



Update on the Integrated Road Map, including governance arrangements

10 July 2019 | 9:30am – 12:30pm

Agenda

1. Progress to date and the latest timeline for approval
2. Governance arrangements
 - Review of application of the interim delegations of authority

DISCUSSION

3. Lessons learned on other governance issues
 - Five-day Member State review on crisis response revisions
 - Two-step consultation process
4. External Auditor report on Country Portfolio Budgets
5. Next Steps

DISCUSSION

PROGRESS TO DATE

Integrated
Road Map

2017

12



12 'live' of 14 approved

CSPs 11

ICSPs 1

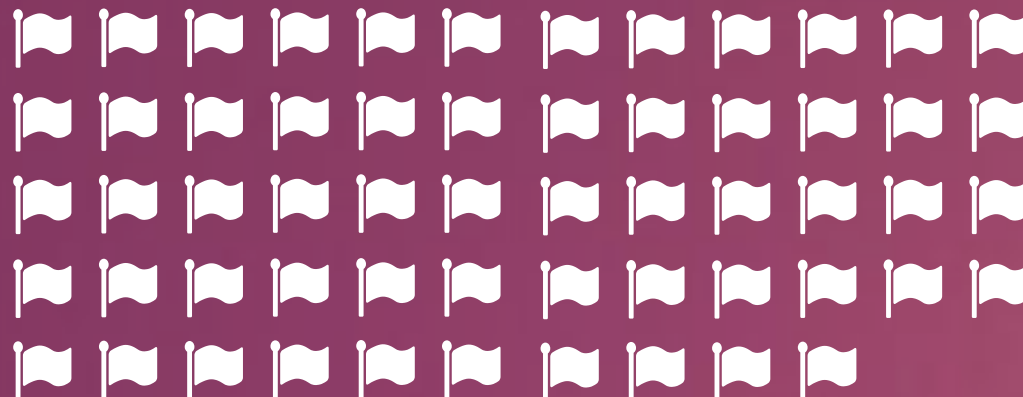


Core business of crisis response:

- Sudan ICSP (complex operation)
- Bangladesh CSP (Rohingya crisis)

2018

59



January: 53 'live'

T-ICSPs 37

CSPs 12 ICSPs 4

April: 2 'live'

CSPs 1 ICSPs 1

July: 3 'live'

CSPs 3

August: 1 'live'

CSPs 1

2019

12



January: 11 'live'

CSPs 8 ICSPs 3

July: 1 'live'

Pacific Interim Multi Country Strategic Plan

2020

1

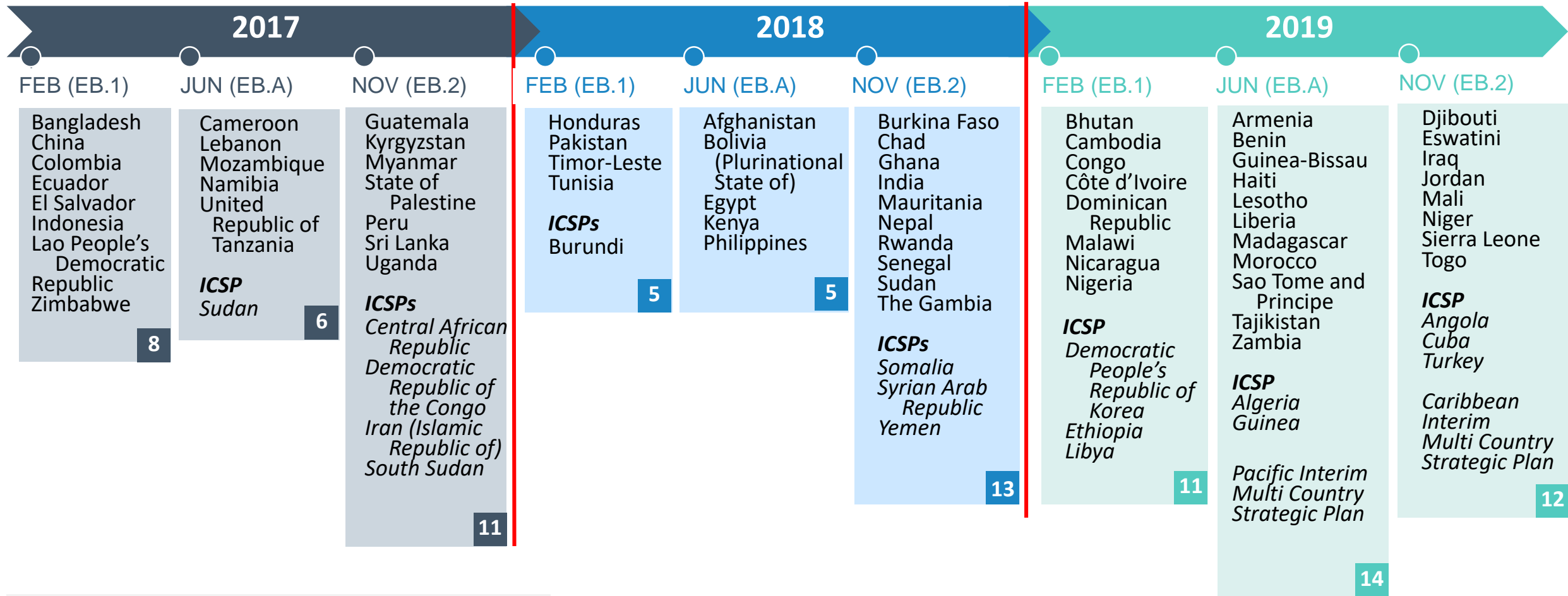
January: 1 'live'

Caribbean Interim Multi Country Strategic Plan

As of January 2019, 82 countries are under the IRM Framework

Integrated Road Map: Indicative Timeline for Approval 2017– 2019

CSPs and ICSPs (as of 30 May 2019)



Legend:

X Number of countries

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 - Review of application of the interim delegations of authority

DISCUSSION

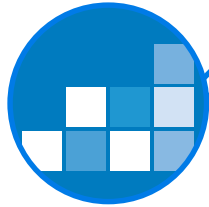
3. Lessons learned on other governance issues
 - Five-day Member State review on crisis response revisions
 - Two-step consultation process
4. External Auditor report on Country Portfolio Budgets
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DISCUSSION

Guiding principles for developing permanent delegations of authority



Strengthen the **Board's fundamental approval role**;



Reduce fragmentation to enhance the Board's strategic oversight;



Retain WFP's ability to **respond quickly to emergencies**; and



Apply a governance model that **is risk-based and cost-effective.**

Governance Arrangements

Under the IRM framework:

- The Board approves all CSPs/ICSPs (with a few minor exceptions); and
- The Board approves all fundamental changes relating to the strategic direction of CSPs/ICSPs (apart from crisis response revisions).

