



**World Food Programme**



WFP/David Longstreath

**Integrated Road Map**

# Progress Update on the Integrated Road Map

Informal Consultation | 4 May 2017

# Agenda

1. **Progress Update and Lessons Learned**
2. **Flexibility in the Integrated Road Map Implementation Approach**

**Open floor for discussion**

3. **Governance**
4. **Employing Approval by Correspondence**

**Open floor for discussion**



# 1. Progress update and lessons learned

# Update on implementation

As of April, more than 95% of critical milestones are on track to enable the full corporate transition to the IRM framework on 1 January 2018.

- **2017 First Regular Session:** Wave 1A – 8 CSPs (Bangladesh, China, Colombia, Ecuador, El Salvador, Indonesia, Lao PDR and Zimbabwe) – approved.
- **1 March:** WINGS successfully reconfigured to record contributions for approved CSPs.
- **27–29 March:** Workshop with Deputy Regional Directors to share lessons learned on strategic reviews and the COMP.
- **31 March:** Advance resource transfer completed in Wave 1A countries.
- **2 April:** Wave 1A are 'live'.

# Update on implementation, cont.

All country offices are in various stages of preparing CSPs, ICSPs and T-ICSPs

- Investment from HQ Divisions, Regional Bureaux and Country Offices including extensive 'IRM Bootcamps', workshops and training sessions.
- Strategic Review process completed in 12 countries and underway in 23.

## **Key milestones ahead:**

- 16 May: Informal consultation to discuss Wave 1B (five CSPs – Cameroon, Lebanon, Mozambique, Namibia and Tanzania – and the ICSP for Sudan).
- 2017 Annual Session: Wave 1B CSPs/ICSP submitted for approval.
- Executive Director approval of T-ICSPs, based on previously approved project documents, which will begin on 1 January 2018.
- 2017 Second Regular Session: CSPs/ICSPs submitted for approval.
- Development and roll-out of budget planning tool and online portal.

# Lessons learned to date

The experience of preparing and implementing Wave 1A and Wave 1B CSPs/ICSPs provides a significant learning opportunity in key areas, including:

1. Strategic review process

2. CSP framework

3. Use of focus areas

4. Resource migration to new CP Budget

5. Annual Planning Process and Country Operations Management Plan (COMP)

6. Allocation of multilateral funding

7. Corporate Results Framework

8. Inclusion of Sudan's ICSP in Wave 1B

9. Organizational readiness / Human Resources

10. Treatment of Trust Funds

Note: At the time of compilation, CSPs had been 'LIVE' for less than four weeks

# Lessons learned to date I/II *(May 2017)*

## 1. Strategic Review process

- Without compromising national ownership of the process, encouraging full and inclusive participation of key stakeholders.
- Adapted to each country's context.
- Useful tool to engage with government and partners.

## 2. CSP Framework

- Guidance and internal reviews are ensuring more robust CSP content especially to integrate elements of the strategic review, partnerships, contributions to other SDGs, monitoring and evaluation and transition/exit strategies.
- Full and inclusive participation of stakeholders is encouraged in the development of the CSPs.

## 3. Use of focus areas

- Development of CSPs/ICSPs are providing a better understanding of how Strategic Outcomes can be formulated to promote greater visibility for resource mobilization and funding decisions.
- Wave 1A /1B allows WFP to gain experience in linking focus area to Strategic Outcomes and facilitating application of General Rules and Financial Regulations.
- Guidance is being updated to this effect.

## 4. Resource Migration

- Wave 1A exercise was challenging for WFP and some donor partners.
- Better coordination of resource migration activities between HQ, RB and CO includes detailed process mapping and clear deadlines.

# Lessons learned to date I/II *(May 2017)*

## 5. Annual Planning Process and Country Operations Management Plan (COMP)

- Wave 1A country offices conveyed the COMP process needs to be simplified and information collected should support country office decision-making and minimize redundancies with the CSP.
- COMP structure, format and guidance material is being updated for Wave 1B to improve the quality of information provided and ensure a high-level of consistency, particularly for resource prioritization and justification for modalities.
- Automate compilation of data from corporate systems as much as possible.

