



**World Food
Programme**

Integrated Road Map

Update on the Integrated Road Map and on proposed interim governance arrangements

Informal Consultation | 18 July 2017

Agenda

1. Update on implementation

2. Lessons learned

- Overview
- Impact “pulse check”
- Perspectives from a Wave 1A pilot CSP country, WFP Ecuador

Open floor for discussion

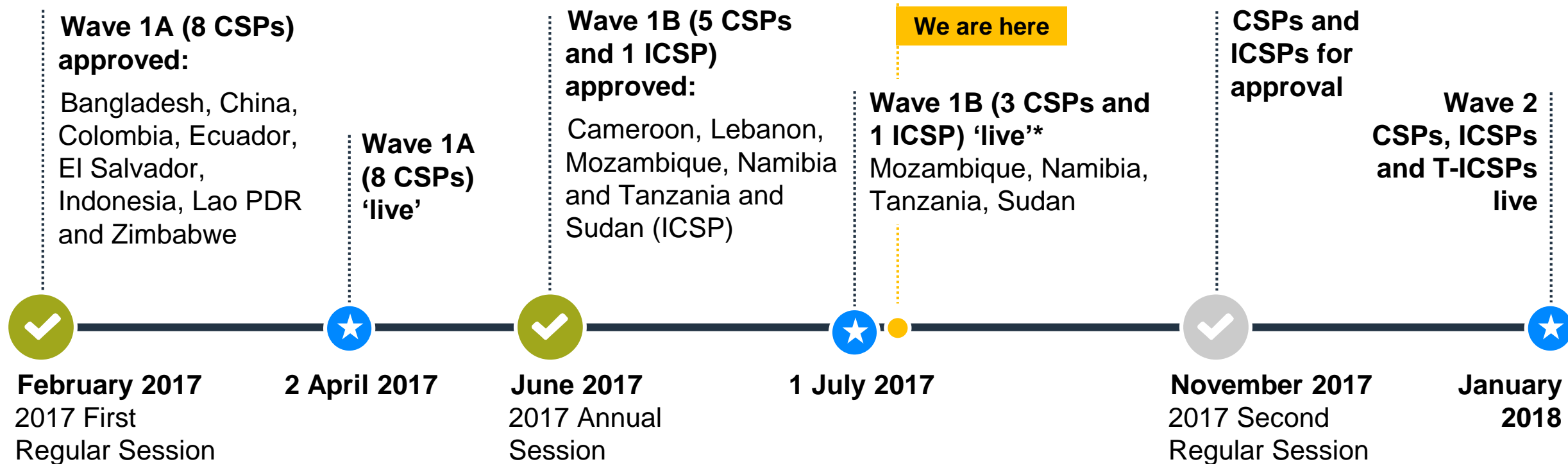
3. Outstanding issues: Reporting

4. Outstanding issues: Proposed interim governance arrangements for 2018

Open floor for discussion

1. Update on implementation

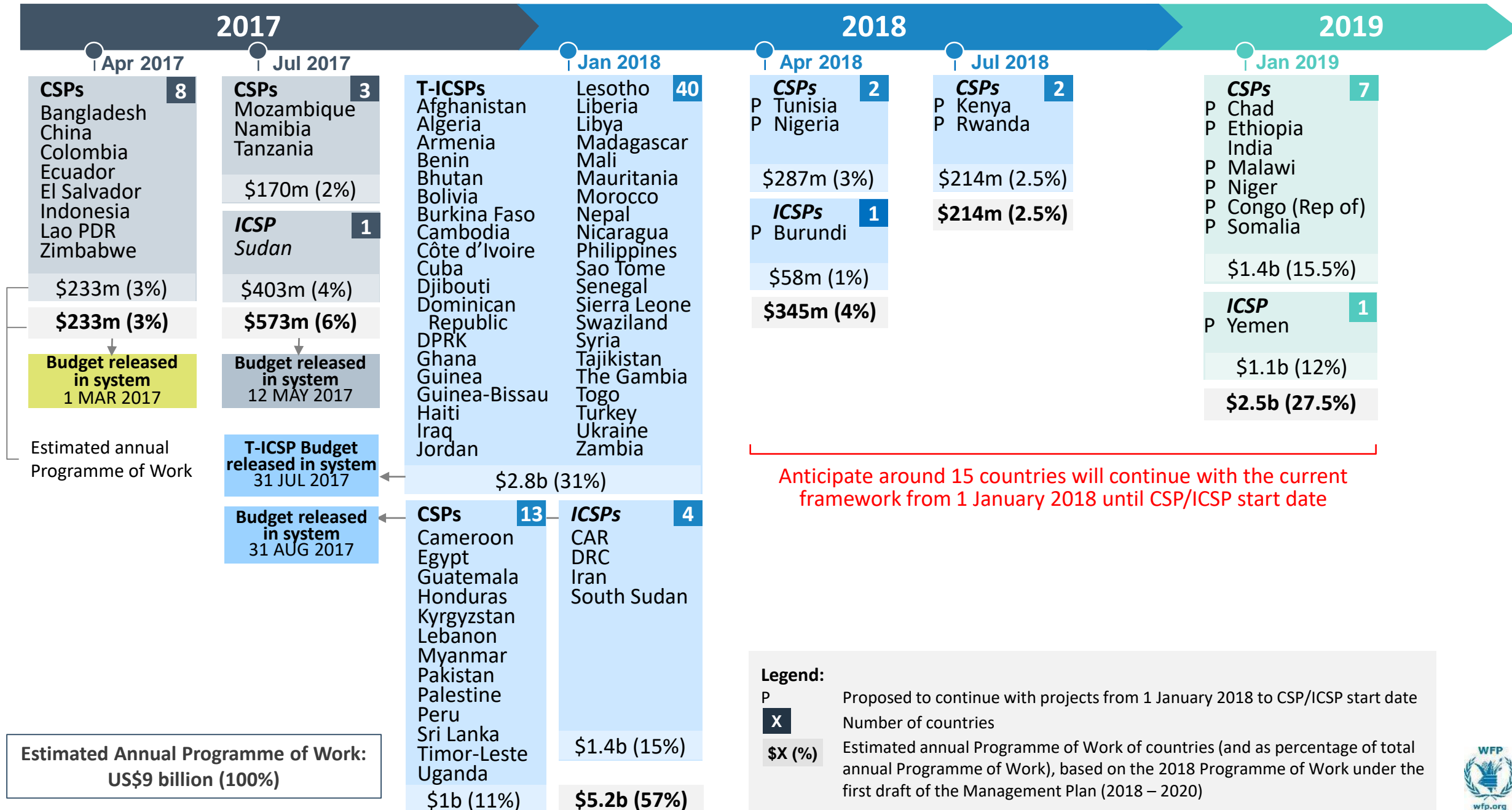
As of July 2017, **96%** of critical milestones are on track to enable the corporate transition to the IRM framework on **1 January 2018**.



Ongoing: tools and guidance issued to staff; **targeted field missions** to prioritized offices and regional bureaux in all regions to strengthen the awareness and capacity of regional bureaux to support other offices in their respective regions.

* The CSPs for Cameroon and Lebanon will go live on 1 January 2018.

Integrated Road Map: Indicative Cutover Timeline 2017–2019 *(as of July 2017)*



2. Lessons learned process

Lessons learned from the pilots are being compiled systematically, including through:

- **Detailed tracking**
- **Structured input from Wave 1A country offices**
- **Impact “pulse check” conducted by BCG**
 - “Pulse check” conducted to date: Colombia, Ecuador and Zimbabwe
- **Deputy Regional Directors’ meetings**
- **Regular teleconferences with Deputy Regional Directors and regional focal points**
- **Inputs from Country Directors**

2. Lessons learned to date I/II (July 2017)

New lessons learned since the June Annual Session highlighted in red.

1. Strategic Review process

- The choice of **lead convener** has been critical to opening doors, adding visibility and engaging with key stakeholders, including UN country team, government institutions, NGOs and donor partners.

2. CSP framework

- Proved to be useful tools for reaching out to partners.
- **Governments** are welcoming the opportunity to align WFP's work with national plans.
- CSPs are facilitating more effective **partnerships** with governments and transferring capabilities, enabling WFP to focus on exit strategies.
- Wave 1A countries welcomed the **increased transparency**.

3. Country Portfolio Budget structure

- Wave 1A country offices appreciated the new 'line of sight' and cost structure, which have **increased transparency** at the activity level.
- **Additional guidance** is needed to ensure that flexibility is maximized.
- Recommendation that **template be simplified**.
- Country offices should **involve cross-functional units** early on in the development of the CP budget.