Concerning non-fundamental, non-crisis response increases that are not related to fundamental changes, emergency response and strategic outcomes funded entirely by a host government to CSPs/ICPs:

Decision point (vi)

- *approves*, for the period from 1 January 2018 to 29 February 2020, the interim delegations of authority to the Executive Director set forth in annex II to the Update on the Integrated Road Map (WFP/EB.2/2017/4-A/1/Rev.1), noting that permanent delegations of authority to the Executive Director would be approved, **following a review of the interim delegations of authority, by the Executive Board at its 2020 first regular session.**

- *Update on the Integrated Road Map, 2017 second regular session (WFP/EB.2/2017/11)*

Interim Delegations of Authority: Budgetary Thresholds and Focus Areas

	Crisis Response Budget Revision	Root Causes & Resilience Building Budget Revision (over the lifetime of the CSP)
Executive Director	Up to USD 50 million (<i>per revision</i>)	≤ 25 % of last EB approved CSP value OR USD 150 million
Executive Director and FAO Director-General	> USD 50 million (<i>per revision</i>)	N/A
Board	N/A	25 % of last Board-approved CSP value OR > USD 150 million

- Board approves budget revisions for strategic outcomes related to resilience building and root causes focus areas that exceed 25% of the Board-approved value of the ICSP/CSP or USD 150 million, whichever is lesser
- 2018 programme of work was valued at USD 9.02 billion. Crisis response accounts for 73% of this (USD 6.62 billion), resilience building 19% (USD 1.66 billion) and root causes 8% (USD 0.74 billion)

Review Parameters

Question

Have the original expectations for increased Board approval and efficiency under the Integrated Road Map Framework materialized?

Specifically:

- 1. To what extent** has the Executive Board's role in approving WFP programmes (CSPs and ICSPs) increased under the Integrated Road Map framework compared with the project-based system?
- 2. What is the extent** of the efficiency gains achieved in terms of the number of programme and budget revision approvals under the Integrated Road Map framework compared with the project-based system?

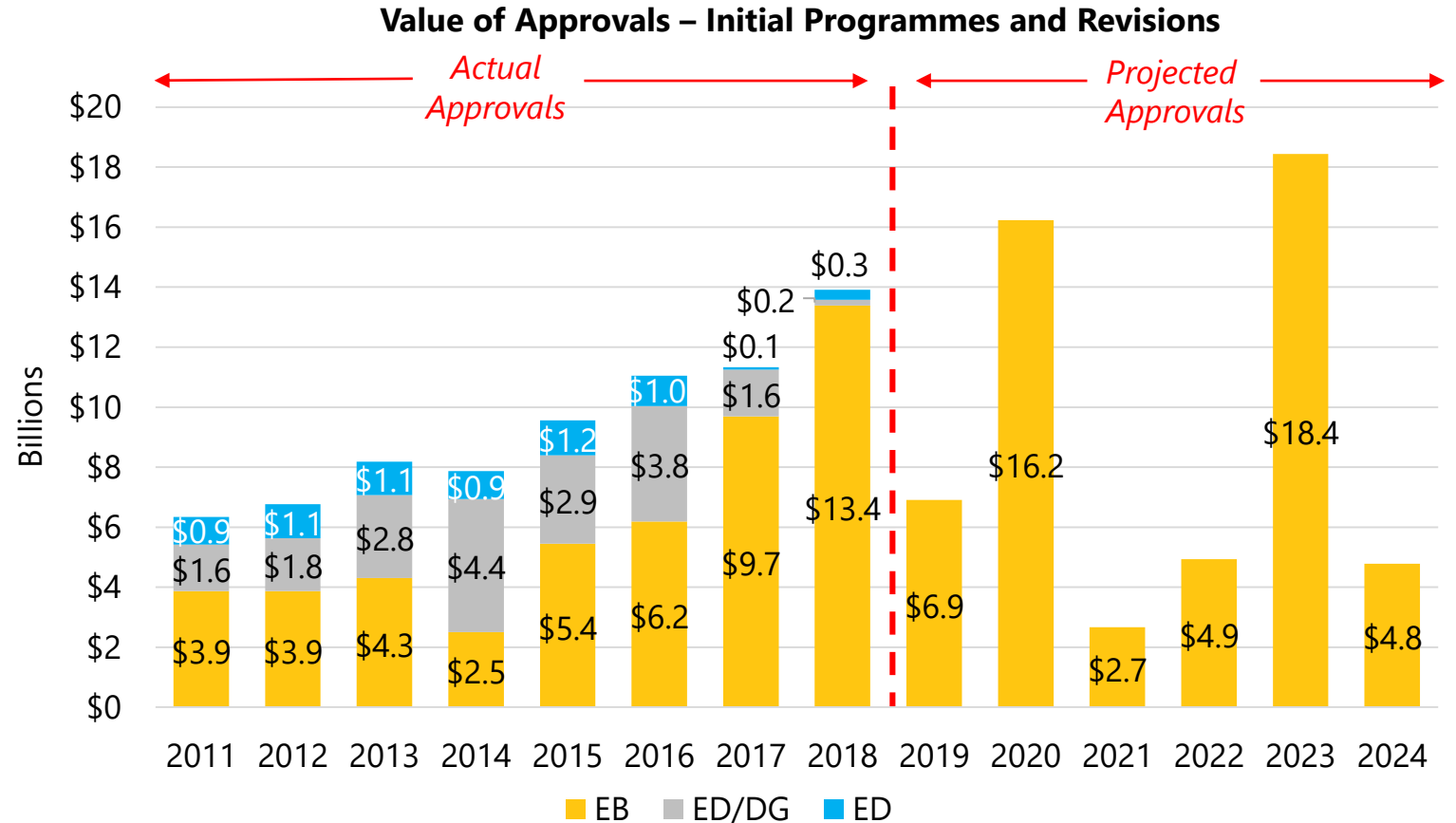
The review consisted of:

- Data analysis, including projections, of CSP budgets for the period 2018-2024 across 83 countries
- Analysis of project, CSP and ICSP approvals and revisions for the period 2011-2018
- One full calendar year reviewed - 2018
- Ten countries not part of Integrated Road Map framework at this time: Chad, the Republic of the Congo, Ethiopia, Libya, Malawi, Niger, Nigeria, Rwanda, Somalia and Yemen
- Feedback from Country Offices, Regional Bureaux and various HQ divisions

Finding 1: Under the IRM framework, there has been a substantial increase in the Executive Board's role in approving WFP programmes

Under the IRM framework, there has been a substantial increase in the Executive Board's role in approving WFP programmes (CSPs and ICSPs)

- In terms of **absolute value** – from USD 4.4 billion between 2011 and 2016 to USD 13.4 billion in 2018;
- And **as a proportion of annual approvals** as compared with the project-based system – from an average of **53%** per year between 2011 and 2016, to **96%** in 2018.
- This increase in the approval of programmes by the Executive Board is **expected to be sustained in future years**, based on conservative projections.

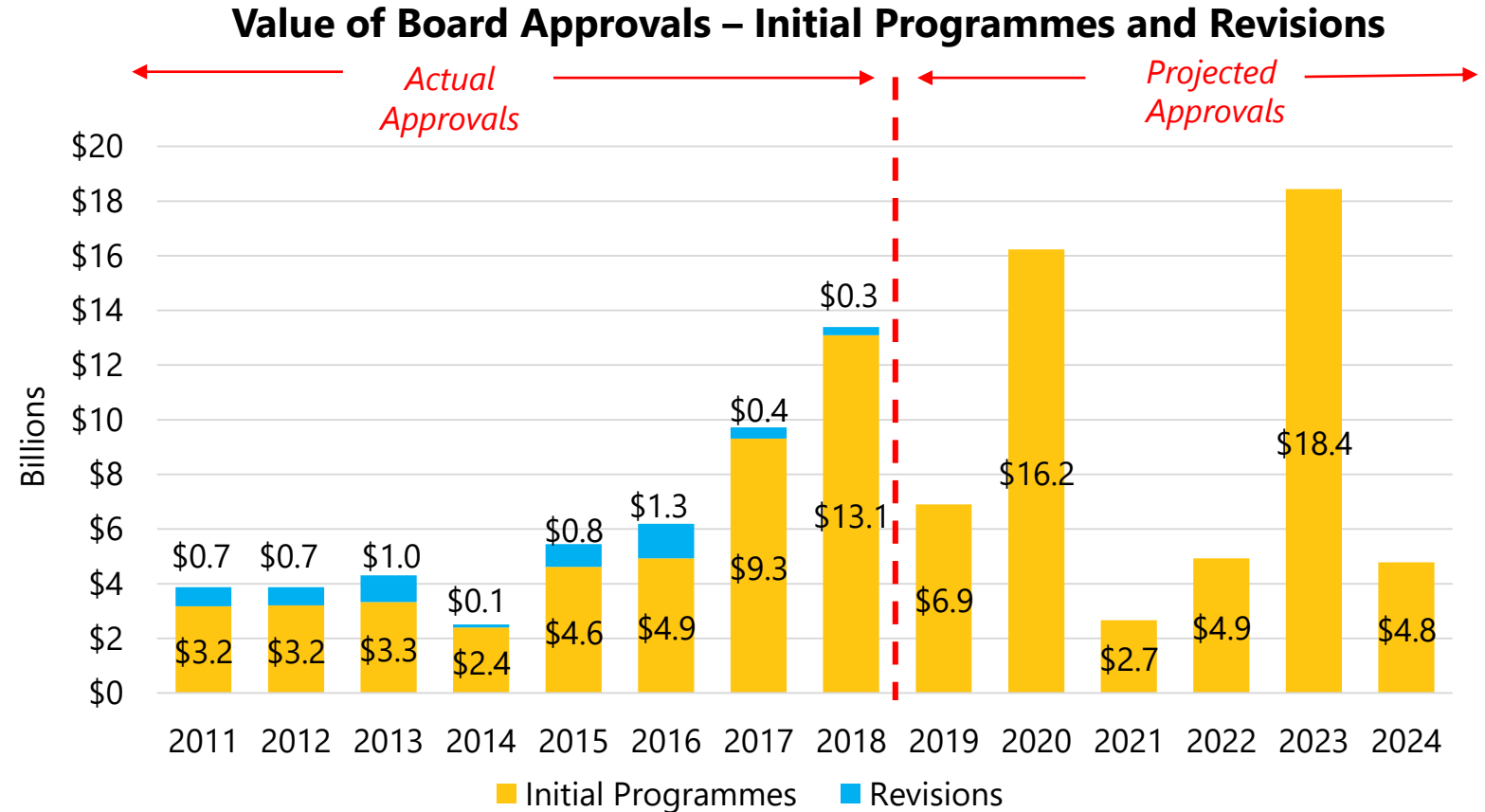


**Note: 2017 includes approvals for initial programmes and revisions under both the project-based system and the IRM framework and excludes T-ICSP approvals and project approvals related to the transition. 2018 excludes all approvals under the project-based system, the approval of T-ICSPs and all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework*

Finding 2: Under the IRM framework, the substantial increase in the Executive Board's role in approving WFP programmes has occurred independently of budget revisions

Under the IRM framework, the substantial increase in the Executive Board's role in approving WFP programmes (CSPs and ICSPs) has occurred independently of budget revisions

- Budget revisions approved by the Executive Board represented **2%** of all approvals by the Board (USD 300 million/ USD 13.4 billion).
- The increase in the approval of programmes by the Executive Board is **expected to continue in future years**, based on conservative projections.



**Note: 2017 includes approvals for initial programmes and revisions under both the project-based system and the IRM framework and excludes project approvals related to the transition. 2018 excludes all approvals under the project-based system and all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework.*

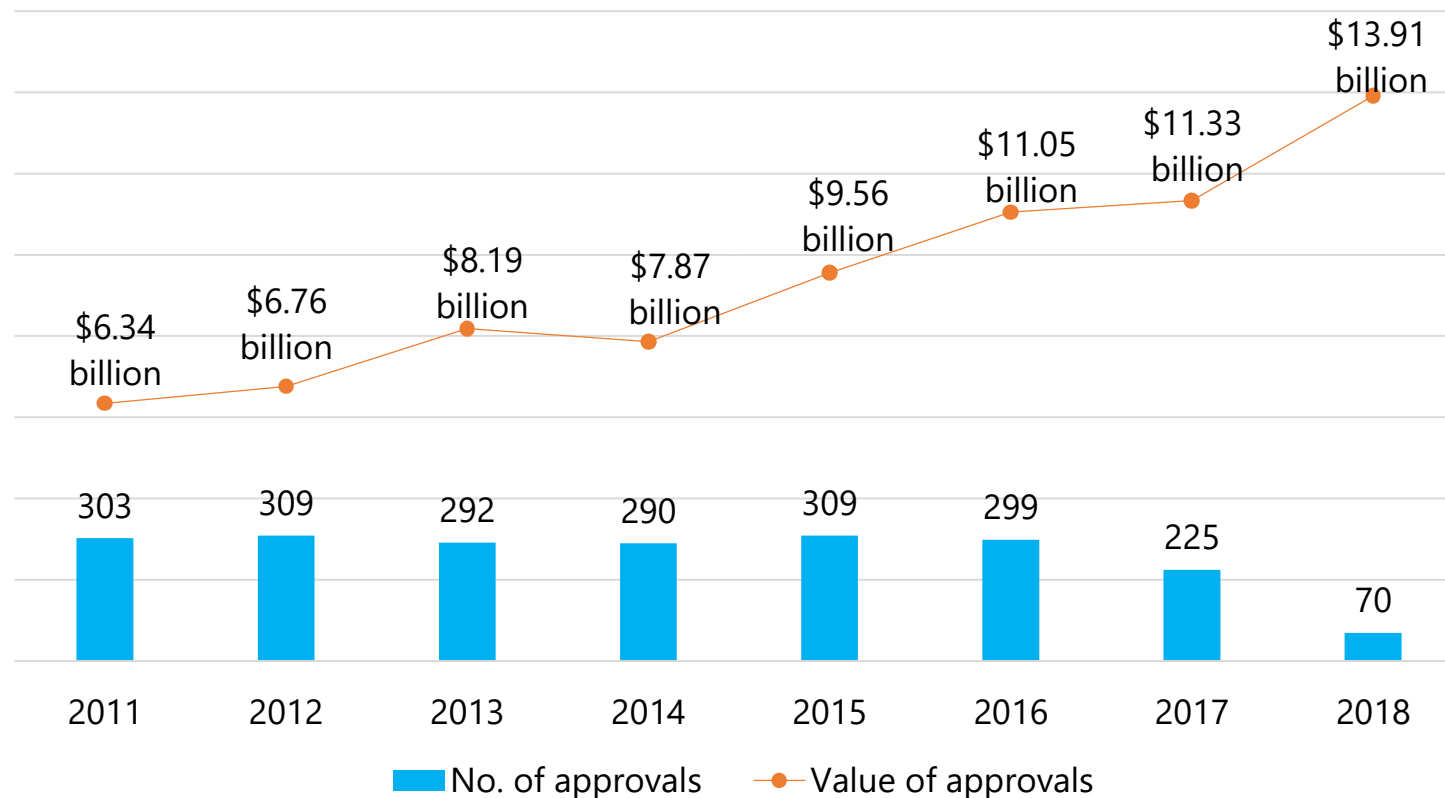
Finding 3: Under the IRM Framework, the overall dollar value of programme approvals has increased while the number of approvals has declined, leading to efficiency gains in this area

Efficiency gains with the transition to the IRM framework:

The overall dollar value of programme approvals has increased while the number of approvals has declined.