## 8. Inclusion of Sudan's ICSP in Wave 1B

- Added to Wave 1B to ensure lessons are captured from a major operation.

## 9. Organizational Readiness

- Online self-learning materials benefiting from Wave 1A feedback on content and level of detail.
- Use of materials is reinforced.

## 6. Allocation of multilateral funding

- SRAC is updating its decision-making criteria to consider needs, strategic outcomes, focus areas and performance.

## 7. Corporate Results Framework

- Guidance on outputs and linkage to other SDGs is being strengthened. New beneficiary definitions adopted.
- Future feedback will determine if additional guidance or revisions required.

## 10. Trust Funds

- Working group formed to create clear definition, circumstances for a trust fund and implications.
- Guidance will be developed for handling similar 'other' funding sources.





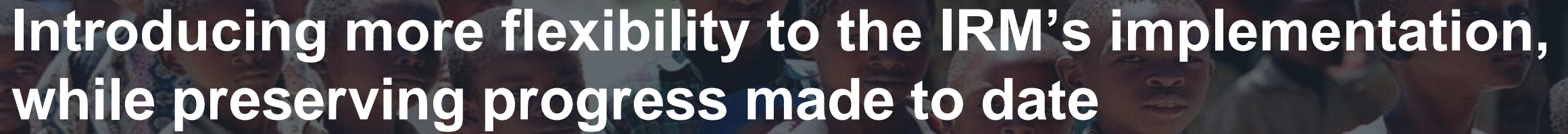
## 2. Flexibility in the Integrated Road Map implementation approach

MINISTÈRE EN CHARGE DU DÉVELOPPEMENT  
MONDE RURAL  
PROGRAMME AGRICOLE

# Bringing flexibility in the Integrated Road Map implementation approach

## OBJECTIVES

- Additional flexibility introduced opens an opportunity for individual Country Offices to further refine their timelines, while safeguarding progress to date.
- Ensures more time for the Secretariat to learn lessons, make adjustments and progressively implement improvements.
- Allows more time for donor readiness as well as Executive Board strategic oversight and engagement.



# Introducing more flexibility to the IRM's implementation, while preserving progress made to date

**Maintain the target go-live date of 1 January 2018** to make the corporate transition to the new IRM programmatic and budgetary system.

On an exceptional basis, allow flexibility for **select Country Offices to continue with project implementation instead of CSPs/ICSPs** beyond 1 January 2018, while working towards transitioning to the IRM framework no later than January 2019.

## **Country offices selected based on:**

- Context where there is an opportunity to improve programmatic quality;
- Combination of funding concerns and the extent of the resource migration exercise which could impede operational continuity; and/or
- Headquarter and regional bureaux readiness for IRM service support and country office capacity to successfully absorb and manage the change.

**Impact Analysis on-going: To be completed by mid-May.**



# Implications: Opportunities



**Extended period to implement learning:** More systematic integration of lessons learned and best practices, especially in areas of internal processes, systems, governance.



**Organizational readiness:** More time to fully understand and absorb implications from an organizational readiness perspective



**Corporate capacity:** Ensure WFP retains its corporate response capacity in the context of unprecedented complex crises and undertakes the Integrated Road Map transformation with a more measured approach.



**Resource transfer process:** Ease scale and pressure to transfer resources and stagger the workload over an extended period of time.



**General Rule and Financial Regulation Changes:** Proposed changes benefit from additional lead-time and discussion with Executive Board.



**Reducing year-end risk:** Risks associated with transitioning all country offices at the same time to the new architecture will be reduced, subject to the actual number of country offices on the project path, including those with more complex operations.



