

Informal Consultation

# FUNDRAISING & COMMUNICATIONS STRATEGY DISCUSSION

26 July 2007



Presented by: John M. Powell



# *Operational Highlights\**

2008 – 2009 Needs

**US\$ 5.4 billion OPERATIONAL  
BUDGET covering**

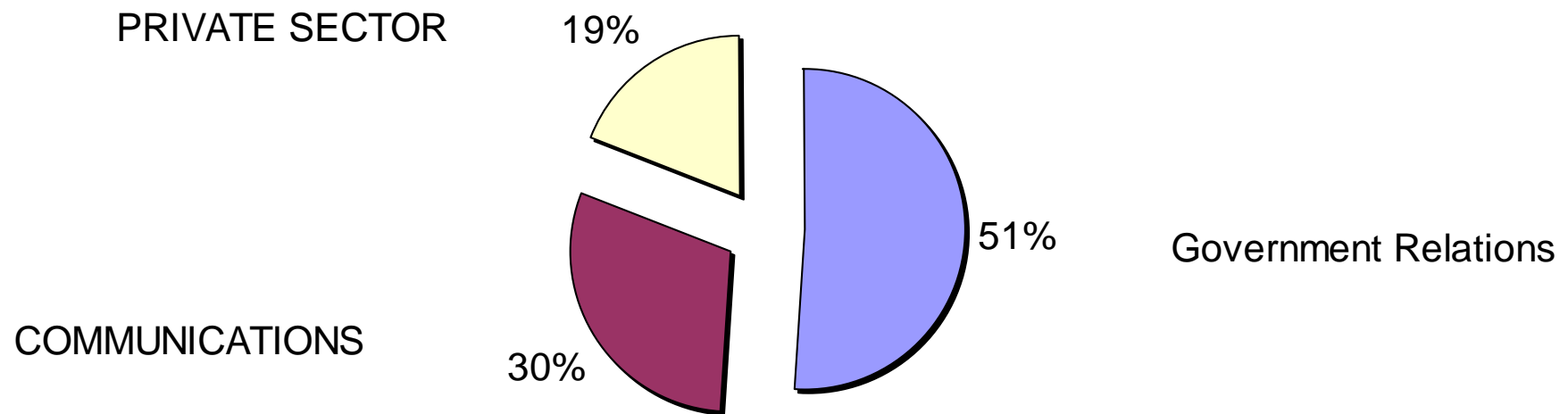
**162 OPERATIONS in 77 COUNTRIES  
delivering**