- The **value** of approvals **increased** from an annual average of USD 8.3 billion (2011-2016) to USD 13.9 billion (2018);
- The **number** of approvals **declined** from an annual average of 300 (2011-2016) to 70 (2018).

Number of Approvals – Initial Programmes/CSPs and Revisions



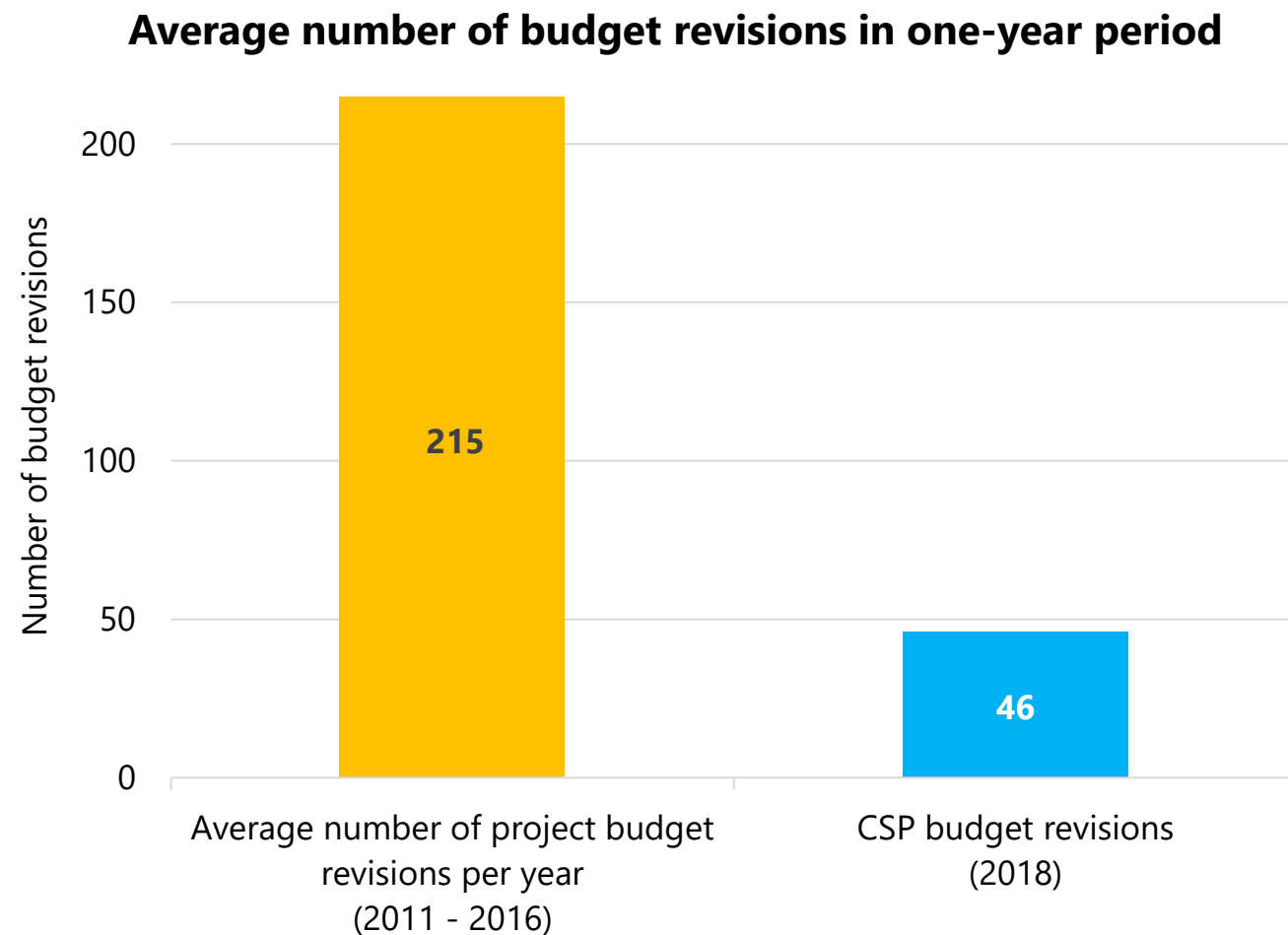
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Finding 4: The change from the project-based system to the IRM framework has improved efficiency, as evidenced by a substantial reduction in the number of revisions being processed annually

Efficiency gains with transition to IRM framework:

Substantial reduction in the number of budget revisions being processed annually – enabling Country Offices to focus more on programme implementation.

- **Number of revisions has declined by almost 80%**, meaning less time and fewer resources are being spent processing them;
- The decline **links to the country-wide portfolio framework**, where instead of managing multiple projects (which could require revisions), work is now consolidated into one;
- In addition, **flexibility of the country portfolio budget structure**, and the use of **resource-based implementation plans**, improves operational planning, and reduces the need for revisions related to technical adjustments.



**Note: 2018 excludes the approvals of all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework.*

Key conclusions

Finding 1

there has been a **substantial increase** in the Executive Board's role in approving WFP programmes

Finding 2

the **substantial increase** in the Executive Board's role in approving WFP programmes has occurred **independently** of budget revisions

Finding 3

the **overall dollar value** of programme approvals has **increased** while the **number of approvals** has **declined**, leading to efficiency gains in this area

Finding 4

the change from the project-based system to the IRM framework has improved **efficiency**, as evidenced by a substantial reduction in the number of revisions being processed annually

Feedback from Country Offices, Regional Bureaux and HQ divisions

WFP staff found budgetary thresholds for interim delegations of authority complex because:

1

Different criteria according to focus area:

- Crisis response and limited emergency operations revisions subject to threshold ***per revision*** (above requires joint approval of Executive Director and FAO Director-General)
- Root causes and resilience-building (non-fundamental, non-emergency) revisions subject to ***cumulative*** (*over the lifetime of the CSP*) budgetary thresholds (above requires approval of Executive Board)

2

Root causes and resilience-building (non-fundamental, non emergency) revisions subject to two thresholds:

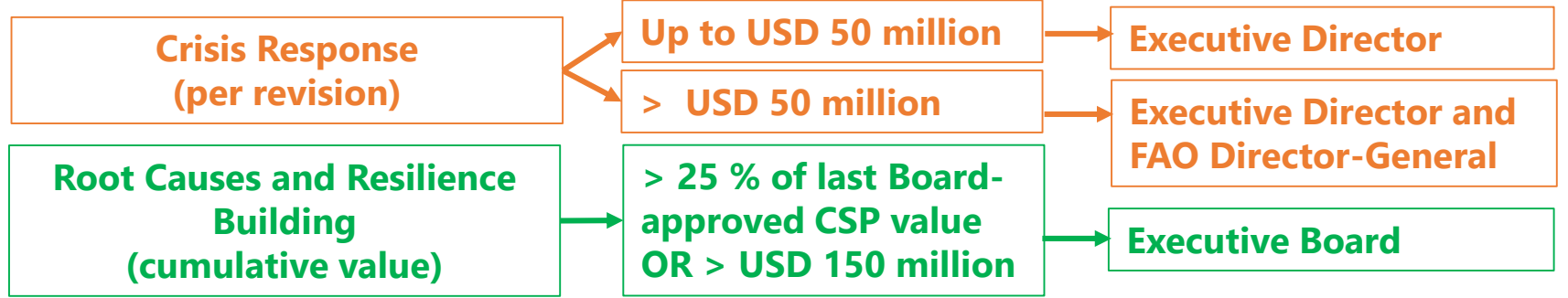
- **Maximum absolute value threshold** of USD 150 million; and
- **Proportion-based** (25%) threshold of original ICSP/CSP value, which has significant impact on smaller offices: revisions of USD 1.8 million for Dominican Republic T-ICSP and USD 4 million for Nicaragua T-ICSP required Board approval for this reason