4. Corporate Results Framework

- As of July 2017, the CRF has been used to design the **CSP logframes** of all 14 Wave 1A and 1B countries, 30 T-ICSPs and logframes for Wave 2.
- Based the conclusions from recent lessons learned meetings, the following **improvements will be made**:
 - i. Adjusting and better defining outcome categories and clarifying the links between WFP indicators and the SDG targets and indicators;
 - ii. Finalising the guidance and systems for tracking contributions to SDG targets other than SDG 2 and SDG 17; and
 - iii. Improving the indicators for SDG 17 and capacity strengthening interventions.
- **Amendments to the CRF**, including the revised organizational performance framework, will be presented the Board at the 2017 Second Regular Session.

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

- Included in Wave 1B to ensure lessons are captured from a major **complex operation**.
- Because of Sudan's operation size, dialogue with stakeholders continues to be dynamic. As a result, development of the Sudan ICSP benefited from a **highly consultative process**.

2. Lessons learned to date II/II (July 2017)

New lessons learned since the June Annual Session highlighted in red.

6. Focus areas

- Guidance on the formulation of strategic outcomes is being **strictly applied** for all CSPs, ICSPs and T-ICSPs to ensure that each strategic outcome corresponds to only one focus area.
- Wave 1A country offices have conveyed that **stakeholders should be involved in the formulation of strategic outcomes to the extent possible** and links to focus areas to support better understanding for resource mobilization.
- In addition, it was proposed that focus areas be used to facilitate the application of relevant **WFP General Rules and Financial Regulations**.

7. Resource Migration

- Resource migration was challenging for Wave 1A country offices due to the high number of small-volume transactions.
- A **resource migration strategy** has been developed to facilitate the January 2018 roll-out (approx. 57 country offices).
- The strategy plans for **automating data collection** and processing for resource migration and regular communications, and enhances the role of RBs as the first line of support for country offices.
- A **monitoring system** will track key indicators of resource migration and project closure.

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

- The 14 country offices in Wave 1A and 1B prepared the first version of their COMPs.
- Lessons learned are focused on **timing and streamlining the process** for preparing and publishing COMPs.
- Work is underway to **automate the compilation of data** from corporate systems as much as possible by 2018; this could provide a basis for data to be included in the online portal.

9. Partnerships

- The experience of developing CSPs and ICSPs has led to a better understanding of the importance of inclusive partner engagement early on.
- **Focal points** have been established in regional bureaux to support IRM rollout.
- Continued effort to build deep and sustained partnerships with **local missions and donors**.
- An **e-learning course on resource mobilization for CSPs/ICSPs** has been launched, targeting country office focal points.

2. Wave 1A “pulse check” findings

BCG conducted an impact “pulse check” of **Colombia, Ecuador and Zimbabwe** – three Wave 1A country offices – to determine if country offices are getting the most out of the IRM in terms of operational effectiveness and to gauge short- and medium-term benefits. A summary of the findings is below:

Benefits

Implementation of the IRM has:

- Enhanced strategic focus of programmes;
- Improved alignment with stakeholders; and
- Enhanced organisational cohesiveness.

The consolidation of activities under a single plan and the improved line of sight are:

- Increasing internal and external understanding of WFP’s operations; and
- Enabling better analysis of value for money.

Long- and medium-term benefits:

- **Strategic review:** Benefits of the strategic review process will be even more visible in years two and three of implementation.
- **Partnerships:** The extended duration of the CSP framework could broaden the donor base, support multi-year funding discussions, create longer term partnerships and build South-South cooperation.

Potential improvements

- Need for **greater simplification** in processes and tools
- **Redundancies in planning processes** could be reduced

Concerns

- **Earmarking may increase** in the short term, reducing country offices’ flexibility until results are demonstrated and donors have confidence in providing longer-term funding.
- **Full implementation of the CRF** should be conducive to achieving these objectives.



