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**Executive Board
Second Regular Session**

Rome, 12–14 November 2012

EVALUATION REPORTS

Agenda item 6

For consideration

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Distribution: GENERAL

WFP/EB.2/2012/6-A/Add.1

11 October 2012

ORIGINAL: ENGLISH

MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE SUMMARY EVALUATION REPORT OF WFP'S PRIVATE- SECTOR PARTNERSHIP AND FUNDRAISING STRATEGY

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NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration

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 points indicated below, preferably well in advance of the Board's meeting.

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|---------------------------|------------------|---------------------|
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BACKGROUND

1. This document presents the management response to the recommendations of the strategic evaluation of WFP's 2008 private-sector partnership and fundraising strategy.
2. The Secretariat appreciates the evaluation's findings and recommendations, which come at a critical juncture when WFP is realigning its organizational design around its strategic priorities. One of the recommendations has already been incorporated in the new Management Plan (2013–2015), for approval by the Board during its 2012 Second Regular Session.
3. In its organizational realignment, WFP reaffirms the central role of partnerships – including private-sector partnerships – at all levels of the organization in implementing the Strategic Plan. The evaluation recommendations will guide WFP in achieving its commitment to building an organization that is fit for purpose in the years to come.
4. The Secretariat's responses to the recommendations are presented in the attached matrix.

**MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE SUMMARY EVALUATION REPORT
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| Recommendations | Action by | Management response and action taken | Implementation deadline |
|--|---|--|---|
| <p>Recommendation 1: Strategy development</p> <p>a) WFP should develop comprehensive and discrete strategies for resource mobilization and partnerships, including:</p> <p>i) <i>a comprehensive strategy for resource mobilization</i>, 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, non-governmental organizations (NGOs) and independent foundations; the strategy should also address WFP's role in inter-agency fund mobilization and coordination;</p> <p>ii) <i>a comprehensive strategy for partnerships</i> 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 <i>sub-strategies</i> covering resource mobilization and partnership with all non-governmental sources, including private corporations, independent foundations and the general public.</p> | <p>External Relations Department (ER) and Communications, Public Policy and Private Partnership Division (CP)/Private Partnerships Branch (CPP); collaboration from Multilateral and NGO Relations Division and Operations Department</p> | <p>Agreed.</p> <p>Following WFP's organizational design and realignment – outlined in the 2013 Management Plan – private-sector, donor governments and inter-agency partnership units will all be located in the newly created Partnership and Governance Services Department. This will allow greater synergies and a more comprehensive approach to WFP's resource mobilization and partnership efforts, which are central to WFP's mission.</p> <p>WFP will develop comprehensive strategies for resource mobilization and partnerships. It will review existing strategies to draw on lessons learned and ensure harmonization, while keeping in mind the need for different approaches. The strategies will be mutually reinforcing and will include sector-specific activities. Their development will be timed to align with the new Strategic Plan and they will be presented to the Board for approval.</p> | <p>June 2013</p> <p>Target: submission to the Board in early 2014</p> |



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| <p>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.</p> <p>[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.]</p> | | <p>The new strategies will take into account the organizational realignment and decentralized structure of WFP. Appropriate guidance and support for implementation at all levels will be provided.</p> | |
| <p>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:</p> <ul style="list-style-type: none"> 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. | <p>CP/CPP</p> | <p>Agreed, subject to review.</p> <p>This recommendation will be considered during development of the new resource mobilization and partnership strategies, which will determine the extent to which all aspects of the recommendations should be implemented.</p> | <p>The new strategies will be presented to the Board following approval of the Strategic Plan.</p> <p>Target: early 2014.</p> |



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| <p>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.</p> <p>[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.]</p> | | | |
| <p>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.</p> <p>[Management can design and move forward the process during 2012–2013 even before new strategies described in Recommendation 1 are finalized.]</p> | CP/CPP and ER | <p>Agreed, subject to review.</p> <p>This recommendation will be considered during development of the new strategies, which will determine the extent to which all aspects of the recommendations should be implemented.</p> | <p>The new strategies will be presented to the Board following approval of the Strategic Plan.</p> <p>Target: early 2014.</p> |
| <p>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:</p> <p>a) establish the amounts to be allocated to different forms of fundraising and partnership development and management, in line with WFP's priorities;</p> | Budget and Programming Division | <p>Agreed, subject to review.</p> <p>This recommendation will be reviewed during development of the new resource mobilization and partnership strategies.</p> | <p>The review of the funding mechanism will be presented to the Board in parallel with the new strategies.</p> <p>Target: early 2014</p> |



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| <p>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 indirect support costs (ISC) and apply a simple scale of overhead charges; and</p> <p>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.</p> <p>[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.]</p> | | <p>The Secretariat's commitment to integrating private-sector resource mobilization into its overall resource mobilization efforts is evidenced by the latest changes to the organizational structure. A review of this integration will be included in the development of the new strategies.</p> <p>The Secretariat will work with the Board to develop a transparent budgetary process to support implementation of the new strategies, taking the evaluation recommendation into consideration.</p> | |
| <p>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.</p> <p>[This recommendation does not require prior approval of the strategies and should be implemented along with other organizational changes underway in WFP.]</p> | <p>ER, Office of the Executive Director and CP</p> | <p>Agreed.</p> <p>The new Partnership and Governance Services Department will bring together donor government, private-sector and inter-agency partnerships under one Assistant Executive Director. This reorganization will ensure that the Private Partnerships Division and the Government Partnerships Division have the same direct line of reporting, helping to improve coordination and communication and provide a clear point of reference for regional bureaux, country offices and liaison offices in their engagement with governments and the private sector.</p> | <p>Immediate</p> |



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| <p>Recommendation 6: WFP's due diligence process should be revised, to address the following:</p> <p>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.</p> <p>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.</p> <p>[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.]</p> | <p>Executive Management Group, supported by Legal Office and CP</p> | <p>Agreed.</p> <p>WFP takes the due diligence process very seriously. It has a robust system for vetting companies and other entities, but recognizes the identified conflict of interest and will include a broad representation within the organization for due diligence work.</p> <p>Due diligence review of non-standard CPP initiatives will be transferred to the Legal Office, which will be provided with corresponding transfer of resources and staff to carry out the function, with the results reported to an independent senior committee that will be established to consider potential partnerships for approval.</p> <p>The criteria and process will be revised to allow greater flexibility for due diligence decisions to be based on individual projects.</p> | <p>Immediate</p> |