# Implications: Risks

i

Resources to results: WFP's ability to demonstrate the results-oriented approach and "line of sight" will only be possible for countries on the IRM path.

ii

Reputational impact: UN and other partner organizations are closely monitoring WFP's transformation. Delays could be perceived as a setback.

iii

Increased Resource Requirements: One year delay would entail additional investments.

iv

Contributions: Contributions would be accepted in two different ways to align with the different structures and respective full-cost recovery policies.

v

Dual Structures [of reporting, etc.]: Dual structure would operate to accommodate and manage the current project system and the IRM framework. Implications from a resource management and reporting perspective.

Some of these risks are also valid for 2017 (on a smaller scale) and are being successfully managed.



# Risk Mitigation Strategy

- Measures to be put in place to ensure internal system can handle parallel configurations at scale.
- Investments to be made to control and manage operational processes with a dual structure approach.
- WFP staff and partners to be sensitized to support the dual structure approach.
- All communication on WFP's Programme of Work, operational requirements information, resource management reports to clearly indicate the applicable framework.
- Clear strategy to be developed to provide consolidated reporting of needs and expenditures.
- Work with the EB membership on reporting requirements during the course of 2017 to ensure information demands are met.



# Conclusions

IRM Steering Committee<sup>1</sup> concluded the benefits and opportunities outweighed the risks, particularly for a small number of Country Offices where a more measured approach could be valuable. In addition:

- Extended period of learning that allows consideration of amendments to the WFP General Rules and Financial Regulations:
  - Better alignment of terminology and definitions to new framework;
  - Budgetary thresholds for delegations of authority; and
  - Use of focus areas.
- More balanced distribution of resource transfer over an an extended period of time to avoid funding issues.
- Ensures capacity at HQ, Regional Bureaux and Country Offices to implement the IRM and respond to an unprecedented level of emergency response.

<sup>1</sup>IRM Steering Committee includes the Executive Director, Deputy Executive Directors, Assistant Executive Directors, Regional Directors and IRM Directors for Policy and Planning, Operations, and Partnerships.



**Integrated** *Road Map*

# Discussion



## 3. Governance

# Governance during 2018

Three main areas of change:

- 1 Full Cost Recovery  
General Rule XIII.4** Propose revised interim basis for full cost recovery for CSPs, ICSPs and T-ICSPs in 2018
- 2 Delegations of Authority  
Appendix to the General Rules** Propose to provide interim Delegations of Authority for CSPs, ICSPs and T-ICSPs in 2018
- 3 Terminology and Definitions** Propose to extend certain derogations (originally approved at EB.2/16) to CSPs, ICSPs and T-ICSPs in 2018

For approval at the  
2017 Second Regular Session to avoid having two “Blue Books”