**7.8 million mt of FOOD to 89.9 million  
BENEFICIARIES within**

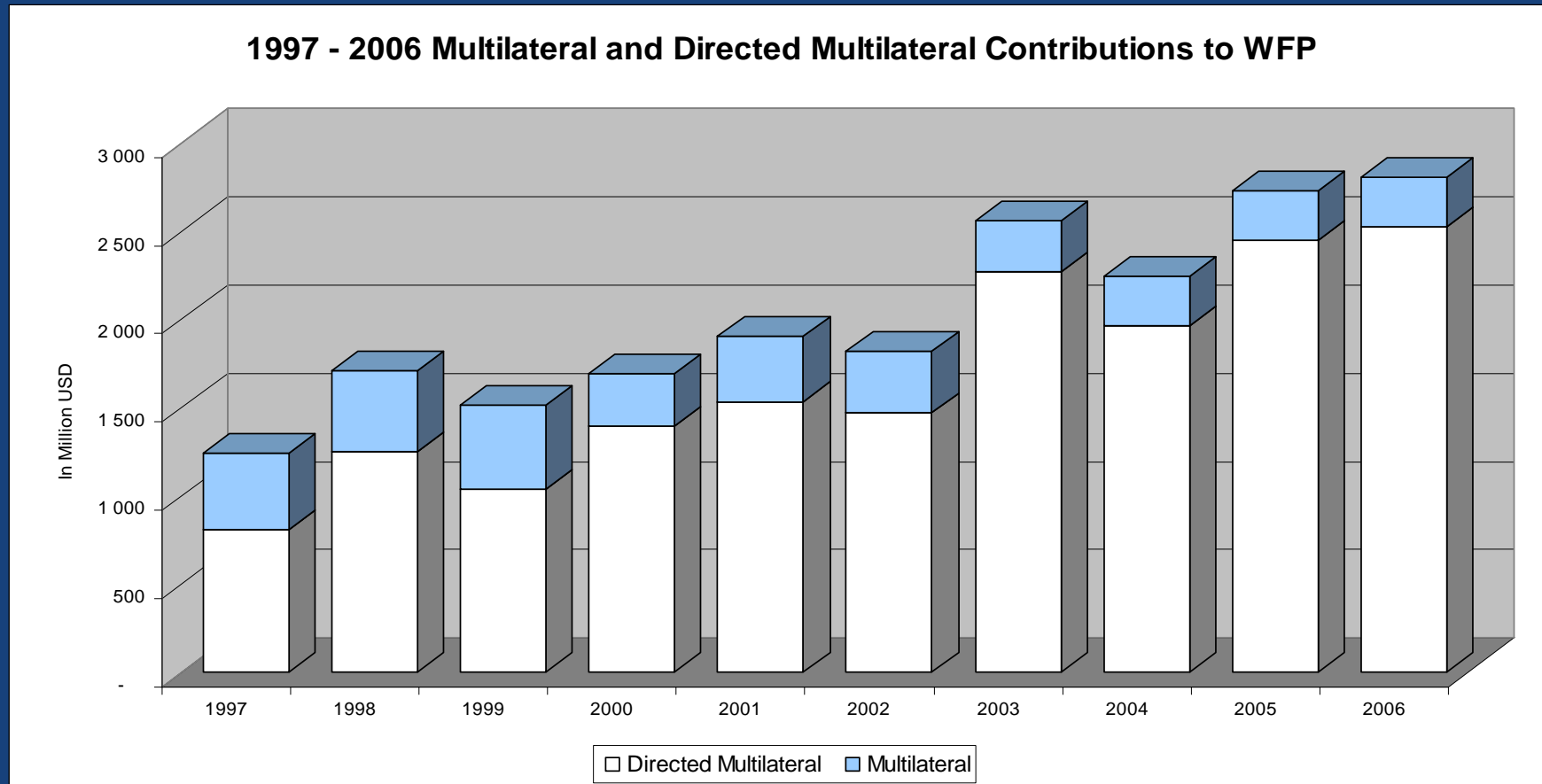
**5 STRATEGIC OBJECTIVES**

\* Unchanged from 26<sup>th</sup> June EB presentation

# 2007 FD Budget Breakdown (US\$ 22 million, or 12% of 2007 PSA)



# Funding 1997 – 2006



2004

## 'New Partnerships to Meet Rising Needs: Expanding the Donor Base'

- Strengthening donor liaison
- Creating flexibility for encouraging new donor governments
- Refining criteria and targeting of Private Sector Donors

2005

## 'Funding for Effectiveness'

- Encouraging flexibility
- Increasing multilateralism



# Influencing Factors As We Move Forward

## New WFP Strategic and Management Plans

- Management Plan – October 2007
- Strategic Plan – June 2008

## Rising Demand in Agricultural Markets

- Biofuels
- Climate Change

## UN Reform

- 'Delivering as One'
- Common Funding (Humanitarian & Development)



# Strategic Focus

Government  
Fundraising

Advocacy  
&  
Awareness

Private Sector  
Fundraising



# Strategic Focus

Government  
Fundraising

Maintaining and  
increasing  
funding from donor  
governments

Improving quality  
of contributions

Advocacy  
&  
Awareness

Private Sector  
Fundraising





# Maintaining & Increasing Government Donor Funding

Adapting to the new environment

★ *UN: WFP's 3<sup>rd</sup> largest donor in 2006 (US\$ 161 million)*

Supporting recipient countries to become donors

★ *Government of South Sudan contributes US\$ 55 million in cash (currently WFP's 7<sup>th</sup> largest donor for 2007)*

