

Fundraising and Communications Department



WFP EB INDUCTION

7 December 2006

Rome

How is WFP funded?

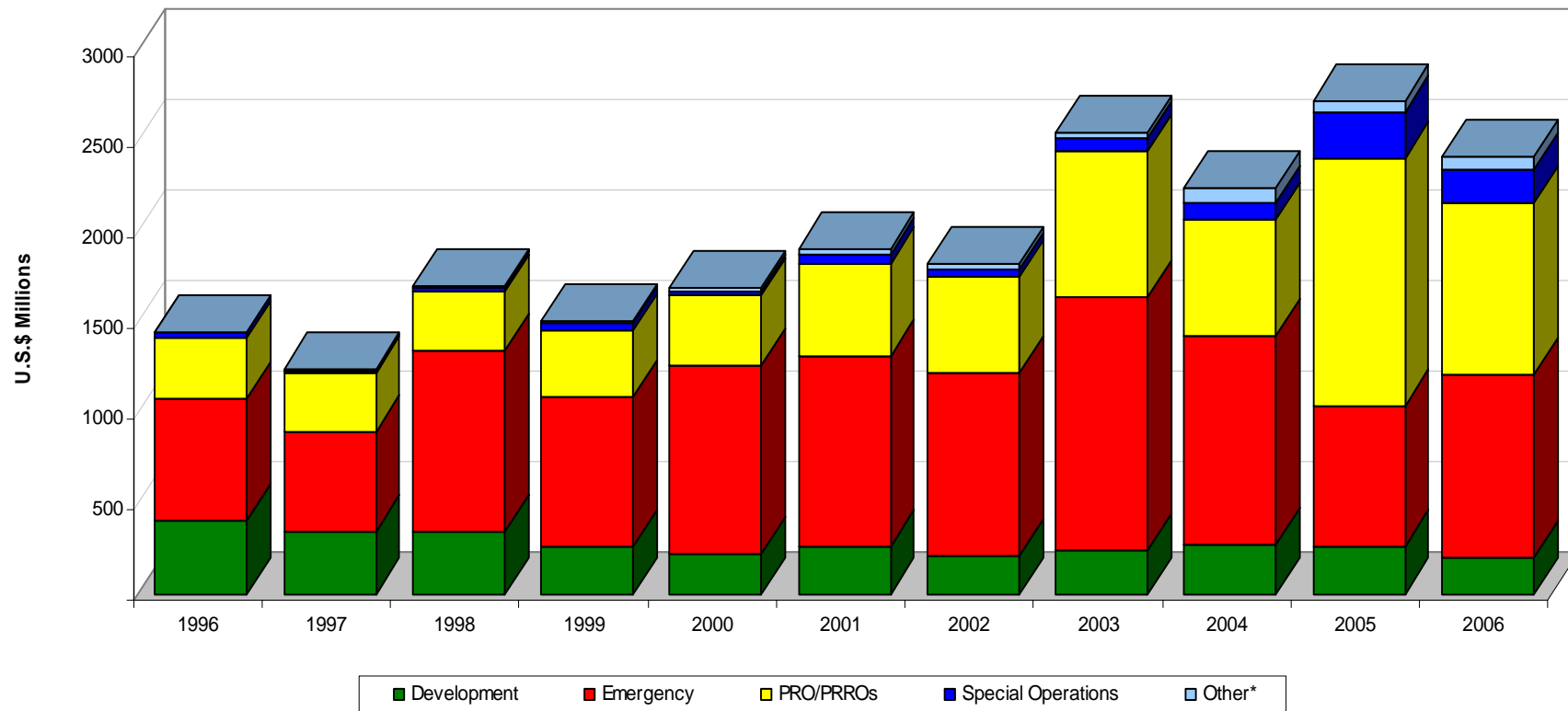
- WFP is a voluntary funded Agency of the UN System;
- Donors select how to make their contributions;
- Raising resources to meet the needs;
USD 2.86 billion needed in 2007



Which Activities can you support

- **Development:** food aid targeted to help chronically hungry people become self-reliant;
- **Emergency:** food aid to people affected by crises;
- **Protracted relief & recovery:** food aid designed to bridge the gap between relief and development;
- **Special operations:** to enable speedy, efficient delivery of humanitarian relief.