# 1. Full Cost Recovery principles for 2018

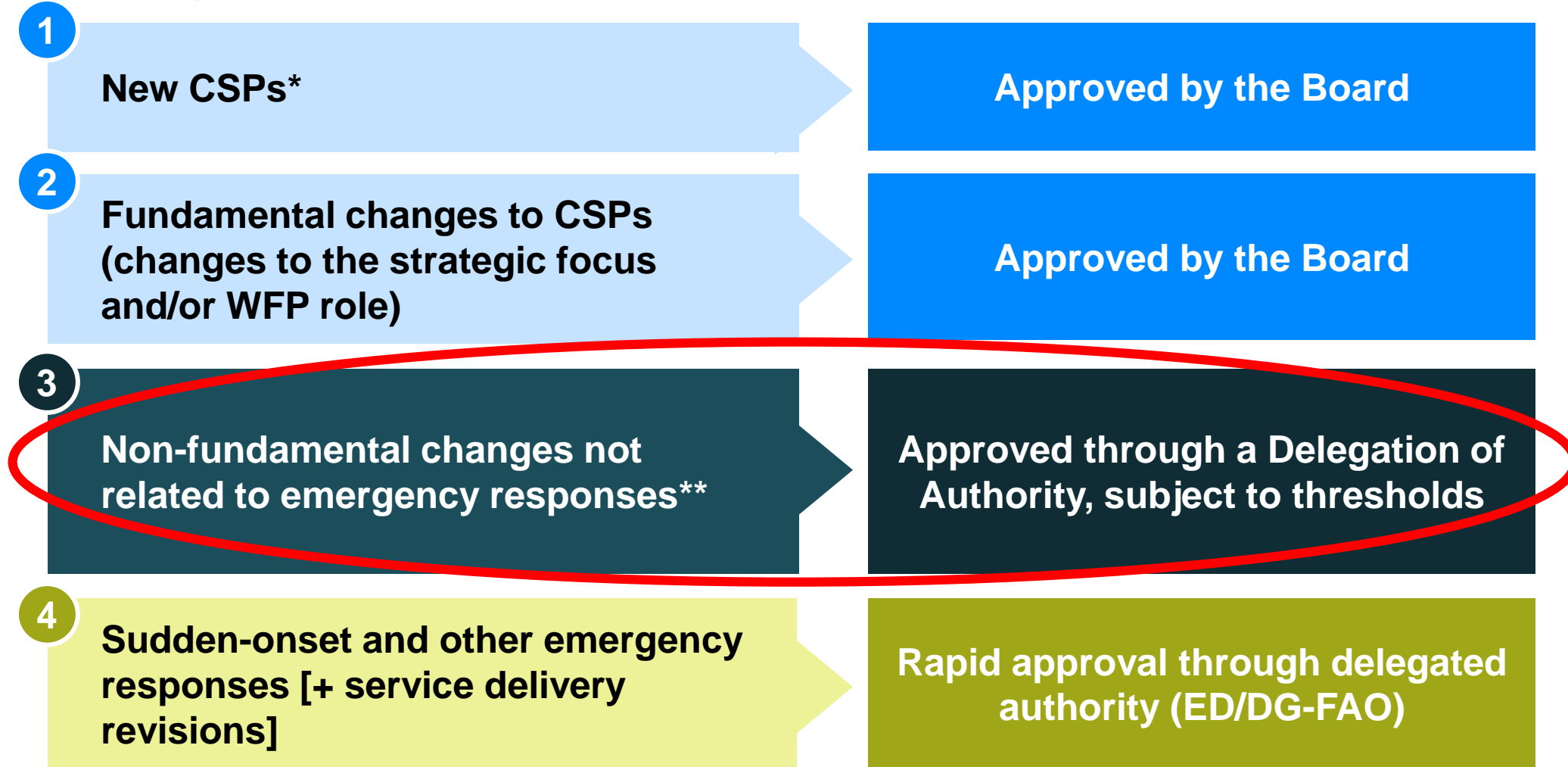
In accordance with General Regulation XIII.2, the following shall apply to the various types of contributions to WFP:

- a) The following high-level cost categories shall apply to all types of contributions:
  - i. Transfer and implementation costs, which represent the operational costs of a contribution;
  - ii. Adjusted direct support costs; a country specific percentage of the transfer and implementation costs of the contribution; and
  - iii. Indirect support costs: a standard, Board determined, percentage of the transfer, implementation and adjusted direct support costs of the contribution.

- **2016:** Discussions with the Executive Board.
- **2017 Second Regular Session:** Present above interim 2018 principles for approval.
- **2018 Second Regular Session:** Amend General Rule XIII.4.

# 2. Delegations of Authority

## *Outline for the CSP Framework*



\* Noting that some CSPs may not be approved by the Board. When a CSP is funded entirely by the host government, it may be approved by the Executive Director further to Financial Regulations 5.1 and 5.2, subject to General Regulation X.6

# 2. Delegations of Authority

## *Current delegations of authority*

**The current project approval Delegations of Authority to the ED:**

**Up to \$20 million in food value for PRROs  
(above which is approved by the EB)**

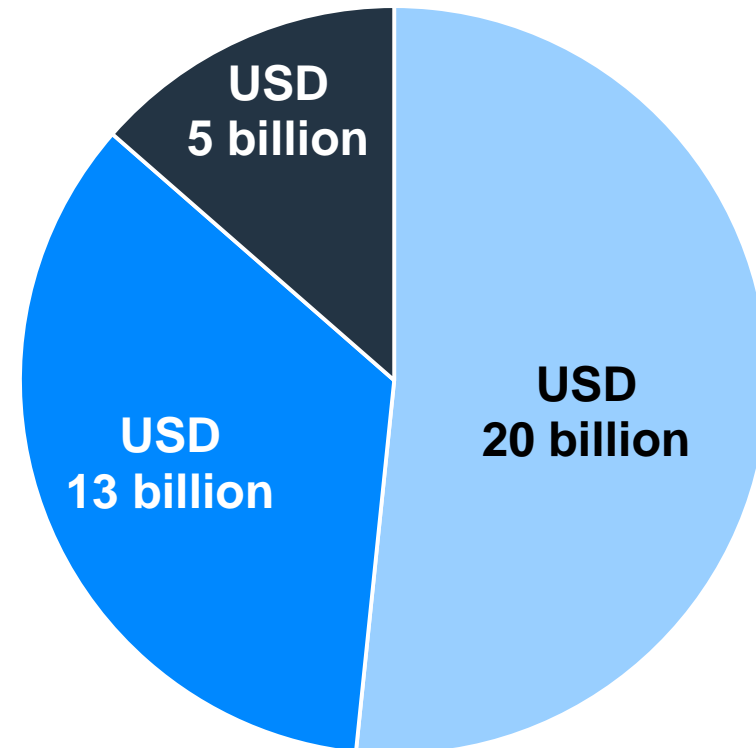
**Up to \$3 million in food value for CP/DEV  
(above which is approved by the EB)**

**Up to \$3 million in food value for EMOPs  
(above which is approved jointly with DG-FAO)**

**All SOPs**

## **Overview of Approvals 2011 - 2015**

(New Operations + Revisions)



■ EB ■ ED and FAO DG ■ ED

Value of Approvals (in USD Billions)

## 2. Delegations of Authority [non-fundamental, non-emergency]

*Caveats to Analysis of Project Budget Approvals and Revisions (2011-2015)*

**Secretariat conducted an analysis of all project budget approvals and budget revisions over the five-year period, 2011 to 2015.**

### **Note that:**

- This has full benefit of hindsight; and
- Projects (usually) have a shorter duration and are more disaggregated, therefore comparability to new CSP structure is limited.

### **As a result:**

- Recommendations will be made in November 2017 for interim delegations of authority for 2018;
- Based on 2018 experience they will be updated and submitted for approval in November 2018; and
- Final delegations of authority should be reviewed within three years time.

## 2. Under the CSP framework governance structure, the Board's fundamental strategic role in approving new documents increases

Project type	Current EB approvals for new projects		New governance structure for new CSPs	
	Threshold	Total value 2011-2015	Threshold	Total value 2011-2015
CPs	All CPs	USD 2,678M	All CPs	USD 2,678M
DEV	all > USD 3M in transfers + < USD 3M in transfers if no previous WFP presence	USD 196M	all DEVs	USD 257M (+30%)
PRRO	all > USD 20M in transfers	USD 13,851M	all PRROs	USD 14,458M (+4%)
EMOP SOP	<i>no EB approval</i>		only planned recurring EMOPs or SOPs (estimated half of total EMOP or SOPs)	+ USD 3,230M
Total EB approvals for 5 years: USD 16.7 billion			Total EB approvals for 5 years: USD 20.6 billion	

**Conclusion: EB authority over new “projects” expected to increase substantially.**

## 2. Draft proposal for the Delegation of Authority thresholds for budget revisions [non-fundamental, non-emergency]\*

*Proposed as Interim Delegations (for CSPs and ICSPs in 2018)*

Taking into account the variation of CSP sizes while ensuring focus remains on ‘Significant’ changes, thresholds based on three principles:

1. **Based on Overall Budget Value:** Current Delegations are defined by an input-based “food” value; switching to the overall budget value to better reflect WFP’s shift to food assistance and the outcome-focused approach of the CSP Framework;
2. **Establishing Maximum/Minimum absolute values,** to the ensure EB oversight & approval for large budget revisions, while maximizing efficiencies through internal management of smaller changes.
3. **Relative Proportion (% based),** to better accommodate for variation in CSP size and to help ensure that relatively ‘significant’ budget changes are approved by the EB.