Exploring new budget windows

★ *Growing support for Clusters, Protection, etc*



# Maintaining & Increasing Government Donor Funding

## Monitoring growth markets

- ★ *China pledges US\$ 5 billion China-Africa development fund*

## Increasing participation in relevant forums

- ★ *Irish Hunger Task Force; FAC; TICAD*

## Continued servicing

- ★ *Engaging traditional donors in Rome, capitals and the field*



# Optimizing Funding for Better Delivery

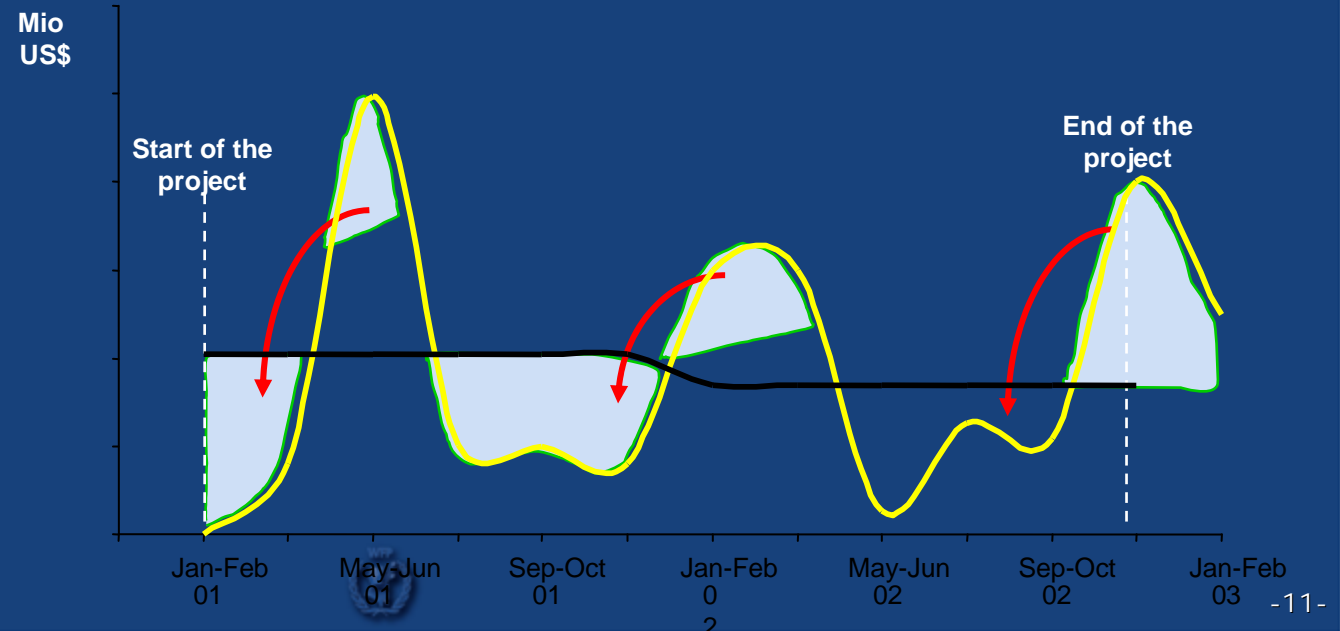
## Facilitating better resource planning

- Better information for donor planning
- Increasing predictability of contributions, for stronger programme/pipeline management

## Enhancing Flexibility

- Decreasing constraints on funding
- Increasing multilateral funding
- New Business

Model



# Way Forward

- ✓ Through advocacy & awareness, create enabling environment
- ✓ Strengthen ties with Country and Liaison Offices
- ✓ Innovations in fundraising
  - ✓ Twinning
  - ✓ Debt Swap