2. Perspectives from a Wave 1A pilot country

Country Director Kyungnan Park, WFP Ecuador

The Integrated Road Map

Strategic Objectives



1. End Hunger

2. Improve Nutrition

3. Achieve Food Security



4. Support SDG Implementation

5. Partner for SDG Results

Strategic Results

1. Access to Food
(SDG 2.1)

2. End Malnutrition
(SDG 2.2)

3. Smallholder Productivity and Incomes
(SDG 2.3)

4. Sustainable Food Systems
(SDG 2.4)

5. Capacity Strengthening
(SDG 17.9)

6. Policy Coherence
(SDG 17.14)

7. Diversified Resourcing
(SDG 17.3)

8. Enhance Global Partnership
(SDG 17.16)

Country Strategy Plan, Ecuador



1. Access to Food

2. Smallholder Productivity

3. Climate Change and Food Security



4. Capacity Strengthening for SDG Implementation

2017

IRM Pulse Check



	Gains	Challenges	Suggestions
1. Systems	Better transparency and accountability foreseen once the transformation is complete.	Systems are catching up; still in the process of change (programmes, operations, finance, human resources)	Financial investment by the organization (not linked to WFP Programmes) is key.
2. Funding	The 5-year CSP allows buy-in from the beginning from donors and provides opportunities to establish collective responsibilities.	No new funding under the CSP to date, as donor presence is scarce in a middle-income country and donors have competing priorities.	Increased advocacy on the opportunities to learn from Ecuador.
3. Operational effectiveness	Improved coordination throughout the different units in the Country Office.	Design of tools pending: Resulting in Country Office tailored spreadsheets and mechanisms.	Corporate solutions for the Country Office.

IRM Pulse Check (cont.)

4. Financial Framework Review and Country Portfolio Budget

	Gains	Challenges	Suggestions
Flexibility	To be determined.	Reduced flexibility as donors are leaning towards earmarking at the activity level.	Identify actions to reduce earmarking.
Simplicity	<p>Simplicity of the line of sight with clear links between SDGs to Strategic Outcomes to activities.</p> <p>Simplicity of the resource management framework to be determined.</p>	Challenging to split expenditures across various activities within a small country.	<p>Simplification (as well as improving flexibility) of the country portfolio budget template; and</p> <p>More clarity on cost effectiveness.</p>
Accountability (linking resource management to performance outcomes)	<p>Increased accountability and transparency in reporting with regards to expenditures related to activities.</p> <p>Increased accountability across various units of the country office.</p>	To be determined.	
Predictability of resources	To be determined.	No change to date on increased predictability of resources.	-

5. Corporate Results Framework – *feedback to be provided in the future as implementation continues.*



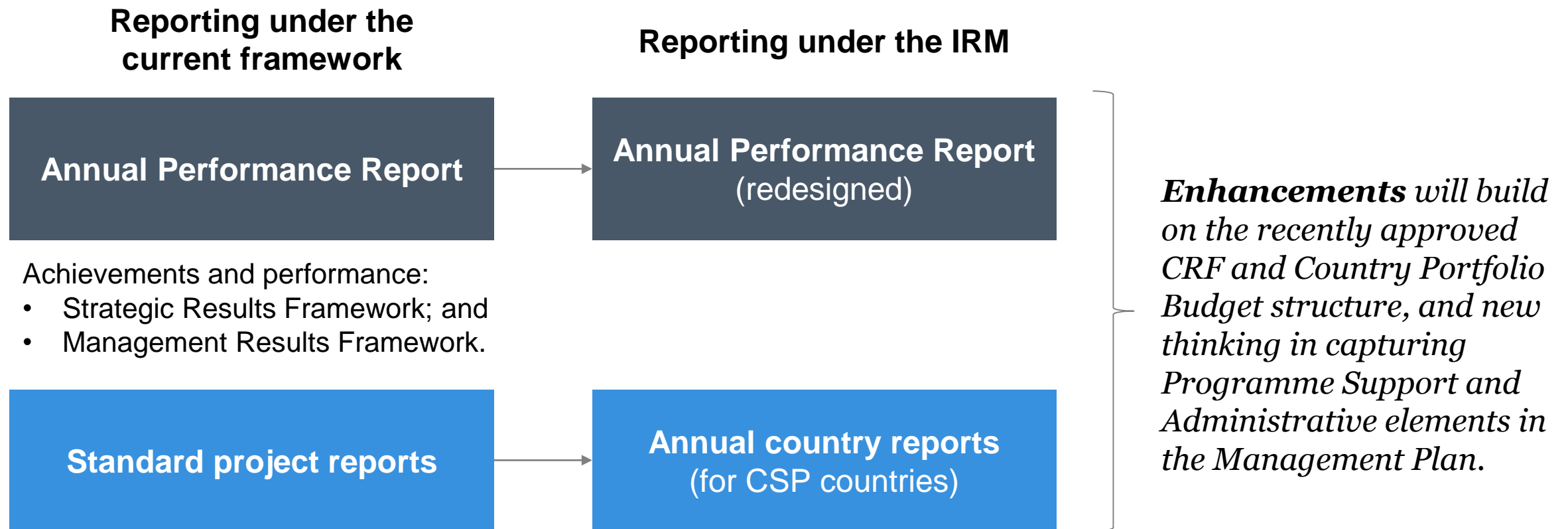
Gracias

Discussion



3. Reporting under the IRM framework

Implementation of the IRM enables WFP to link resources to results, and demonstrate value for money – this will provide an opportunity to significantly **improve donor reporting** and take into consideration recent commitments to the Grand Bargain, including **harmonization, simplification and reduction of duplication**.



Progress made on specific projects, including financial information.

3. Reporting under the IRM framework

Following the approval of the IRM, COMET is now being utilized to initiate the design phase of CSPs. Based on feedback from pilot countries on the need for simplification and automation, COMET data and modules will be available for use by CSP countries for various reporting processes.

Utilizing COMET data for reporting

COMET is now being utilized to initiate the **design phase of CSPs**.

Logframe module

Adapted for the new CRFs and the creation of a results chain, ensuring the links between results and resources through CP budgets.

Planning and distribution module

Will be available for use by CSP countries for automatic generation of COMPs and periodic reports (July 2017).

COMET data

COMET data for CSPs, outcome-level information and outputs will be made available for off-line 2017 annual country reports.*

* Remaining country offices will continue to utilize Standard Project Report Intelligent Next Generation (SPRING) for their 2017 standard project reports.

4. Proposed interim governance for 2018

Three areas of change proposed for 2018:

- a** **Delegations of Authority Appendix to the General Rules** → Propose to provide interim delegations of authority for CSPs, ICSPs, T-ICSPs and limited emergency operations in 2018
- b** **Full Cost Recovery General Rule XIII.4** → Proposed principles to guide the interim application of full cost recovery for CSPs, ICSPs and T-ICSPs and limited emergency operations in 2018
- c** **Terminology and Definitions** → Propose to extend specific derogations (originally approved at EB.2/16) to CSPs, ICSPs, T-ICSPs and limited emergency operations in 2018

For approval at the 2017 Second Regular Session

A final package of amendments will be presented for approval at the 2018 Second Regular Session

Budgetary threshold levels for delegations of authority approved at the 2018 Second Regular Session would be reviewed after three years and amended if necessary.

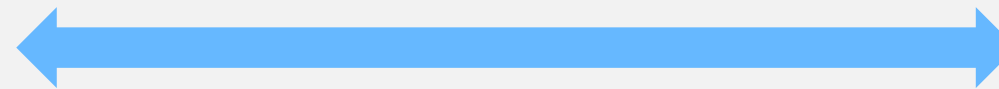


4a) Proposed interim delegations of authority for revisions not related to fundamental changes, emergency responses or service provision for 2018

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

- 1. Based on Overall Budget Value:** Current DoA is defined by an input-based “food” value; Overall budget value better reflects WFP’s shift to food assistance and the outcome-focused approach of the CSP Framework;
- 2. Establishing Maximum/Minimum absolute Values:**
 - Approval of all large budgetary changes – **proposed maximum threshold of USD 150 million*** (all BRs over this value go to the EB for approval);
 - 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); and
- 3. Relative Proportion (% based):** Oversight and approval of all ‘significant’ changes to CSPs (relative to the size of the CSP) – **proposed 30% proportional threshold** (over which go to the EB for approval).

Budget revisions over USD 150 million go to the Board for approval



Budget revisions in between – governed by a 30 percent proportional threshold

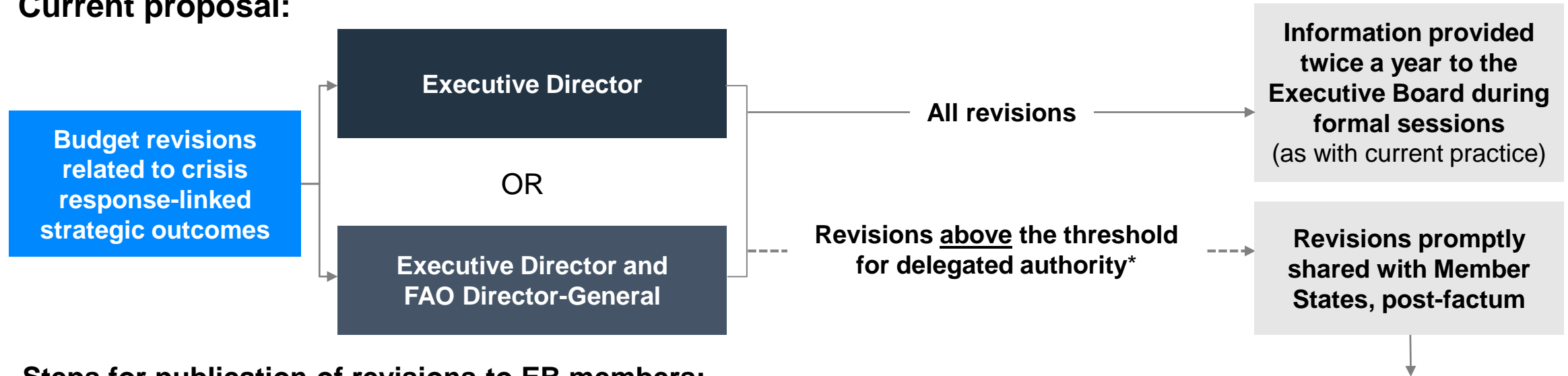
(i.e. revisions above 48 million are submitted to the Executive Board for approval if they are larger than 30 percent of the total CSP budget or above 150 million)

Budget revisions under USD 48 million delegated to the Executive Director for approval

** Proposed to be applied annually*

4a) Ensuring visibility and Board oversight: budget revisions related to crisis response-linked strategic outcomes

Current proposal:



Steps for publication of revisions to EB members:

- i. The Secretariat will post crisis response revisions on WFP's website as soon as they have been approved by the Executive Director, and if required, the FAO Director-General.
- ii. Board members will be advised immediately by e-mail of the posting so that they may request, within **5** working days, the presentation of the approved revision *for information* at the next Board session.
- iii. Requests must be addressed to the Secretary of the Executive Board, with a copy to the Executive Board President.

Consideration is also being given to sharing crisis-response related revisions in advance with Member States for comments before they are approved by the Executive Director, and if required, the FAO Director-General.

* Revisions below USD 48 million is delegated to the ED; Revisions above USD 48 million go to the Board if they are larger than 30% of the total CSP budget or above USD 150 million.

4b) Full-cost recovery principles for 2018

Propose – at the 2017 Second Regular Session – to approve interim principles to guide the application of full-cost recovery for CSP, ICSPs, T-ICSPs and limited emergency operations in 2018.

Current General Rule XIII.4

General Rule XIII.4: Types of contributions

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

(a) Donors contributing food commodities or cash designated for food purchases shall provide sufficient cash, acceptable services, or acceptable non-food items to cover the full operational and support costs related to their commodity contribution, using the following criteria for the calculation of operational and support costs:

- (i) commodities: to be valued in accordance with General Rule XIII.6;
- (ii) external transport: actual cost;
- (iii) landside transport, storage and handling (LTSH): average per ton rate for the project;
- (iv) other direct operational costs: average per ton rate applicable to the food component of the project;
- (v) direct support costs: percentage of the direct operational costs of the project; and
- (vi) indirect support costs: percentage of direct costs of the project, including direct operational costs and direct support costs, as determined by the Board.

(b) Donors contributing cash designated for activities that do not include food distribution shall provide sufficient cash to cover the full operational and support costs related to their contribution, using the following criteria for the calculation of operational and support costs:

- (i) direct operational costs: actual costs;
- (ii) direct support costs: percentage of the direct operational costs of the project; and
- (iii) indirect support costs: percentage of direct costs of the project, including direct operational costs and direct support costs, as determined by the Board.

