partner, its products or services.
15. There will be prior consultation and agreement between WFP and the private partner regarding the ownership of copyright, patent or other intellectual property rights generated through the proposed activities.
16. The use of the WFP name or emblem must be expressly approved in advance in writing and upon such terms and conditions as may be specified.
17. The parties must also agree in writing prior to undertaking any communications or publicity initiatives concerning their partnership with WFP.

ACKNOWLEDGEMENT

18. As a privilege of cooperation, private partners will be acknowledged for their contribution in a way that shows WFP's appreciation for the support provided.

ACRONYMS USED IN THE DOCUMENT

BGC	The Boston Consulting Group
CIFF	Children's Investment Fund Foundation
CO	country office
CRM	cause-related marketing
DSM	Koninklijke DSM N.V.
FTE	full-time employees
ISC	indirect support costs
IT	information technology
PGP	Private Sector Partnerships Division
PSA	Programme Support and Administrative
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund