

RESOURCING FOR A CHANGING ENVIRONMENT



INFORMAL CONSULTATION

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EXECUTIVE SUMMARY

WFP's resourcing efforts and investments are currently guided by the following documents presented to the Board: "A Resource Mobilization Strategy for the World Food Programme" (WFP/EB.3/2000/3-B), "New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base" (WFP/EB.3/2004/4-C), "Funding for Effectiveness" (WFP/EB.2/2005/5-B) and "WFP's Private-Sector Partnership and Fundraising Strategy" (WFP/EB.1/2008/5-B/1).

The purpose of this strategy revision is to take stock of the progress made in recent years, identify lessons learned and new opportunities, and use these to strengthen the alignment and focus of corporate resourcing activities.

The decision to revisit WFP's resource mobilization strategy was made in response to:

- (a) challenges resulting from the rapidly changing global context – of conflict, increasing natural and man-made disasters, and continuing volatile food, fuel and economic conditions – and the projected increase in assessed hunger needs expected to prevail for the foreseeable future;
- (b) the opportunities for and nature of funding necessary to support the WFP Strategic Plan (2008–2013)¹ in an increasingly competitive cash-based funding environment;
- (c) the international momentum generated at the recent G8 and G20 Summits by global leaders' commitment to addressing hunger and food security;
- (d) emerging trends in donor behaviours and frameworks, particularly at the country level, with a focus on thematic and country-led ownership for providing funding support to the multilateral institutions initiated as part of United Nations reform efforts and incorporating joint United Nations programmes; and
- (e) the increasingly active engagement of United Nations country teams in system-wide coherence and harmonization of country-level activities.

Given the challenges of world food security in a complex and shifting political and financial environment, WFP bears a responsibility to equip itself with the funding and mechanisms necessary, especially at the country level, to assist a growing number of people and nations through these challenging times.

WFP's top donors will continue to be the bedrock of the support it receives, but should not be responsible for carrying the whole burden. WFP's resourcing efforts will be driven by the realization that in addition to securing a new baseline for funding, innovative approaches and new, complementary sources of support will be essential.

¹ The WFP Strategic Plan (2008–2011) was extended until 2013 as per Board decision 2009/EB.A/3.

In this regard, WFP will seek to:

- bring greater flexibility and predictability as enshrined in the Principles and Good Practice of Humanitarian Donorship and the Paris Declaration on Aid Effectiveness and broaden partnerships from its current support base;
- balance the level of support by encouraging contributions from growth areas such as host governments and the proliferation of pooled or thematic funds available at the field-level and as a result of United Nations reform;
- strengthen support from other countries, particularly emerging economies;
- invest in country-level resource mobilization efforts through skills training and information exchange, working with national governments on joint programming through UNDAFs and PRSPs; and
- encourage contributions and mechanisms that ensure the most effective, responsive, transparent and efficient use of resources.

Raising the financial support needed to meet assessed needs is a challenge, but not an insurmountable one. WFP will need to commit itself to strategic resourcing that provides visibility and transparency of funding, and to expanding its efforts, especially at the country-level and with a broader range of partners, in advocating for those who need its help. It will need the support of all its donors and partners to go beyond the familiar, and asks the Board to advocate for funding that brings maximum flexibility and predictability, for example in the form of multi-year cash contributions.

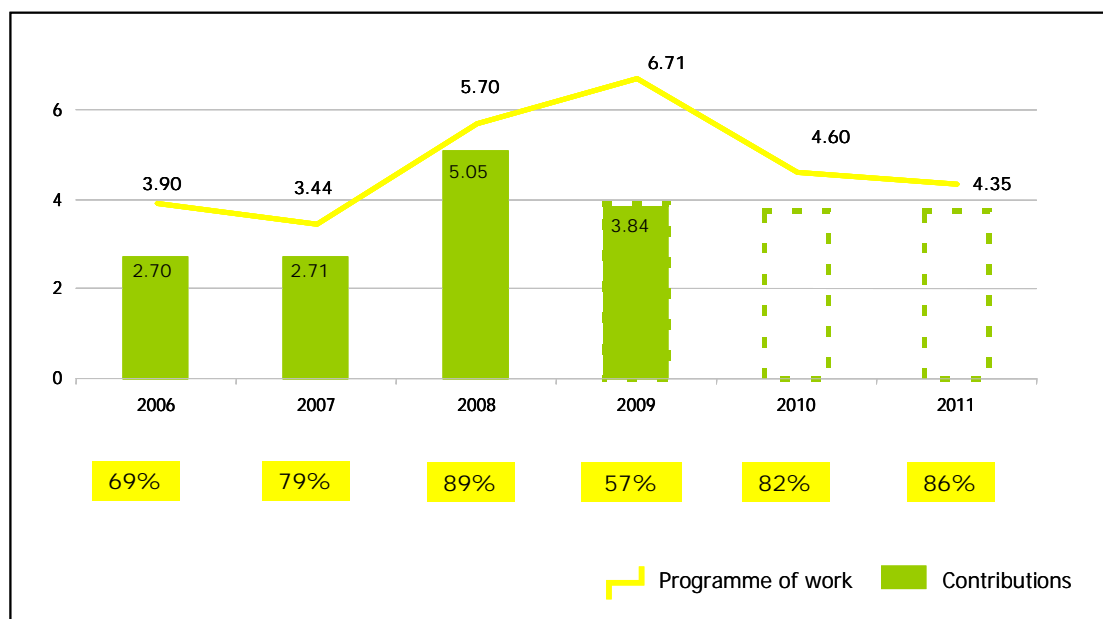
INTRODUCTION

1. WFP's resourcing efforts and investments are currently guided by the following documents presented to the Board: "A Resource Mobilization Strategy for the World Food Programme" (WFP/EB.3/2000/3-B), "New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base" (WFP/EB.3/2004/4-C), "Funding for Effectiveness" (WFP/EB.2/2005/5-B) and "WFP's Private-Sector Partnership and Fundraising Strategy" (WFP/EB.1/2008/5-B/1).
2. The purpose of this strategy revision is to take stock of the progress made in the intervening years, identify lessons learned and new opportunities, and use these to strengthen the alignment and focus of corporate resourcing activities. This paper is a work in progress and will be adjusted as necessary, to reflect the outcomes of the financial framework review.

RESOURCING OVERVIEW

3. Throughout 2008, the effects of increasing droughts, floods and other natural and man-made disasters converged with the challenge of high food and fuel prices to deepen the vulnerability and hunger of nearly 1 billion people. WFP required an unprecedented US\$5.7 billion to fund its approved operations. Thanks to the generosity of 98 donor sources, WFP received an unprecedented US\$5.04 billion to meet its assessed needs.
4. From 2005 to 2007, WFP received an average of US\$2.7 billion a year, sustaining a funding level of 80 percent of the assessed needs defined in the biennial programme of work.
5. The funding projection of US\$3.9 billion for 2009 is more than US\$1 billion above WFP's previous contribution average, excluding 2008. However, 2009 may be the first time in recent history that WFP is not able to meet a high portion of assessed needs as approved; this is because the growth in needs is outpacing the increases in donor funding.
6. Just two years ago, WFP required US\$3.4 billion to fund its programme of work.

**Programme of Work and Funding Levels 2006–2011 (US\$ billion)
As of 20 December 2009**



7. Organisation for Economic Co-operation and Development (OECD) donors typically provide 80 to 90 percent of WFP’s overall funding, and are considered its primary base of support. They usually constitute WFP’s top 20 donors. In recent years, WFP has received increasingly broad and stronger support from other sources, such as countries in the Middle East, emerging economies and multidonor or special-purpose funds.
8. WFP has a distinct strategy for private-sector partnerships, which aims to raise US\$200 million a year by 2017, US\$50 million of which will be fully flexible; WFP is on track to achieve this.