(c) Donors contributing acceptable non-food items not directly associated with other contributions shall provide sufficient cash or acceptable services to cover the full operational and support costs related to their contribution.

(d) Donors contributing acceptable services not directly associated with other contributions shall provide sufficient cash or other acceptable resources to cover the full operational and support costs related to their contribution.

(e) Donors providing cash contributions which are not designated in any way or are designated to the Immediate Response Account (IRA) or to Programme Support and Administrative (PSA) or related activities shall not be required to provide additional cash or services to cover the full operational and support costs related to their contribution, provided that such contributions do not result in any additional reporting burden to the Programme.

(f) Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board, may make contributions of commodities or services only, provided that:

- (i) the full operational and support costs are covered by another donor or donors, by the monetization of part of the contribution and/or by resort to the WFP Fund;
- (ii) such contributions are in the interests of the Programme and do not result in any disproportionate administrative or reporting burden to the Programme; and
- (iii) the Executive Director considers that accepting the contribution is in the interests of the beneficiaries of the Programme.

(g) Exceptionally, the Executive Director may reduce or waive indirect support costs in respect of any contribution in kind to cover direct support costs of an activity or activities where the Executive Director determines that such reduction or waiver is in the best interests of the beneficiaries of the Programme, provided that:

- (i) such contributions do not result in any additional administrative or reporting burden on the Programme; and
- (ii) in the case of a waiver, the indirect support costs otherwise applicable have been determined by the Executive Director to be insignificant.

(h) Contributions under paragraph (f) and reductions or waivers under paragraph (g) above shall be reported to the Executive Board at its Annual Session.

Proposed interim principles for 2018*

Proposed interim principles to guide the application of full-cost recovery in 2018:

In accordance with General Regulation XIII.2, the following shall apply to the various types of contributions to WFP (replacing General Rule XIII.4):

- 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.
- b) Subject to (c), below, all donors shall provide sufficient cash or other acceptable resources to cover the full operational and support costs related to their contributions.
- c) General Rule XIII.4(e) - (h), shall continue to apply as per current practices. For the purposes of the indirect support costs waiver under General Rule XIII.4(g), "direct support costs" will mean "costs that would previously have constituted direct support costs".*

* Examples of "direct support costs" include staff, consultants, stand-by partners, facilities, and some equipment costs, etc.

** Noting that some flexibility may be introduced for handling Adjusted DSC costs related to Mandated Common Services (UNHAS and WFP-led clusters); a legacy issue as these activities are implemented by WFP on behalf of the Inter-Agency Standing Committee.*

- **2017 Second Regular Session:** Present above interim 2018 principles for approval.
- **2018 Second Regular Session:** Amend General Rule XIII.4.

4c) 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 to permit the introduction of CSPs and the application of CP budget principles in Wave 1A and 1B countries. These include:

- Provisions of General Rule XIII.4 and Financial Regulations 1.1 and 4.5 concerning cost categorization and the manner in which full-cost recovery is achieved; 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 WFP’s General Rules and Financial Regulations as a temporary measure for CSPs, ICSPs, T-ICSPs and limited emergency operations from 1 January until 31 December 2018.

Final amendments to WFP General Rules and Financial Regulations to be presented for approval at 2018 Second Regular Session so that they may come into effect on 1 January 2019.

4. Draft guidance on interim delegations of authority for 2018 (I,II)

For CSPs, ICSPs, T-ICSPs and Limited Emergency Operations

I. General retention of authority not delegated

The Board by default will retain all authorities not delegated.

II. Authority to initially approve

1. Board approval

a. **CSPs and ICSPs** other than those funded entirely by a host country that has opted not to use the Board approval process.

2. ED approval

- a. **CSPs and ICSPs** funded entirely by a host country that has opted not to use the Board approval process.
- b. **Transitional ICSPs (T-ICSPs)** based on previously approved project documents; and
- c. **Limited Emergency Operations (LEOs), and T-ICSPs following a LEO**, to be approved jointly with the FAO Director-General when the LEO or the emergency-related components of the T-ICSP exceed \$XXm in value).