*Based on 2011-2015 data, CSP sizes would have ranged from over USD 2 billion (the largest 6 countries) to averaging USD 150 million (smallest 40 countries)*

\* Takes into consideration the feedback received in the 17 March Informal Consultation



## 2. Establishing maximum and minimum absolute (\$ value) thresholds [non-fundamental, non-emergency]\*

**Maximum Absolute Thresholds:** Above which all Budget Revisions must go to the EB; this would ensure EB oversight and approval for large budgetary changes, which represent greater risk to WFP by virtue of their size.

**Proposed value of USD 150 million**

*A sensitivity analysis was done to ensure a balance between the number and the value of Budget Revisions that would go to the Board for approval, comparing levels of USD 250 million, 150 million and 100 million.*

- **Proposed for non-fundamental, non-emergency Budget Revisions going to the EB**
- **Proposed as Annual Thresholds**

\* Takes into consideration the feedback received in the 17 March Informal Consultation

## 2. Establishing maximum and minimum absolute (\$ value) thresholds [non-fundamental, non-emergency]\*

**Minimum Thresholds:** Below which no CSP Budget Revision would go to the EB; this would optimize efficiencies both for the Board's workload as well as WFP's internal processing of smaller budgetary changes.

**Proposed value of USD 48 million**

*This reflects the value of the EB's current Delegated thresholds for PRROs (which represent approximately 85% of what the EB approved 2011-2015).*

*This provides for strong efficiencies for internal management of smaller changes, as based on the 2011-2015 data, nearly 90% of the **number** of Budget Revisions were under USD 48 million (1,017 out of 1,146) - though that represented only 24% of the **value** of the Budget Revisions approved during that time.*

- **Proposed for non-fundamental, non-emergency Budget Revisions going to the EB**
- **Proposed as Annual Thresholds**

\* Takes into consideration the feedback received in the 17 March Informal Consultation

### 3. Based on a historical analysis of the current DoA

#### *Proposal of 30% Relative Threshold\**

Assuming an overall budget equivalent (instead of 'food' value) of current DoAs, an analysis of what those levels represented when they were approved:

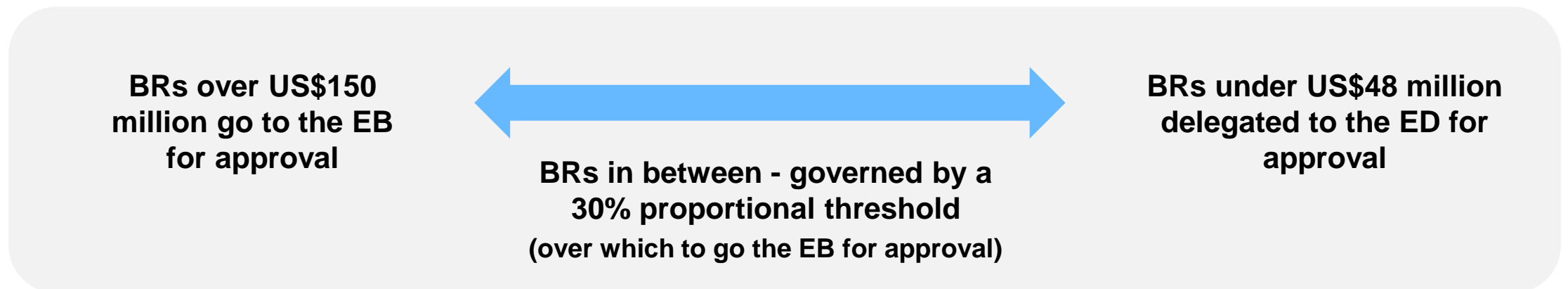
What the Delegation of Authority Meant in 1994 (when the DoA was newly in place)			
Threshold in Food Value	Equivalent total budget value	Average Budget Approval Size (PRRO, EMOP, DEV)	Average Proportion
US\$ 3 million	US\$ 7.5 million	US \$25 million	30%