# Strategic Focus

## Advocacy & Awareness

Position WFP as key voice on hunger, nutrition and food assistance with tailored communications outreach

Build broad-based awareness and understanding of WFP and hunger issues in support of the MDGs



# Position WFP as key voice on hunger, nutrition and food assistance with tailored communications outreach

Increasing visibility for donors and WFP's operations

Ensuring WFP's position on hunger/food issues is heard in targeted media and by decision-makers

Reaching out to a young generation





**World's most successful humanitarian video game**

**Available in ten languages; Arabic and Spanish coming soon**

**Key youth advocacy tool on global scale**

**Rich partnership potential**

# Build broad-based awareness and understanding of WFP and hunger issues in support of the MDGs

Intensifying activities in media relations

Better leverage of the Internet

Utilise advertising opportunities

WFP Ambassadors and Celebrities





# Advertising

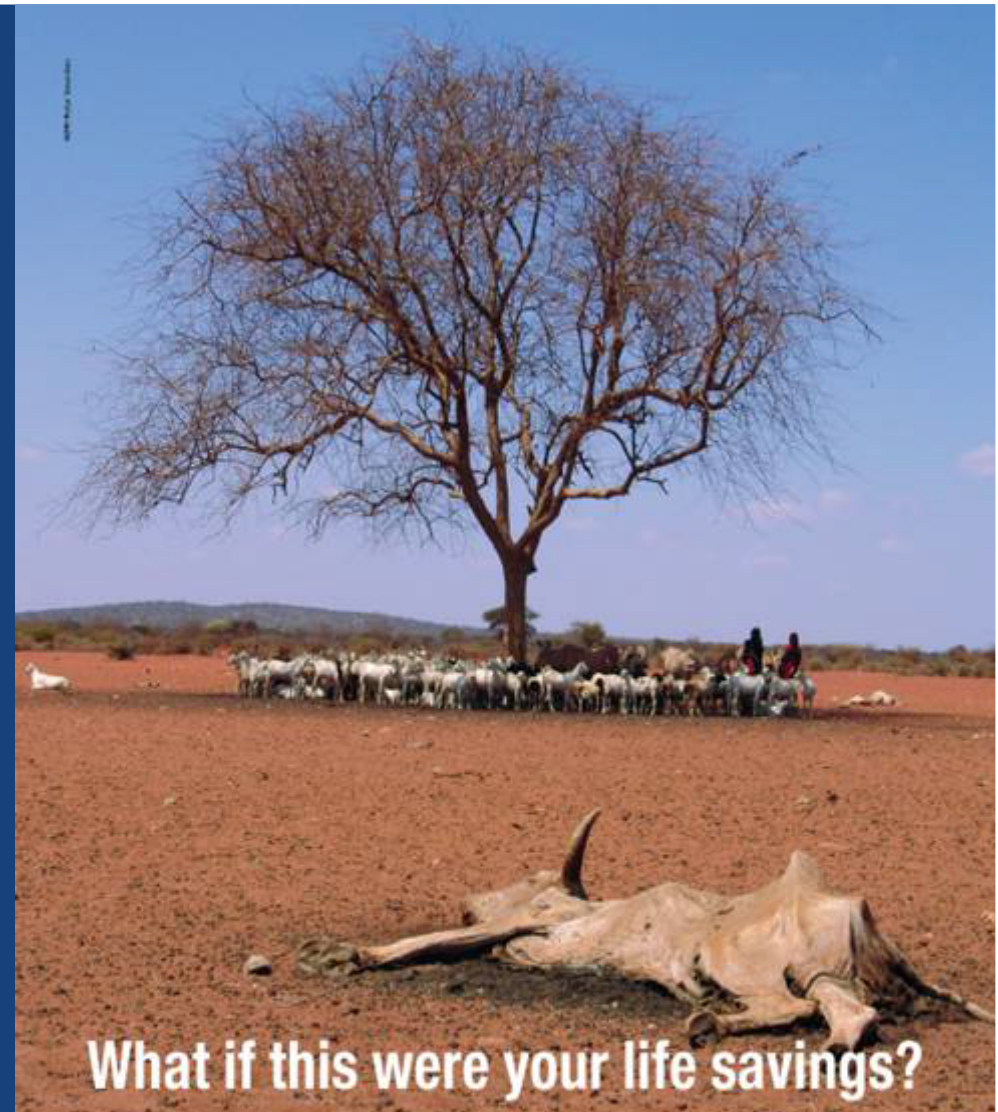
Cost to WFP : USD 225,000