Donor	2004	% of Total 2004	2005	% of Total 2005	2006	% of Total 2006	2007	% of Total 2007	2008	% of Total 2008	2009 Confirmed to-date	% of Total 2009 Confirmed
DAC	2,117	94%	2,557	94%	2,240	83%	2,363	87%	4,010	79%	3,413	89%
Middle East	5	0%	12	0%	44	2%	14	1%	552	11%	41	1%
BRICS	28	1%	48	2%	20	1%	28	1%	43	1%	58	2%
Emerging Donors	30	1%	15	1%	10	0%	29	1%	10	0%	9	0%
Recipient Governments	64	3%	97	4%	130	5%	111	4%	129	3%	105	3%
Multi-Donor Funds	1	0%	9	0%	219	8%	145	5%	231	5%	167	4%
Private Donors	22	1%	27	1%	55	2%	49	2%	144	3%	92	2%
Multilateral Donors	279	12%	276	10%	239	9%	254	9%	883	18%	312	8%

As of 20 December 2009

Note: Individual donors may be categorized in one or more donor groups.

CHALLENGES

9. In addition to increasing conflict, droughts, floods and other forms of natural and human-incurred disasters, the high food and fuel prices and the economic downturn have deepened the vulnerability and hunger of more than 1 billion people. These include 850 million people targeted for hunger reduction as part of global efforts to achieve the Millennium Development Goals (MDGs), who now face an even more difficult struggle out of hunger and poverty. They also include at least 130 million people who were previously able to feed their families, but have now been priced out of the market by high food prices, reduced incomes, reduced remittances and other factors that make food inaccessible to them.
10. Of the 1 billion hungry, WFP aims to reach the most destitute and vulnerable, who often have no other means of food security or support; historically, this group has accounted for about 10 percent of all hungry people. An increasing global figure will generally imply proportionally increased demands on WFP. WFP expects that the unprecedented scale-up in 2008 defines a shift in future needs, rather than an isolated spike.
11. Mobilization of funding at the unprecedented scale needed and against the backdrop of the economic downturn is certainly a challenge, but it is not impossible. WFP will need to go beyond the familiar: identify and cultivate new sources of support; make its case to a broader range of partners; explore the wider range of funding mechanisms that are now available, particularly at the country level, for supporting United Nations reform; and maximize the effectiveness of each donation it receives.
12. Implementation of the Strategic Plan will also continue to require flexible funding. The shift from food aid to food assistance, and the Strategic Plan's enhanced emphasis on such approaches as voucher- and cash-based programmes and the transfer to national governments of WFP tools – including needs assessments and early-warning capacities – all require the expenditure of cash rather than the distribution of food. WFP will need a large portion of its resources in the form of highly flexible cash donations.

OPPORTUNITIES

13. Awareness of the plight of the increasing number of hungry people has never been higher. Global food security and malnutrition are in the international spotlight, together with the associated problems related to natural and human-incurred disasters, conflict, market volatility and macroeconomic conditions.
14. Beginning with the Secretary General's High-Level Task Force on the Global Food Security Crisis, there has been a general acknowledgment that attaining sustainable food security will require increased agricultural production; improved monitoring systems to ensure that food crises are anticipated and prevented; and support to safety net programmes, including food assistance, vouchers and cash transfers, to ensure that governments can respond effectively to the needs of the most vulnerable. The Comprehensive Framework for Action also refers to the need for regional and global mechanisms for improving emergency access to food through emergency grain reserves or stock sharing, and improvement of country-level food stocks management.
15. Recognition at the L'Aquila G8 meeting of the need for a collection of measures to effect a global solution to food security and hunger has launched efforts to follow country-led, comprehensive planning frameworks – such as the Comprehensive Africa Agriculture Development Programme (CAADP) and UNDAFs – to bring all the players

into an initiative that fosters a renewed and collaborative investment approach for addressing global food security and hunger. WFP will be an implementing partner and supplier of technical advice.