What the Delegation of Authority Meant in 2004 (when the DoA was revised for PRROs)			
Threshold in Food Value (PRRO)	Equivalent total budget value	Average PRRO Budget Approval Size	Average Proportion
US\$ 20 million	US\$ 48 million	US\$ 114 million	42%

\* *Could be applied cumulatively*

## 2. Summary for Delegation of Authority thresholds of non-fundamental, non-emergency budget changes

1. Approval on all very large budgetary changes – **proposed maximum threshold of USD 150 million\*** (all BRs over this value go to the EB for approval);
2. Delegating smaller budgetary changes for WFP’s internal approval to maximize operational efficiencies – **proposed minimum threshold of USD 48 million\*** (all BRs under this value approved internally);
3. Oversight and approval on all ‘significant’ changes to CSPs (relative to the size of the CSP) – **proposed 30% proportional threshold** (over which go to the EB for approval).

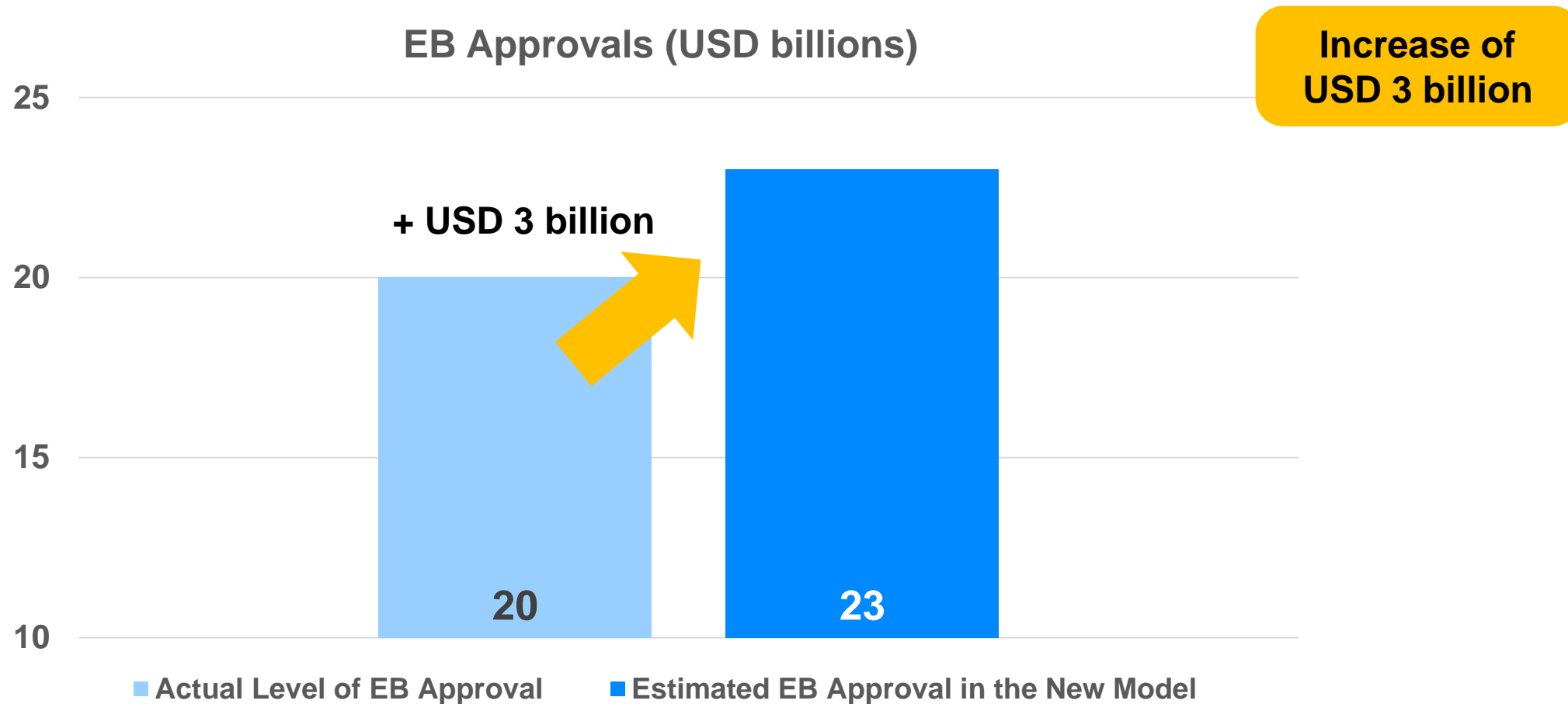


*\* Proposed to be applied annually*

## 2. Examples of Delegation of Authority thresholds for EB approvals of non-emergency budget changes

Original CSP (USD millions)	Budget Revision (USD millions)	Approval Authority
1800	250	Executive Board, as greater than USD 150 million
150	25	Executive Director, as less than USD 48 million
180	55	Executive Board, as between USD 150-48 million, and greater than 30%
750	15 (Fundamental Change eg. new Strategic Outcome)	Executive Board, as a Fundamental Change

## 2. How would this new governance model have changed the overall level of EB approvals 2011 – 2015?



# 3. Terminology and Definitions

At the 2016 Second Regular Session the Board authorized specific derogations – up to 31 December 2017- from WFP General Rules and Financial Regulations:

- Provisions of General Rule XIII.4 and Financial Regulations 1.1 and 4.5 concerning cost categorization and full-cost recovery; and that
- Provisions referring to existing programme categories be interpreted as reference to CSPs.