21 print ads and 24 TV/cinema ads produced in 2006

Normally created, directed, produced, and distributed by WFP staff

Ad space provided pro-bono

Secured free advertising space worth at least USD 55 million



**What if this were your life savings?**

Countless herders in East Africa are losing their cattle today.  
Will it be their children tomorrow?

Please help: [www.wfp.org/donate](http://www.wfp.org/donate)



# WFP Celebrities and Ambassadors



Strategically selected  
advocates

Advocate on hunger  
issues

Facilitate support from  
private sector and  
general public



# Strategic Focus

Government  
Fundraising

Advocacy  
&  
Awareness

Private Sector  
Fundraising

Strengthen the operation

Raise more cash



# Private Sector Fundraising

Building on four years of experience

Proven formula

Nominal PSA cost to WFP



# The Vision (2008 – 2017)

Raise ~ US\$ 1 Billion net cash (2008-2017)

US\$ 200M cash per year as of 2017

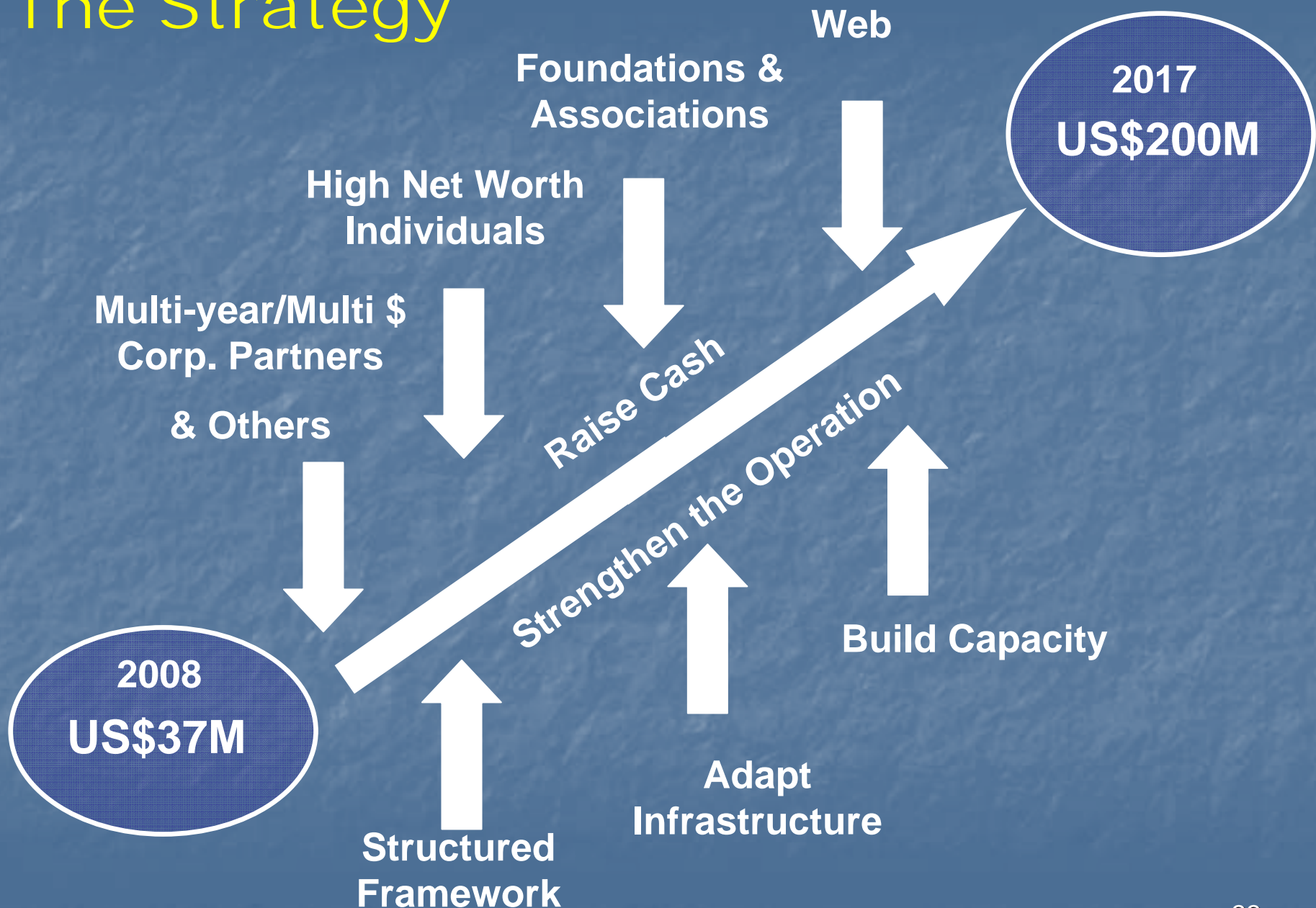
Conservative forecast; doesn't account for high-profile emergencies