Example of budget revision

Last Board-approved CSP value: USD 109,407,263

Original CPB

SO	Focus Area	Total value
SO1	Root Causes	USD 25,821,286
SO2	Crisis Response	USD 26,688,931
SO3	Root Causes	USD 28,808,604
SO4	Resilience Building	USD 3,952,108
SO5	Resilience Building	USD 6,166,427
Total (including DSC & ISC)		USD109,407,263

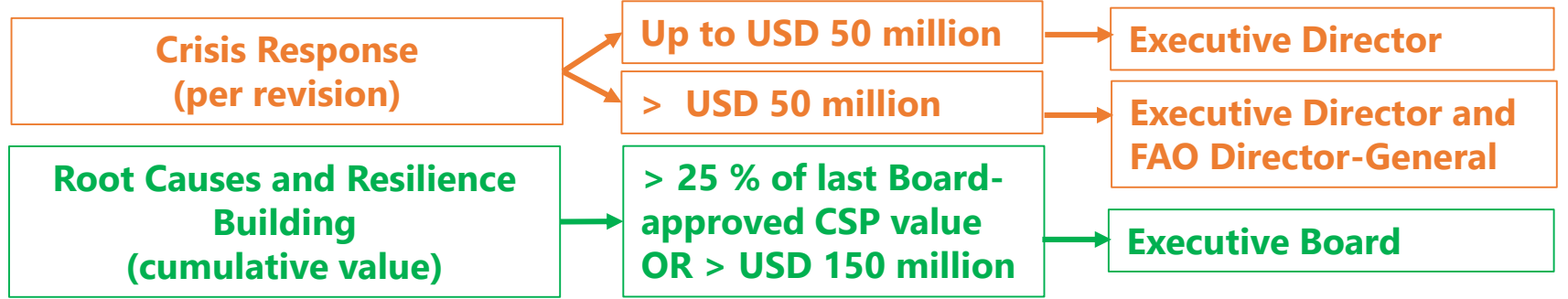


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Revision August 2018

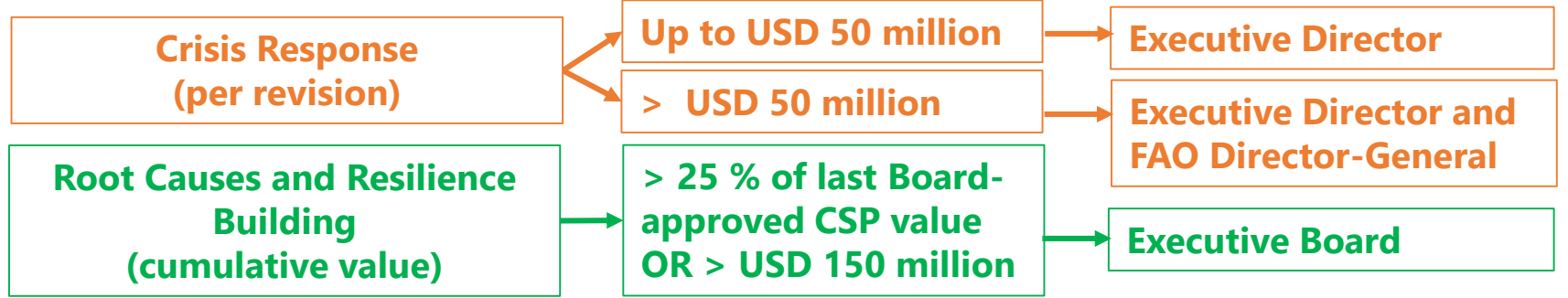
SO	Focus Area	Total value
SO1	Root Causes	USD12,867
SO2	Crisis Response	USD 40,003,161
SO3	Root Causes	USD 669,010
SO4	Resilience Building	
SO5	Resilience Building	USD 181,069
Total (including DSC & ISC)		USD 43,780,235

Example of budget revision

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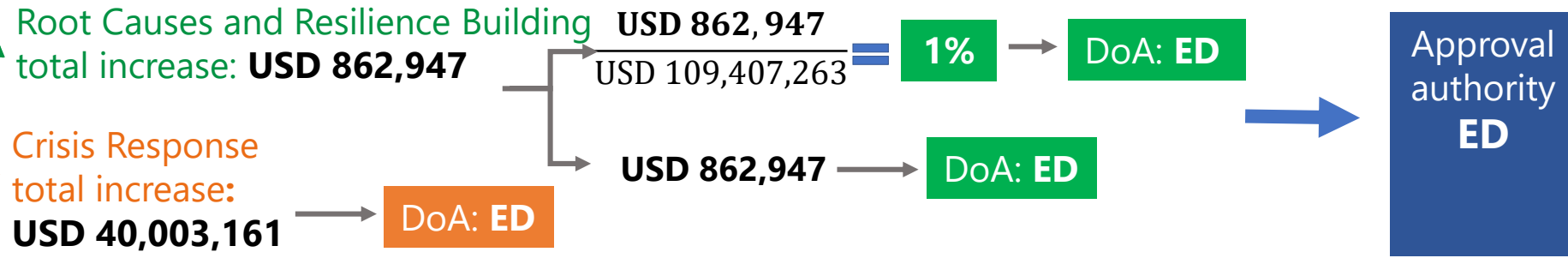
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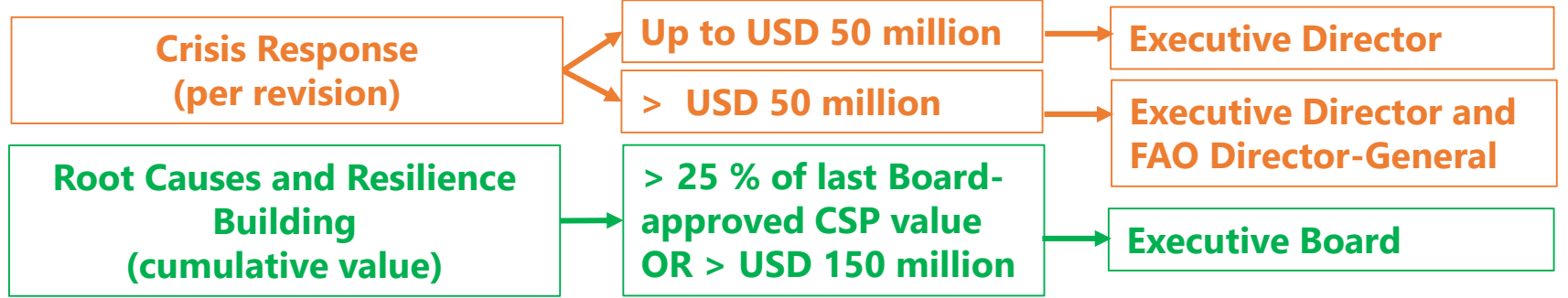


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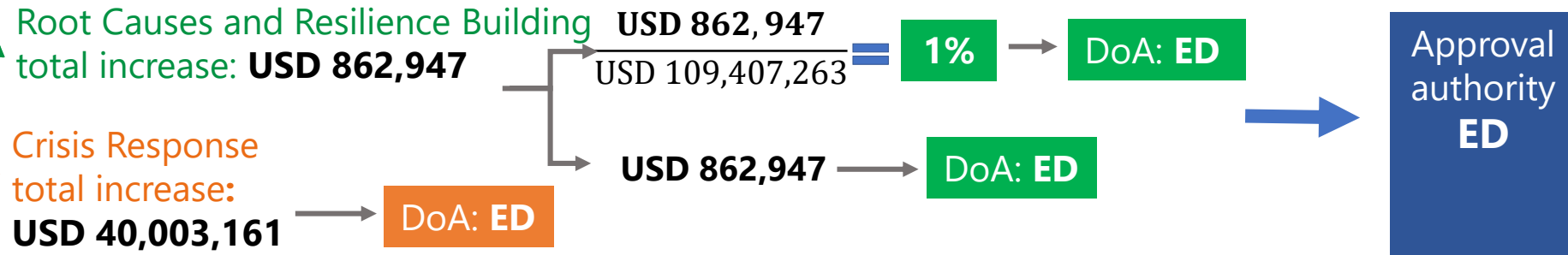
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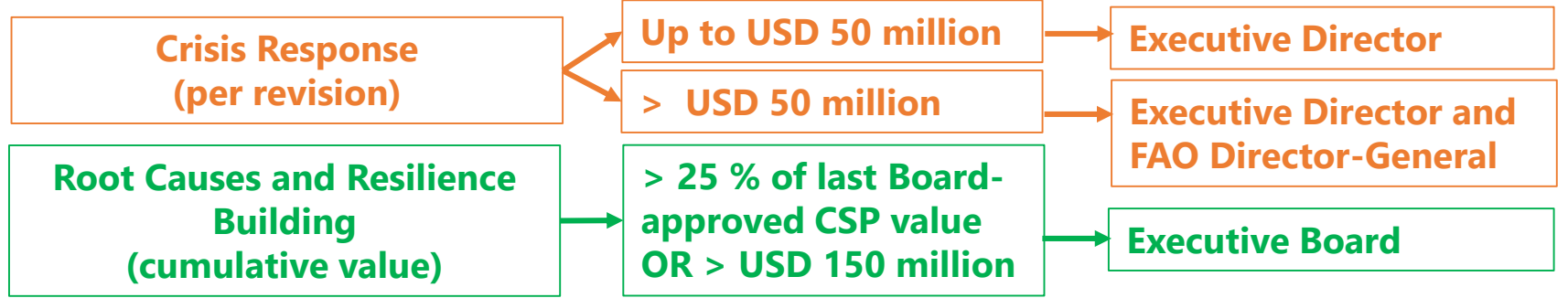
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SO4	Resilience Building	USD 1,006,271
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Total (including DSC & ISC)		USD 8,445,001

Example of budget revision

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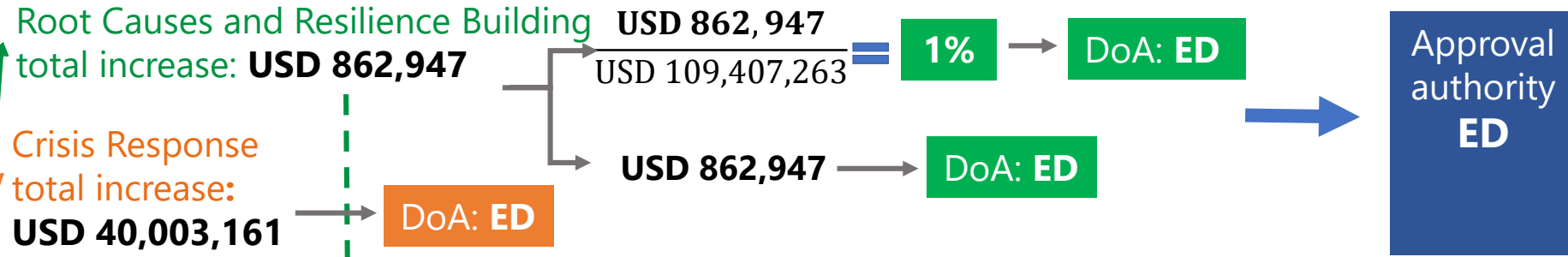
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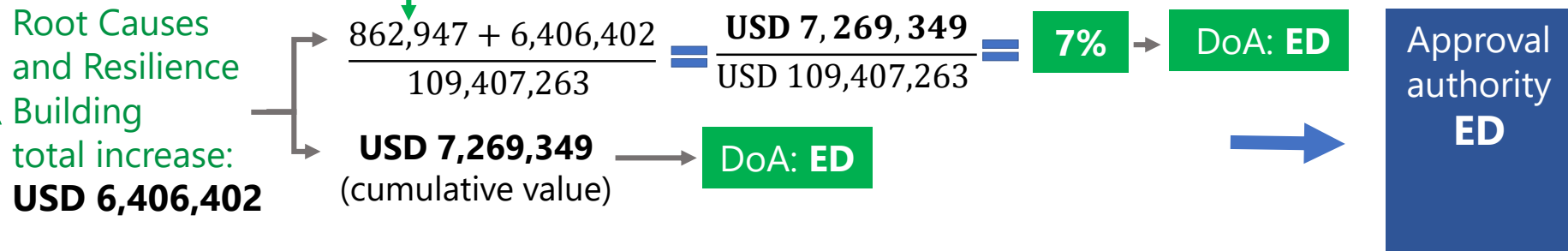
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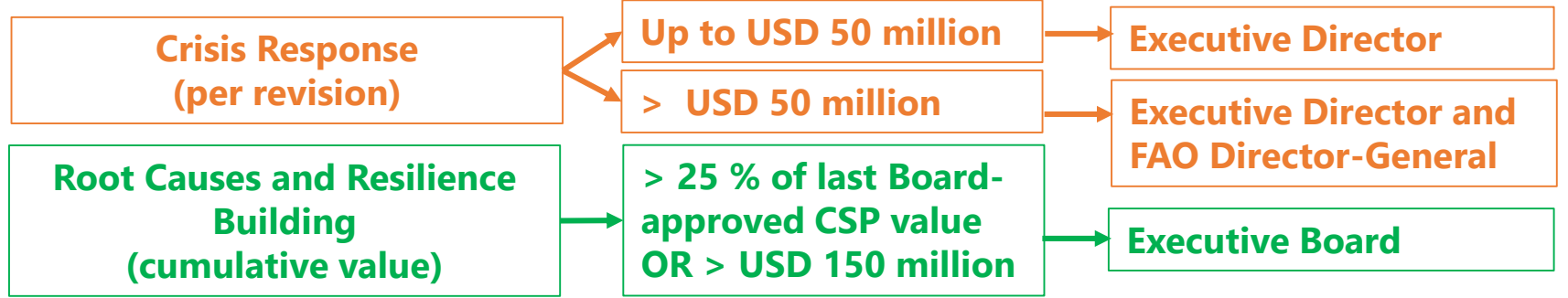


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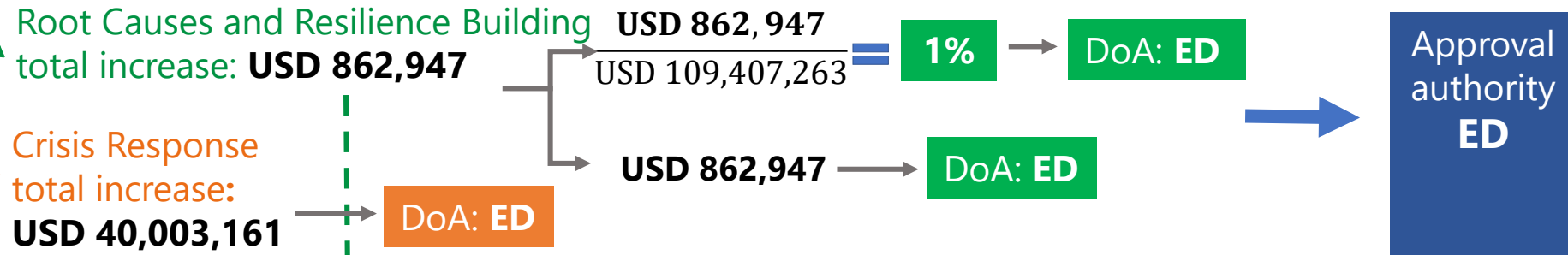
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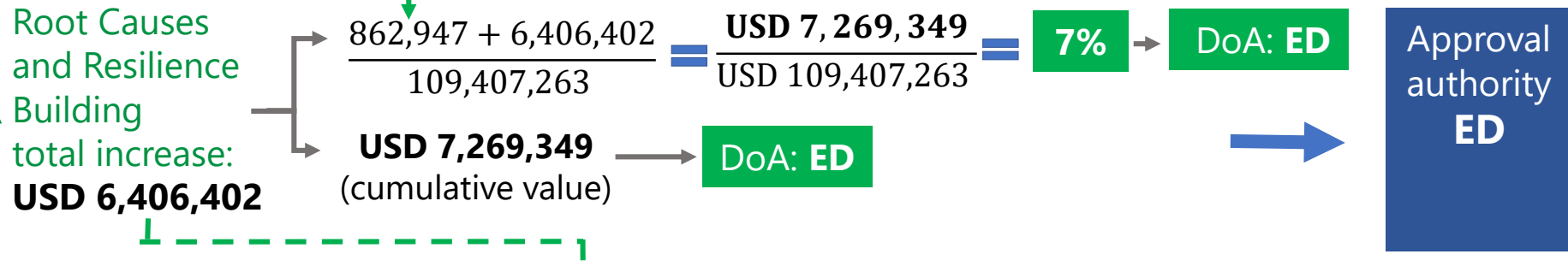
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Revision May 2019

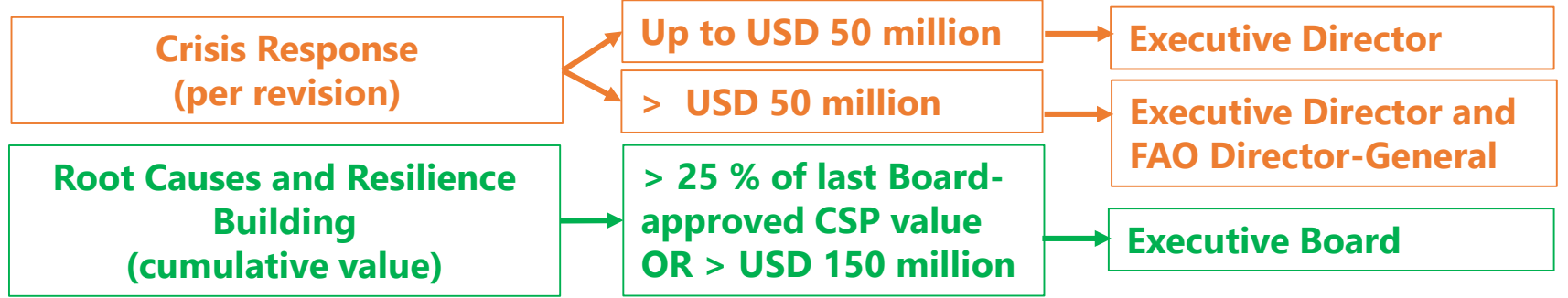
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SO1	Root Causes	
SO2	Crisis Response	USD 68,461,448
SO3	Root Causes	USD 15,917,539
SO4	Resilience Building	
SO5	Resilience Building	
Total (including DSC & ISC)		USD 93,303,121

Example of budget revision

Last Board-approved CSP value: USD 109,407,263

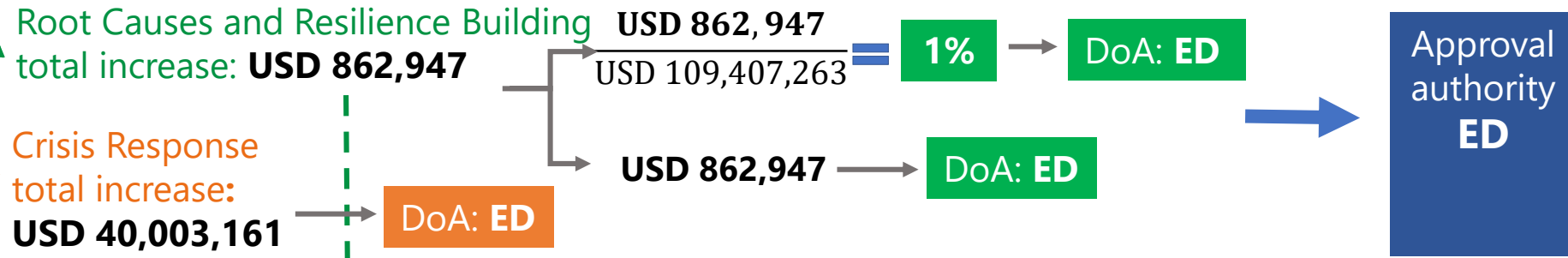
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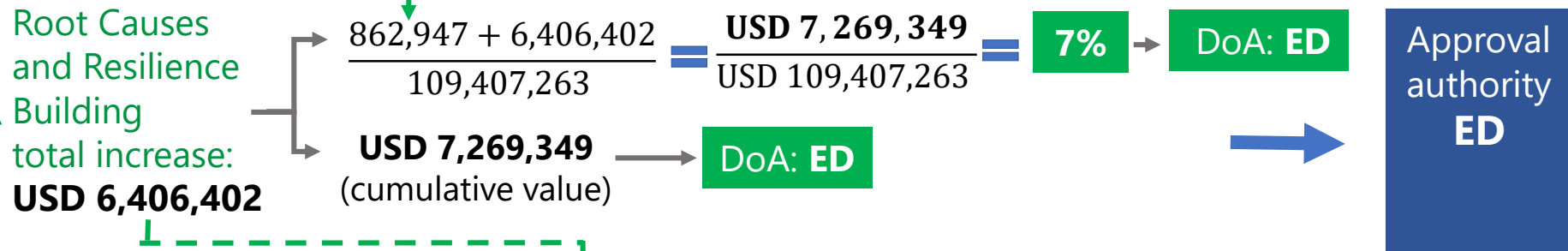
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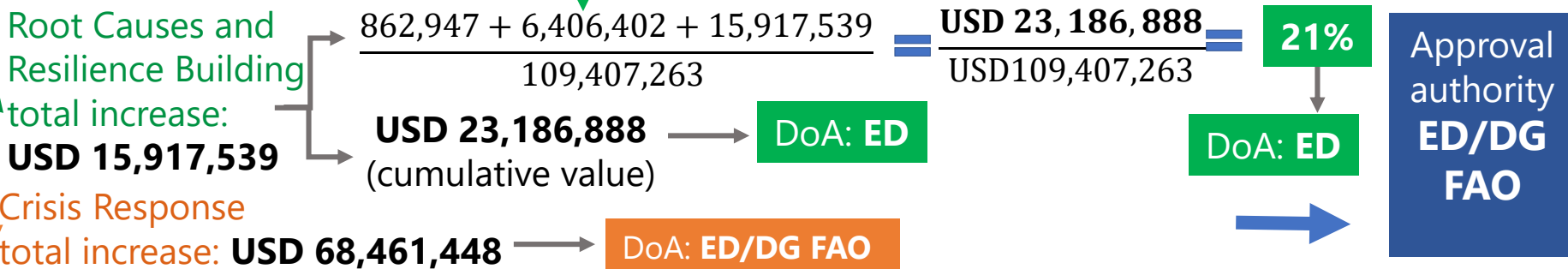
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Discussion