16. There is broad agreement on the set of short-, medium- and long-term measures that will be needed to attain global food security and combat hunger, and every reason to believe that this challenge will command international attention, commitment and resources. Much of this effort will be country-led and will require WFP country directors to engage in the development of national hunger strategies and solutions such as through UNDAFs and Poverty Reduction Strategy Papers (PRSPs).
17. The challenge will be to maintain this comprehensive and focused attention in the face of competition from domestic and national issues resulting from the global economic downturn. An understanding of the global implications will be essential.
18. The experience of 2008 and the past encourages the view that the international community will expect WFP to play its part in reducing hunger that is not otherwise addressed, and will support it in doing so. In 2008, many countries went to extraordinary measures to provide supplementary funding support, including a single donation of US\$500 million from Saudi Arabia. WFP has received broad assurance that current donors will continue their generosity, based on proven performance and commitment to results and effectiveness, but complementary funding from other sources will be essential.

THE FRAMEWORK FOR FOOD ASSISTANCE

19. The Principles and Good Practice of Humanitarian Donorship and the Paris Declaration on Aid Effectiveness are the backdrop against which WFP will seek resources to operationalize its Strategic Plan. Emphasis on increasing the alignment of aid with partner countries' priorities; the allocation of humanitarian funding in proportion to needs; the provision of humanitarian assistance in ways that are supportive of the recovery of long-term development; flexible and predictable funding; and the central role of the United Nations in providing leadership and coordination stand out among a number the principles relevant to WFP's work.
20. Of particular importance for fundraising are the acknowledgment that funding for new humanitarian crises must not adversely affect funding for ongoing needs; the advantages of longer-term funding arrangements; the increasing importance of joint programmes as part of a more holistic approach; the central role of Consolidated Inter-Agency Appeals and Common Humanitarian Action Plans; and the move to delegate more authority to donors' field staff.
21. In the 2009–2011 period, discussion is expected of possible adjustments to the financing policies and regulations within which WFP works. The Board foresees a review of WFP's financial policy framework to determine whether different arrangements would enable WFP and its donors to respond better to the challenges of the coming years. The review could include a new look at programme categories, funding windows and possible core funding, to determine whether changes would leave WFP better-placed to maintain effectiveness.
22. Changes to all or part of this legal and regulatory framework, once put into effect, may have an impact on WFP's resourcing efforts in the longer term. This paper incorporates no assumptions about what these changes might be. Instead it is based on the current financial framework, because existing arrangements will probably remain in place long enough to

encompass most of the resourcing of the Strategic Plan (2008–2013), and it is expected that new measures will facilitate arrangements for donor funding.

UNITED NATIONS COHERENCE AND NEW FUNDING MECHANISMS

23. The broad process of United Nations reform has emphasized government ownership of the country-level activities of United Nations funds and programmes; improved collaboration and complementarity of United Nations activities and those of non-governmental organizations (NGOs), under government leadership; and more field-level decision-making to ensure that United Nations-funded activities are in line with government priorities.
24. In recent years, a proliferation of new funding mechanisms – common funds, vertical funds, multidonor trust funds, country or pooled funding mechanisms – have been put in place to foster and support a more integrated approach to United Nations activities. Financial support for these mechanisms comes largely through several like-minded donors, which consider them a means of improving international humanitarian and development responses in line with Good Humanitarian Donorship Principles and the Paris Declaration. Pooled funds also offer several practical advantages, especially to current and potential small donors, which do not always have an in-country presence or which wish to minimize transaction costs. In some cases, funding is provided through national governments, while in others resources are allocated directly to United Nations agencies and NGOs. Some pooled funds are open-ended, while others have a determined life span. Some are country-specific, while others are thematic. Although their financial base comes mainly from traditional donors, the common funds have themselves become a new source of funding, which WFP will continue to explore and utilize.
25. Allocations from the United Nations Central Emergency Response Fund (CERF), common funds and agencies ranked fifth on WFP's 2008 donor list, with the CERF being the main source of pooled funding to WFP. WFP is by far the largest agency recipient of CERF funding; since April 2006, it has received US\$487.9 million, 36 percent of CERF disbursements. There is every reason to anticipate that this relationship will continue and grow.
26. Although the CERF is likely to remain a pre-eminent source of funding to WFP, the potential of other funds must be explored. Pooled funding mechanisms support a wide range of objectives and cover all of WFP's Strategic Objectives. Although it is more difficult to predict funding levels from pooled funding mechanisms than from longstanding donors, a conservative estimate prepared for WFP is that it could expect to receive about US\$200 million from pooled funds in 2009, with more than 80 percent of this coming from the CERF.
27. WFP can reasonably aspire to increased support from pooled funds, especially as the Delivering as One pilots increase their pace and substantial development funds start flowing through them. Emergency Relief Funds and Common Humanitarian Funds could become sources of increased funding as they are rolled out in Ethiopia and the Central African Republic and continue in the Sudan and the Democratic Republic of the Congo. WFP priorities for the use of these funding sources will be as resources for United Nations Humanitarian Air Services and other common services. During the Strategic Plan period, WFP will also seek funding from the MDG Achievement Fund, following 2008 call for proposals from the thematic window for Children, Food Security and Nutrition. Other promising sources of resources are the Peacebuilding Fund, the Sudan Multidonor Trust Fund and the proposed funds for Darfur and Southern Sudan.