*Propose – at the 2017 Second Regular Session – to extend certain derogations to CSPs, ICSPs and T-ICSPs up to 31 December 2018 to avoid two “Blue Books”.*

**Final amendments to WFP General Rules and Financial Regulations to be presented for approval at 2018 Second Regular Session**



## 4. Employing approval by correspondence



# Employing Approval By Correspondence

*To be presented at the 2017 Annual Session for Approval*

## i. Approval of project budget revisions in 2017 and 2018

- Several country offices will require the Board's approval of project budget revisions (i.e. PRROs, DEVs and CPs) to extend existing projects before the approval and start of a CSP, ICSP or T-ICSP.

## ii. Approval of extensions in time for T-ICSPs (up to June 2019)

- T-ICSPs will be approved by the Executive Director for a period of up to 18 months as a bridge to a strategic-review informed CSP; and
- In some cases the development of the CSP may slip outside of the timeframe currently envisaged (noting that all CSPs/ICSPs are expected by June 2019).

**Approval by correspondence will streamline the approach and could reduce the Board's anticipated workload while maintaining oversight; replaces proposals for temporary delegations of authority.**

# Process of Approval By Correspondence

*Presented at 2017 Annual Session for Approval*

## **Approval by correspondence will entail the following steps:**

- The Secretariat will post the project budget revision on WFP's website as soon as it has been cleared by the Executive Director.
- Board members will be advised immediately by e-mail of the posting so that they may communicate comments to the Secretariat within **ten** working days.
- On receipt of comments from any Board member, the Secretariat will address them bilaterally with each member.
- At the end of the posting period, the document will be considered approved unless at least one member requests a discussion at the next Board session.

**Approved project budget revisions and T-ICSP extensions in time will be submitted for information to the Board at subsequent Board sessions.**



# Discussion