4. Draft guidance on interim delegations of authority for 2018 (III)

For CSPs, ICSPs, T-ICSPs and Limited Emergency Operations

III. Authority to modify

1. ED approval

a. Modifications to CSPs/ICSPs funded entirely by a host government.

b. Budgetary changes to legacy authority areas (i. emergency activities, ii. service provision activities and iii. strategic outcomes funded entirely by a host government) **for CSPs/ICSPs/T-ICSPs** regardless of value.

c. Non-fundamental changes to a CSPs, ICSPs or T-ICSPs on the basis of value thresholds:

- a change in aggregate absolute value by less than \$48m; or
- a change in aggregate absolute value between \$48m – \$150m, only if it is less than 30% of the last Board-approved value).

d. Modifications to LEOs and requirement for joint approval with FAO DG of certain emergency modifications to CSPs, ICSPs and T-ICSPs.

2. Board approval

a. Fundamental changes to CSPs, ICSPs and T-ICSPs, except for programmes funded entirely by a host government (delegation of authority to the ED).

b. Non-fundamental changes to a CSPs, ICSPs or T-ICSPs on the basis of value thresholds:

- a change in aggregate absolute value above \$150m; or
- a change in aggregate absolute value between \$48m – \$150m, only if it is more than 30% of the last Board-approved value).

Cumulative calculations: For the purposes of the authorities to modify delegated to the ED, above, modifications will be treated cumulatively for the purposes of assessing the extent to which they change absolute value. However, this cumulative calculation will reset to zero:

- In the case of modifications falling under (III)(1)(c), every time the Board approves a modification pursuant to that provision;
- In the case of modifications falling under (III)(1)(b)(i) or (III)(1)(d), every time the FAO DG jointly approves a modification pursuant to those provisions; and
- On the first day of each calendar year.

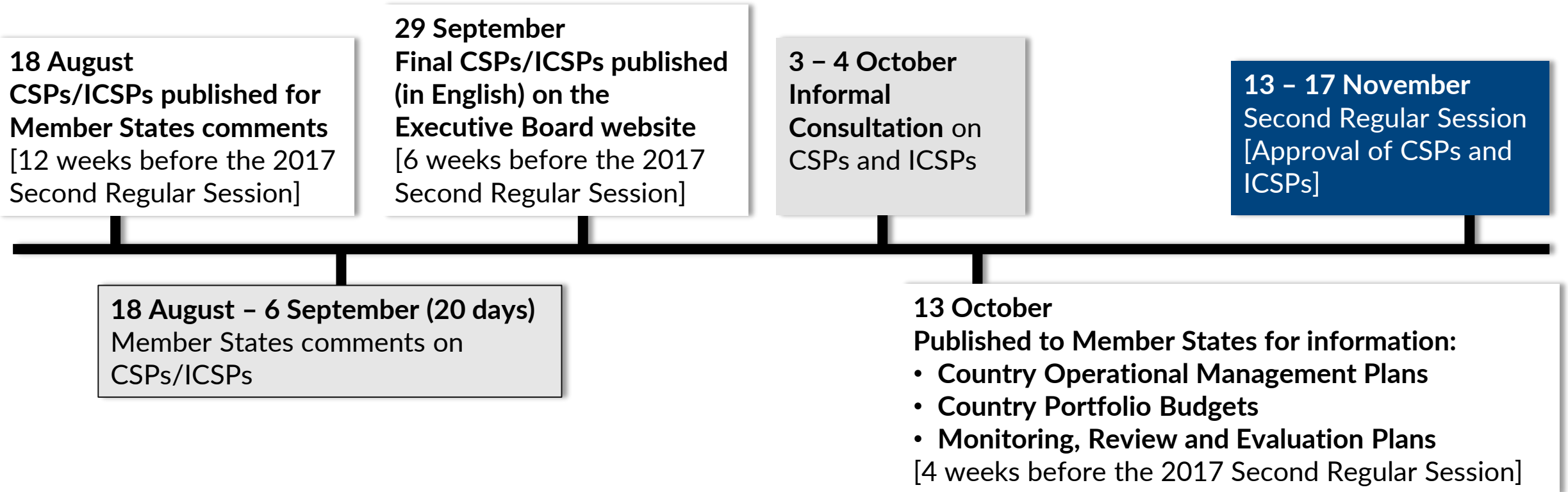
Discussion



2017 Informal Consultations on the Integrated Road Map



Key milestones for CSP/ICSP publication leading up to the 2017 Second Regular Session



Key milestones for CSP/ICSP publication leading up to the 2018 First Regular Session