28. Greater dependence on these relatively new sources of resources will bring potential risks and management challenges, as well as opportunities. The resources made available through pooled funding mechanisms are meant to be additional, but evaluation evidence is inconclusive on whether they are.²
29. The World Bank's Global Food Crisis Response Programme (GFRP) was established in 2008 as a rapid financing facility that can provide up to US\$1.2 billion to countries affected by the current food crisis. A limited portion of GFRP is grant funding, which can be considered for direct funding of United Nations agencies. In addition to investments to increase agricultural productivity, the funds have been used to support safety nets for the vulnerable, micronutrients to fight malnutrition, school feeding and mother-and-child support programmes.
30. Although GFRP funding can be provided through WFP, as is planned for Liberia (US\$4 million) and Sierra Leone (US\$4 million), access to this funding is expected to come mainly through national governments, which regard WFP as a partner well suited to managing safety net interventions; a possible example is Ghana, where the Ministry of Health wishes to work with WFP to deliver a nutrition programme.
31. For 2009, the World Bank is creating an expanded Vulnerability Financing Facility (VFF) to deal with a broader range of needs arising from both the food and economic crises. GFRP will be one component of the VFF, and in future will focus exclusively on agriculture development programmes. An additional new Rapid Response Facility to be established will fund social safety net programmes, the response area where the Bank sees WFP as most relevant. The funds potentially available from the VFF are substantial, but not predictable. So far, the Bank has allocated funds only for GFRP in 2008, and it is not known what level of funding the broader VFF will receive in future years. It is also difficult to know whether regional banks will follow the lead of the World Bank, which will depend on whether they opt to give priority to social safety nets and protection, rather than retaining a focus on more traditional funding for infrastructure and aggregate production support to the agriculture sector.

PRIVATE-SECTOR FUNDING

32. WFP anticipates considerable growth in the support it receives from the private sector as it engages with more global humanitarian partners, extends its outreach to corporate partners and foundations, cultivates high-worth individuals, and builds a programme of better outreach to smaller donors. This strategy is already beginning to show encouraging results. In 2008, more than 100 corporations, foundations and individual donors contributed cash amounting to US\$145 million, 3 percent of total contributions; this represents major growth from the 2003 level of US\$5.5 million. The expectation is that WFP will receive about US\$120 million from the private sector in 2009, almost three-quarters of it in cash, and that by 2017 private-sector contributions will climb to US\$200 million per annum. The goal is to secure multilateral cash donations of up to 25 percent of the total.

² A 2007 evaluation of the CERF raises the question whether CERF funds are truly additional or a re-allocation of bilateral humanitarian support. See Faure, S.D. and Glaser, M. 2007. Central Emergency Response Fund: Interim Review. Final Report. Office for the Coordination of Humanitarian Affairs, September, p. 22.

33. WFP also benefits from the using the Internet as a platform for raising funds. In 2009, a monthly average of 220,000 people visited the WFP website, including 40,000 individuals who contributed more than US\$1.5 million online during the course of the year.