Contributions to WFP 1996 – 2006 (as of 20 November 2006)



What is full cost recovery?

Each donation covers the costs of **moving**, **managing** and **monitoring** the donations.

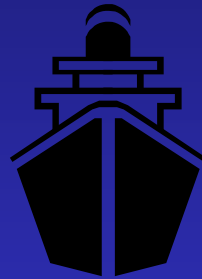


What does full cost recovery entail?

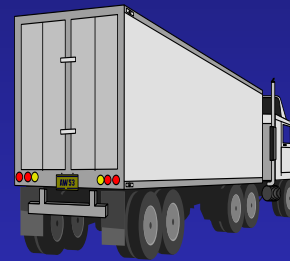
Commodity



Ocean
Transport



Internal
Transport



Other Direct costs



+



+



Direct Support Costs

Indirect Support Costs



World Food
Programme

Challenges

□ Overall Strategy

- Broaden the donor base;
- Innovations to help emerging donors;
- Raising awareness of problem of hunger, and WFP's role in solving it;
- Expanding Private sector partnerships.

□ Increase flexibility & predictability of donations

- Multilateral;
- Cash;
- Unrestricted.

Encouraging New/Emerging Donors

- More recipient countries can become donor countries – and can start by contributing to WFP activities in their own countries (e.g. Government of Kenya supporting WFP operations in Kenya).
- In addition to encouraging government support for WFP operations within its own country, expanding this support to WFP operations elsewhere.
 - Russia support to Tajikistan and DPRK
 - Algeria support to Southern Africa



Encouraging New/Emerging Donors -- Twinning

Twining – In-kind contributions from one donor are matched with cash contributions from another donor – so commodities can be accepted and associated costs covered.

Leverages a larger quantity of food than if the cash is used solely to purchase food on the international market.

In Ethiopia, WFP found that when a donor gave a US\$3 million contribution in-kind, it provided 6,200 MT of wheat to feed 60,000 people. If the same contribution was provided in cash and used to procure food locally, it would be possible to purchase 7,760 MT of wheat for 73,000 people. If the same cash were used to 'twin' with an in-kind contribution, it could be used to leverage 14,080 MT of wheat for 133,500 people.



Communications

- Raising awareness about Hunger and Malnutrition
 - Rising by 4 million people every year
 - Claims more lives than AIDs, TB and Malaria combined
- Media and and visibility support to fundraising
 - Niger (2005), Dafur (2006)
- Reinforcement: Thanking donors for giving
- Placing staff in key centres (Berlin, Copenhagen, Geneva, Nairobi, NY, Paris, Tokyo, Washington, Regional Bureaux)
- Website and publications in 13 languages
- Ambassadors/Celebrities

Private Donor Fundraising

- In 2006, WFP expects to raise USD 50 million in cash and USD 48 million in gifts-in-kind
- Private Donor Team has developed a new strategy to raise USD 200 million in cash by 2014
- Current Donors include:
 - Global Humanitarian Partners - TNT, Citigroup, IP, Dutch Postcode Lottery, Unilever, American Red Cross
 - Corporate Supporters - Vodafone, Danone, EuroCom, Veolia, Cargill, ADM
 - Individuals - high-net, web and mail donors
- Funds also raised through Friends organizations in the USA, Japan and Italy



How to best support WFP?

Maximizing Flexibility and Predictability

There are 3 basic types of contributions:

- **Multilateral Contributions:** The most flexible funding provided, WFP decides on the allocations, according to Executive Board guidance (donor can choose the programme category, including the IRA).
- **Directed Multilateral:** The most common funding contributed; donor chooses the project/country.
- **Bilateral:** donor asks WFP to provide a Service.



1996 - 2006 Multilateral and Directed Multilateral Contributions to WFP