Balanced portfolio between corporations and individuals

Self-financed



# The Strategy



# The Financing

To generate significant and sustainable private support, WFP needs to:

- Invest additional time and resources
- Increase return on investment



# Self-Financing

Full cost recovery - self-financed

ISC applied to all donations

13 percent fee to offset fundraising costs





# Self-Financing

Interest bearing loan from the General Fund over five years (2008-2012)

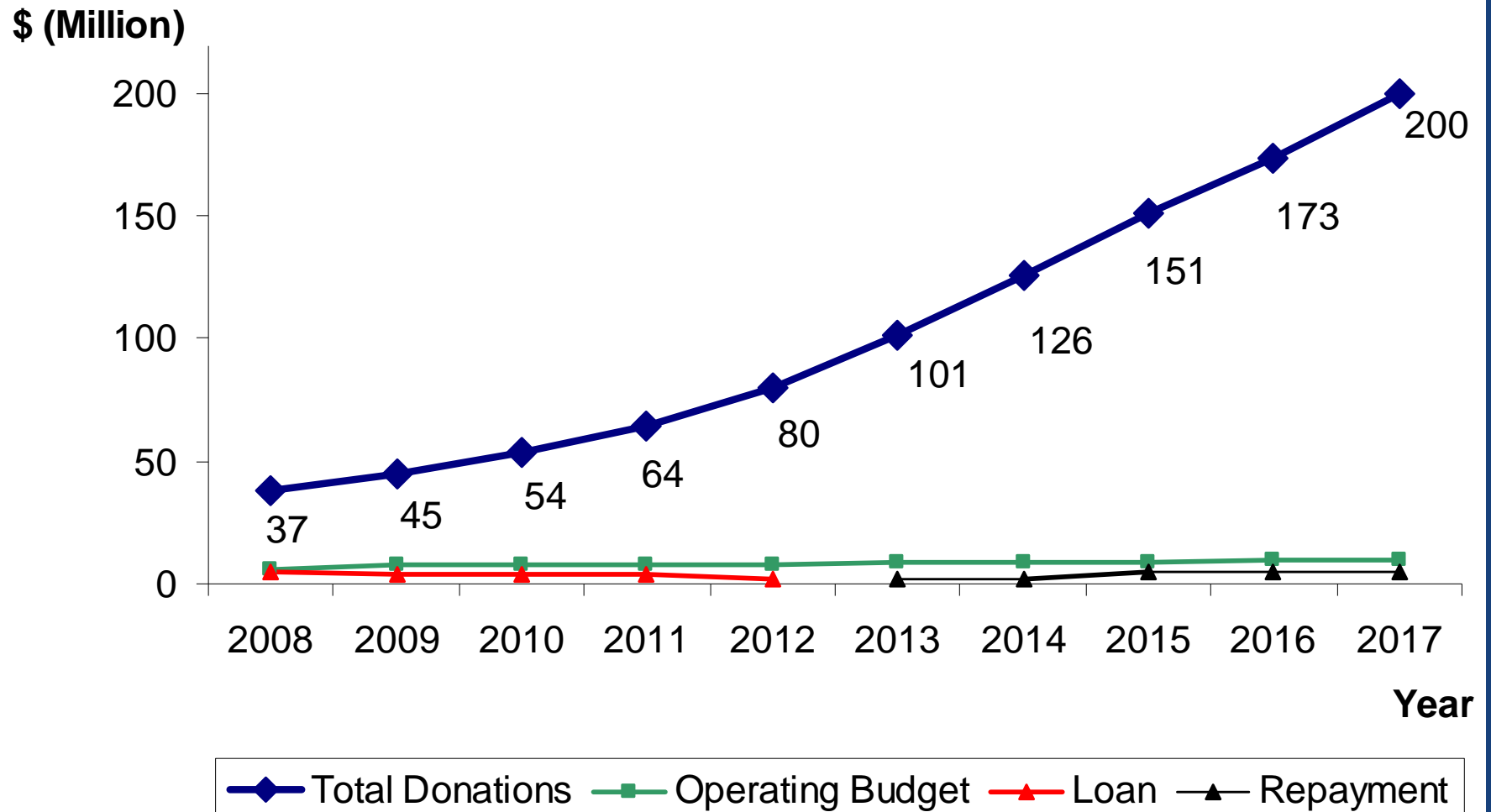
Repaid in subsequent five years (2013-2017)