BROADENING AND BUILDING NEW PARTNERSHIPS

34. At the core of WFP's relationship with its current support base is a spirit of partnership, which involves – in addition to financial support – active interest in all WFP's work, contribution to strategy and policy formulation through participation in the Board, working with WFP for public education on global hunger issues, and sharing expertise to make WFP stronger and better.
35. For example, Switzerland provides technical support through secondments to Logistics (Accelerated Learning in Training and Education); technical secondments to support information and communications technology and cash and voucher programming activities; and support for protection issues and emergency preparedness. France has provided technical support through a secondment for HIV/AIDS programming. Italy provides technical support to WFP's Brindisi operation.
36. A model engagement framework for 2009 concluded with the Australian Agency for International Development underlines support for WFP in ways that go beyond the financial or technical. Among other things, agency has committed to advocating for increased predictability through multi-year commitments; flexibility in WFP funding, including fully multilateral contributions; increased cash contributions; reduced earmarking and branding; early payments of pledged funds; and flexibility for reprogramming unspent funds.
37. A number of countries have become donors in recent years, often on a one-time or occasional basis. In 2006, 97 governments made donations to WFP. In 2007, the number was down to 88, but six countries became donors for the first time. In 2008, the figure rose to 98. Funding could grow substantially if all these countries were to become regular, predictable donors. In 2008, 57 donor nations gave their highest levels of support ever to WFP. WFP will therefore both seek new donors and encourage countries that have made occasional contributions to become regular supporters, at whatever level is within their capacity.
38. To this end, WFP will enter into dialogue with new and occasional donors to build the same mutual understanding, confidence and spirit of partnership that have been the basis of its relationships with longstanding contributors.
39. WFP will strengthen its relationship with Brazil, the Russian Federation, India and China – the BRIC countries – which at their first meeting in Yekaterinburg, Russian Federation in June 2009, pledged in a joint statement to adopt a package of mid- and long-term measures to tackle global food security. The BRIC countries' contributions to WFP have steadily increased over the last three years, with almost US\$60 million so far in 2009, representing 2 percent of total contributions. India is the largest donor within the BRIC countries, supporting operations in-country and in neighbouring Afghanistan and elsewhere; Brazil became a WFP donor only three years ago, but is quickly moving up in the ranks. During the same meeting, the BRIC countries also pledged to strengthen efforts for the provision of international humanitarian assistance and the reduction of natural disaster risks.

40. Particular attention will be paid to deepening partnerships with countries in the Gulf and Arab States, which have long supported humanitarian activities, primarily bilaterally and through NGOs. WFP is encouraged by recent indications of interest in its work and a willingness to engage in long-term partnerships, for example, through the Humanitarian City in Dubai, the provision of accommodation for the Fast Information Technology and Telecommunications Emergency Support Team (FITTEST), financial donations, including a recent single contribution of US\$500 million, and new partnerships with foundations in the region. In its interaction with these and other donors, WFP will encourage more active and sustained interest in its work, leading to regular and predictable funding.
41. Increasing numbers of recipient governments are broadening their partnership with WFP to include contributions of local food commodities. In 2008, 38 recipient countries – up from 20 five years ago – contributed almost US\$140 million, 2.8 percent of WFP’s total resources. This is another potential growth area for funding. Good local harvests and the twinning principle have enabled governments to make in-kind contributions, often for the first time. For example, the Government of Bangladesh has been a consistent donor to WFP development operations, while the Government of Pakistan contributed food to internally displaced persons (IDPs) and refugees in response to the crisis earlier in 2009.
42. In addition to recipient donor governments, WFP is also cultivating its relationship with new Member States of the European Union, smaller European countries, and Asian, African and Latin American countries. The Republic of Korea’s recent membership of the Development Assistance Committee also signals the way forward for an enhanced partnership with WFP.
43. WFP will seek to sustain and deepen its relationships with top donors. When requested, it will help support the case for larger legislated contributions to humanitarian assistance, food security and nutrition as part of base budgets. This will be particularly important in cases where increased Official Development Assistance (ODA) would be needed to bring a donor closer to declared national targets.
44. The regulations of many development assistance agencies stipulate that their food aid budgets be used only for the provision of food. Other food assistance and national capacity-building measures envisaged in the Strategic Plan could be funded from other line items in the ODA budget. Support could be sought from budgets for agriculture and food security, and support from nutrition, health or HIV/AIDS budgets could be considered. Exploration of such possibilities will be a feature of WFP’s ongoing discussions with its donors, as will the potential for progress toward the principles of the Paris Declaration.