Review and comment process for crisis response budget revisions

Crisis response related revisions above the delegation thresholds (the lesser of USD 150 million or 25 % of the overall budget) will be shared with Member States *for comment* over a **minimum five-day period** before they are approved by the ED, and if required, by the FAO Director-General.

Steps for the review process:

- 1 | Draft crisis response revision **posted** on WFP's website
- 2 | **Minimum of 4 working days** for Member States' comments
- 3 | **Comments compiled** on the password-protected interactive comment portal of the EB website
- 4 | **A 5th working day** reserved for Member States to react to other comments
- 5 | **Approval by the ED**, and if required, FAO DG, following revisions as appropriate
- 6 | **Final version** shared with Board members along with a matrix of comments

In the event of time-sensitive and unforeseen emergencies:

- The ED, and if required, the FAO DG, would be able to approve crisis response related strategic outcomes and revisions **without sharing them beforehand**. Such approved revisions will be shared *for information*.
- The proposed review process (above), including comment period will follow the approval. The next iteration of the document could incorporate comments received, where appropriate.

In all circumstances, any Member State can request the revision to be presented for information at a subsequent Board session.

Lessons Learned on Other Governance Issues

Five-day Member State review for crisis response budget revisions:

- **2018:** Of **18** crisis response budget revisions, **six** exceeded **USD 150 million** or **25%** of the Board-approved CSP/ICSP value.
 - **Five** of the **six** were shared with the Board prior to approval, and **one** afterwards (Mauritania).
- **2019:** Of **23** crisis response budget revisions so far this year, **10** exceeded the applicable threshold(s).
 - **Five** of the **10** were shared with the Board prior to approval, and **five** afterwards (DRC, Eswatini, Mozambique, Madagascar and Somalia).
- **Member State Review:** For those shared beforehand, **an average of two to three Member States** commented per revision. **Most sought additional information, with one comment resulting in substantive change.** For those shared after approval, **an average of two Member States commented.**

Review process added delay of ten days on average to approval procedure, leading to an equivalent delay for WFP's operational response.

Crisis Response Revisions that warranted Member State review

2018

Date Approved	Country Office	Value	Shared with Member States before approval	States commenting
16 March 2018	Mauritania	\$21,869,847	No	Canada, Belgium
23 March 2018	Zambia	\$8,495,532	Yes	USA, UK
30 April 2018	Mali	\$39,880,444	Yes	USA, Canada, Belgium
31 May 2018	Burkina Faso	\$41,520,530	Yes	USA, Denmark, Kuwait
29 June 2018	Bangladesh	\$188,550,905	Yes	Canada, Myanmar
24 August 2018	Colombia	\$43,780,256	Yes	USA, Colombia, Venezuela

2019

16 Jan 2019	DRC	\$452,884,490	No	USA, Spain
27 Feb 2019	Bangladesh	\$438,125,978	Yes	Bangladesh, Spain, Australia, Myanmar, Canada
21 March 2019	Eswatini	\$9,521,617	No	(none)
5 April 2019	Mozambique	\$168,103,739	No	Belgium, Finland
8 April 2019	Madagascar	\$45,112,763	No	USA
2 May 2019	Colombia	\$93,303,121	Yes	Canada, Denmark
13 June 2019	Somalia	\$214,529,478	No	Australia, Canada
3 July 2019	Cameroon	\$86,682,316	Yes	USA, Canada
3 July 2019	Yemen	\$1,483,114,732	Yes	Canada
In progress	Lebanon	\$364,354,369	Yes	Australia, Kuwait

Note: Value is primarily but not solely accounted for by crisis response, since revisions are rarely made up of just one focus area

Text in red: indicates Budget revision shared post-approval with Member States

Lessons Learned on Other Governance Issues

Two-Step Consultation Process

This process is in place until the end of 2019, after which it could be reviewed along with the permanent delegations of authority at the 2020 first regular session.

Process:

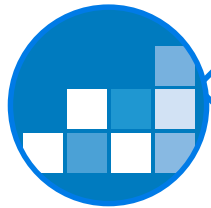


- Review findings indicate that local consultations with stakeholders continue to add significant value to the development of CSPs/ICSPs
- WFP staff are in favour of moving to **one-step consultation** procedure due to labour-intensiveness and complexity of current two-step procedure

Guiding principles for developing permanent delegations of authority



Strengthen the **Board's fundamental approval role**;



Reduce fragmentation to enhance the Board's strategic oversight;



Retain WFP's ability to **respond quickly to emergencies**; and



Apply a governance model that **is risk-based and cost-effective**.

Recommendation 1: The External Auditor recommends that the Secretariat

- Produce a summary document for the attention of the Board, providing an overview of the Integrated Road Map
- Approach member countries in order to better define how to respond to their needs, distinguishing between strategic information required for governance, and detailed information on country strategic plans and their budgets, which should be available on the various WFP sites and portals

Management Response: *Agree.*

- **Issue a document** that provides an overview of the four elements of the IRM and indicates where Member States can access the latest information
- Continue to **seek feedback from Member States** in order to determine the appropriate levels of information required for governance and for other information purposes

Information currently available to the Board

To help it fulfil its oversight role, the Board is provided with the following information:

- Operational and budgetary information – including activity-level details – from the country operation management plans via the **CSP data portal** for all approved CSPs and ICSPs. The CSP data portal also features financial and performance information needed to monitor the progress of CSPs and ICSPs.
- **Extracts of updated operational and budgetary plans, presented with the management plan for information.**
- **Post-factum reports submitted twice a year to the Executive Board on the use of delegations of authority** for the approval of revisions to CSPs and ICSPs.
- **All revisions of CSP and ICSP budgets greater than USD 7.5 million and any changes in the duration of a CSP or ICSP**, regardless of approval authority.
- **The Annual Performance Report.**
- **Annual Country Reports.**

Next Steps: The development of permanent delegations of authority

10 July 2019:

First Informal Consultation on the Integrated Road Map

Feedback sought on:

- Review of the application of the interim delegations of authority and findings
- Five-day crisis response Member State review
- Two-step consultation process
- Further discussion on aspects of the External Auditor report on Country Portfolio Budgets and management response, including engaging with the membership on the appropriate level of information required for strategic governance as well as detailed information

2019

4 September 2019 Second Informal Consultation on the Integrated Road Map

- Proposals on the delegations of authority and governance arrangements

November 2019 Second Regular Session of the Executive Board:

Proposed permanent delegations of authority for *consideration*

2020

February 2020 First Regular Session of Executive Board

Permanent delegations of authority for *approval*

1 March 2020

Proposed permanent delegations of authority come into effect

Discussion