The 13% fee is used to contribute to private sector budget and repay the loan

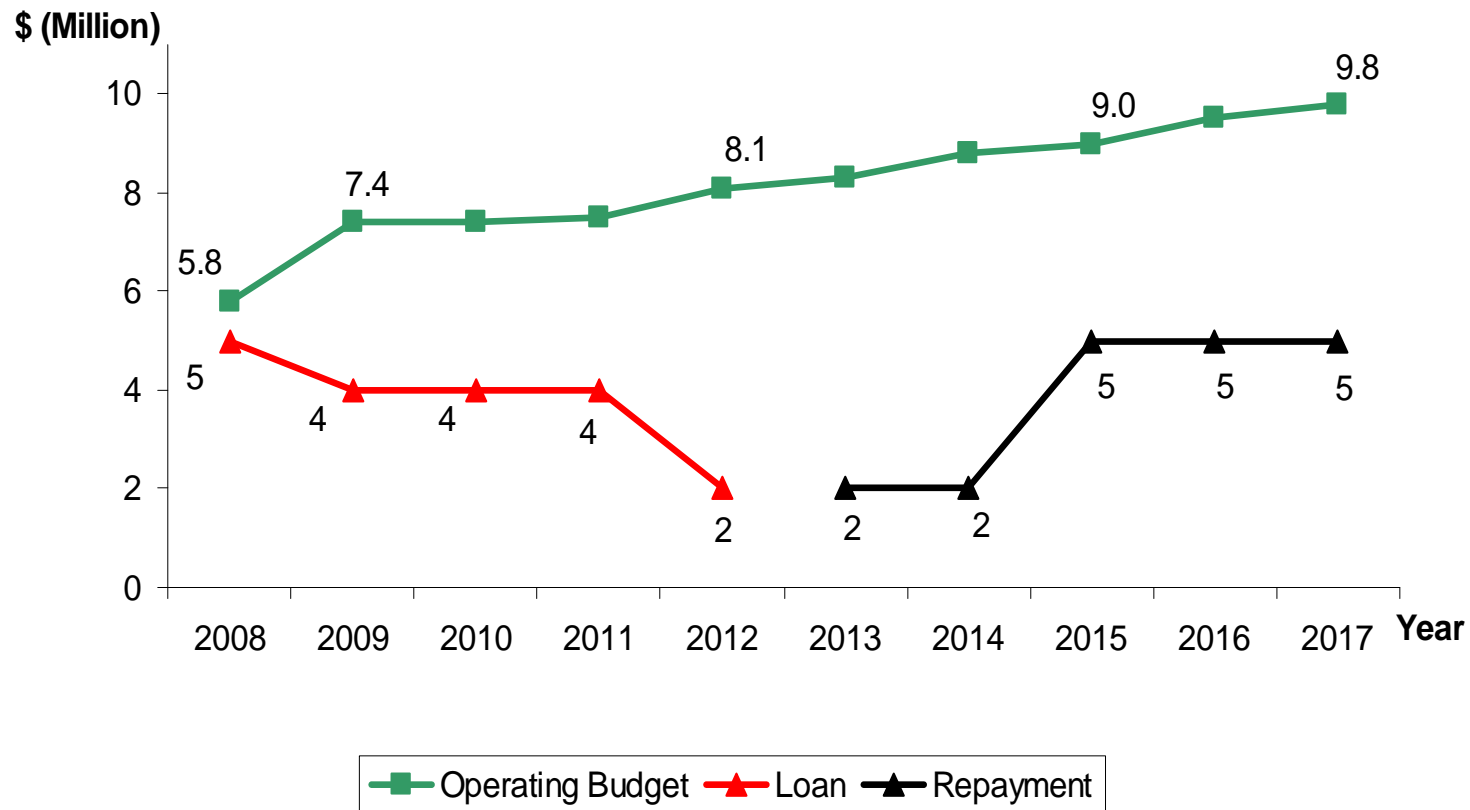
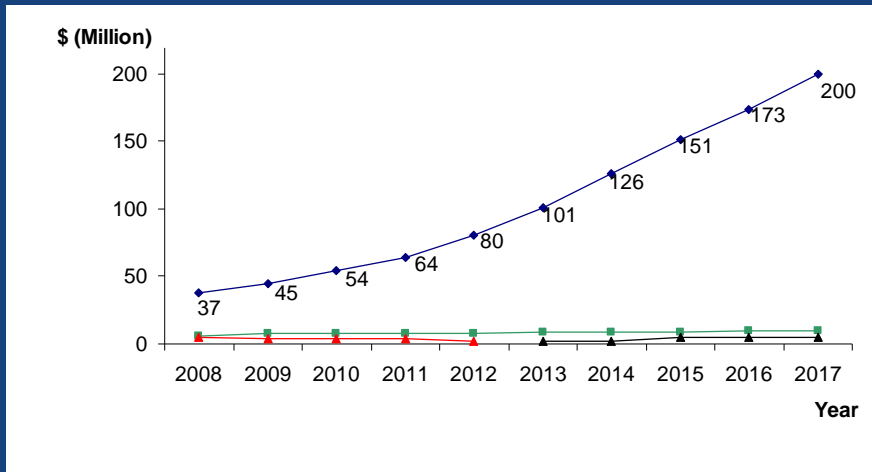
Return on Investment will go from 1:4 to 1:8



# Self Financing



# Self Financing



# Risk and Mitigation

## Risk

Reputation

Financial

## Mitigation

Research, due diligence, capacity building, increased institutional guidance

Higher income, loan is reduced

Lower income, adjust operating budget

Annual work plan and budget approved by the ED

**Regular reporting to the Executive Board**



# Discussion