USING FUNDING EFFECTIVELY: FLEXIBILITY, PREDICTABILITY AND TIMELINESS

45. WFP will continue its efforts on a variety of fronts regarding donor conditions, including to achieve a predictable funding base. WFP and donors have already made progress, but much remains to be done.
46. Only a few years ago, it seemed that the key to increased flexibility was to increase the proportion of contributions in the form of cash rather than commodities, as cash is potentially the most flexible type of support. A number of donors, including most of the largest, now contribute solely in the form of cash, with the result that more than 60 percent of WFP’s work is supported through cash donations. In 2008, Canada fully untied its support to WFP, after moving to 50 percent untied support in 2005.

47. Thanks to these cash contributions, WFP has been able to procure increasing amounts of food in recipient or other developing countries. In 2008, it purchased 2.1 million mt of food in developing countries at a cost of US\$1.1 billion. The advantages of local and regional purchases are well known; they have led to operational efficiencies and stimulated commodity markets in several developing countries.
48. Large amounts of cash are needed, not only for food procurement but also for food assistance activities of the kind approved through the Strategic Plan. Twinning of cash donations with commodity contributions from developing country donors is another way in which cash donations can enable WFP to maximize benefits to hungry people. In 2008, twinning enabled six governments to make in-kind contributions. US\$12.0 million in cash leveraged US\$12.6 million of food commodities, equivalent to 75,800 mt of food. If the cash had been used for international or local purchases instead of being twinned, the food equivalent would have been between 16,000 and 33,000 mts.
49. Nevertheless, restrictions are placed on many cash donations, and this can undercut their flexibility. This is likely to become a more serious constraint given the current and projected supply shortages in countries where WFP often procures food. Although it prefers local and regional procurement, when making decisions on where and how to purchase, WFP takes into account local/regional market indicators, programming objectives through Purchase for Progress, and food distribution destination; flexibility in funding is therefore essential.
50. While expressing a strong preference for local and regional procurement, a number of cash donors have agreed that WFP can procure elsewhere when necessary. This is a most welcome trend, and WFP will urge all cash donors to refrain from placing restrictions on their contributions. More specifically, WFP will seek cash donations that can be used for either food or associated food security measures within the framework of the Strategic Plan. WFP will also appeal to cash donors to give it authority to determine the place and time of procurement, on the understanding that whenever possible procurement will be in the recipient country or the region. In the longer term, a loosening of restrictions could also enable WFP to purchase at optimal times of year for meeting expected needs, or even to acquire food for pre-positioning.
51. Predictability greatly increases the operational usefulness of a contribution. It enables advance planning of procurement and shipment; ensures the impact of multi-year interventions; facilitates pipeline management; and, if there are no restrictions to inhibit this, allows access to WFP or government food stores and the use of internal advance financing facilities.
52. Announcing contributions prior to or early in the calendar year is one way donors can greatly assist WFP's optimal use of the resources.³ Multi-year contributions such as those from Australia, Canada, Iceland, Luxembourg, the Netherlands, the Russian Federation and the United States of America, which constitute approximately 3 percent of WFP's funding, are invaluable, and WFP will pursue the potential for these arrangements with all donors. Even informal indications of donor intentions, although not binding, are of great assistance to WFP in planning its operations.

³ This also applies to contributions to the various United Nations funds. For example, the effectiveness of the Common Humanitarian Funds has been hindered by donors not making funding available early enough to facilitate planning and timely utilization.

53. Contributions that come early in the life of an operation are of particular value, as are contributions to the Immediate Response Account (IRA). Although the CERF provides essential early support, the allocation typically comes two months after the beginning of the emergency, and it is the IRA that enables WFP to provide assistance within 24 hours, when necessary.

RESOURCING AT THE COUNTRY LEVEL

54. As national governments assume more ownership of development assistance and take more responsibility for coordinating development assistance, the locus of decision-making has been shifting from donor capitals to the field. This includes resource allocation decisions, which several donors have delegated to their field missions, in line with the Paris Declaration. Pooled funds have accelerated this trend; some of these funds are country-specific, and even those that are centrally managed place great emphasis on field-driven proposals and prioritization.
55. Other donors, including some large contributors, have retained resource allocation responsibilities at their headquarters. In addition, many donor countries do not have missions in all the countries where WFP works. For these donor countries, WFP often represents a functional and appealing way of contributing, especially in emergency situations, in countries where they do not have their own field presence.
56. WFP must therefore adopt a two-track approach to donor relations. One track is the familiar one, based on ongoing consultation among WFP Headquarters, liaison offices and donor capitals and permanent missions; this has been the bedrock of mutual understanding and will not be neglected or downgraded. At the same time, however, WFP also needs to provide more field-based service to donors, including contributors to WFP, bilateral donors to the country in question, and the United Nations pooled funds. This is not new for WFP – for several years many of its field staff have assumed responsibilities for resourcing – but a more comprehensive and systematic approach will now be needed.
57. An early step will be to work with donors to determine the most effective way of combining headquarters-to-headquarters contacts with those at the field level, so that roles and responsibilities are clear to all. Training will be designed and rolled out, to ensure that more field staff have the necessary skill sets for their resourcing responsibilities. Appropriate Headquarters support for field-level resourcing will be defined, and arrangements for real-time sharing of information will be put in place.
58. In some countries, additional staff will be required for dialogue with country donors and to explain the roles of food assistance, hunger, food security and nutrition within the framework of government priorities; ensure that WFP is well represented at the meetings that underlie collaborative, coordinated programming; and prepare additional proposals in the hope of gaining resources from pooled funding.
59. The major benefit of such work is improved, more coordinated and more country-led programming. Funding is not the only factor, but the transaction costs of making more field-level efforts to gain resources from more diverse donors should not be underestimated. All of this is challenging, but no more difficult than the other organizational changes that WFP has managed.

CONCLUSION

60. WFP must be prepared to call on an unprecedented level of funding to respond to the needs of a growing number of hungry people. WFP anticipates that its top donors will continue to respond generously, but it also acknowledges that they cannot be solely responsible for any scale-up that is required.
61. To achieve its overarching aim of providing the funding to meet assessed needs, WFP will need to direct its efforts to:
 - maximizing funding from donor base budgets, and identifying new funding channels;
 - investing in new strategic partnerships, particularly with emerging economies and new donor countries;
 - seizing opportunities for support from multidonor, pooled, vertical and thematic funding sources; and
 - promoting country-led advocacy and resourcing through host governments and investment in WFP policy and advocacy work, combined with local resource mobilization.
62. Raising the financial support needed to meet assessed needs is a challenge, but not an insurmountable one. WFP will need to commit itself to strategic resourcing that provides visibility and transparency of funding, and to expanding its efforts, especially at the country-level and with a broader range of partners, in advocating for those who need its help. It will need the support of all its donors and partners to go beyond the familiar, and asks the Board to advocate for funding that brings maximum flexibility and predictability, for example in the form of multi-year cash contributions.

ACRONYMS USED IN THE DOCUMENT

AusAid	Australian Agency for International Development
BRIC	Brazil, the Russian Federation, India, China
CAADP	Comprehensive Africa Agriculture Development Programme
CERF	Central Emergency Response Fund
FITTEST	Fast Information Technology and Telecommunications Emergency Support Team
GFRP	Global Food Crisis Response Programme
IDP	internally displaced person
IRA	Immediate Response Account
MDG	Millennium Development Goal
NGO	non-governmental organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Paper
UNDAF	United Nations Development Assistance Framework
VFF	Vulnerability Financing Facility