

**Private Sector Partnerships
and Fundraising Strategy (2020–2025)**



**Informal Consultation
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**World Food Programme
Rome, Italy**

1. Introduction

1. In a world capable of producing enough food for 7.7 billion people, conflict and climate change have recently reversed decades-long progress in reducing hunger and poverty. Today, 2 billion people lack the vital micronutrients needed to stay healthy, 821 million suffer from chronic hunger¹ and 113 million suffer from acute food insecurity.²
2. To address this challenge and help reset the trajectory towards Zero Hunger and the other Sustainable Development Goals (SDGs), the World Food Programme (WFP) has increased its resources substantially in recent years, primarily from donor governments. With more than USD 7.3 billion raised in 2018, WFP reached 90 million people. While this achievement is remarkable considering that two-thirds of WFP's work is in conflict-affected countries, the gap between WFP's reach and the world's needs remains large.
3. Recognizing that *partnership* is fundamental to achieving the SDGs – partnership itself being the focus of Goal 17 – the Private Sector Partnerships and Fundraising Strategy (2020–2025) sets forth a bold approach to engage the private sector in support of WFP's core mandate and SDG 2: Zero Hunger.
4. This strategy is built on the WFP Strategic Plan (2017–2021), specifically “Strategic Objective 5: Partner for SDG Results” and Strategic Results 7 and 8, addressing the need for diversified resourcing and partnerships that share knowledge, expertise and technology. The strategy also builds on WFP's Corporate Partnership Strategy (2014–2017), which notes that private sector partners can make contributions in four of five identified partner types: resource, knowledge, advocacy, and capability partners. Finally, the strategy is informed by the Multilateral Organization Performance Assessment Network (MOPAN), which noted in its 2017–2018 assessment that WFP's approach to partnership with the private sector “lack[s] a coherent approach and strategy.”³

1.1 Defining “the Private Sector”

5. While *the private sector* could broadly include “all non-governmental entities,” this strategy defines the term as comprising individuals, corporations and foundations – both corporate and private. It does not include vendors and service providers that have a procurement-based relationship with WFP. For simplicity, “private sector” will refer to all entities above, while “corporates” or “corporate partners” will be used when focusing on corporations.

1.2 History of WFP's private sector strategies and evaluations

6. WFP created its first organization-wide approach to partnering with the private sector in the 2004 strategy, “New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base.” This document set a goal of the private sector contributing 10 percent of WFP's resources by 2007. In 2008, a new private sector strategy set a goal of raising USD 200 million in private cash contributions by 2017. Neither of these targets were met.
7. A 2012 evaluation of the private sector strategy highlighted several factors with regard to WFP's existing private sector engagement and future potential: 1) WFP's strategy did not sufficiently distinguish between partnerships and fundraising and did not clarify objectives, scope and limits of corporate partnerships. 2) Corporate partners have valuable technical expertise that WFP can benefit from as well as technology, facilities and access on the ground during sudden onset emergencies. 3) From 2009 to 2011, only 15 percent of WFP's private sector resources were raised from individuals. The 2012 evaluation stressed that WFP should give “more emphasis to, and make

¹ FAO, IFAD, UNICEF, WFP and WHO, *The State of Food Security and Nutrition in the World 2018*. Rome, FAO, 2018.

² Food Security Information Network, *2019 Global Report on Food Crises*. April 2019.

³ MOPAN, “World Food Programme (WFP) 2017–18 Performance Assessment,” February 2019.
<http://www.mopanonline.org/assessments/wfp2017-18/WFP%20report%20final.pdf>.

the essential up-front investment for, repeat giving from the general public, to mobilize unrestricted contributions.”^{4,5}

8. The 2013–2017 private sector strategy emphasized the importance of high-value capacity building corporate partnerships, pointing to WFP’s strength in technical partnerships with companies for impact. The strategy also revised financial targets, projecting yearly income growth of 9 percent if regular investments were made in the fundraising function. While WFP grew its technical partnerships during this time, necessary investments were not made to grow income over the period.

1.3 Rationale for new strategy direction

9. Building on more than 15 years of experience, recommendations from the 2012 evaluation, feedback received during the strategy development process in 2017 and 2018, and extensive internal and external consultations, this private sector strategy sets a new direction for WFP. It looks to corporate partners as “technical” partners, primarily for their dedicated expertise, capability, and advocacy support, and to individuals for funds to help close the funding gap.
10. While the most important value to WFP is the technical assistance of corporate partners such as Sodexo and DSM, many also provide funding. For this reason, WFP recognizes that the types of corporate partnership noted in the Corporate Partnerships Policy 2014 are not mutually exclusive, and that a deep, long-term partnership can include multiple modalities simultaneously. Therefore, it was decided that it is not appropriate to follow the first recommendation from the 2012 evaluation, which suggests that discrete strategies be developed for partnership and fundraising.⁶
11. On the corporate side, this approach to prioritize technical partnerships aligns with market trends. Surveys from 2014 and 2018 show that 92 percent of companies believe that “effectively harnessing my company’s competencies and non-cash assets can make much more of an impact on our key NGO (non-governmental organization) partners than our financial support”.⁷ WFP has already demonstrated success across global technical partnerships to date, as illustrated in Figure 1.

⁴“Summary Evaluation Report of WFP’s Private-Sector Partnership and Fundraising Strategy” (WFP/EB.2/2012/6-A).

⁵ Additional recommendations of the 2012 evaluation which this strategy takes forward include: (1) mobilizing financing from foundations; (2) maximizing benefits from corporate partnerships to contribute to WFP’s objectives; and (3) implementing a process for prioritizing areas for partnership development. Other recommendations, such as integrating private sector partnerships and fundraising into WFP’s overall budget and transferring responsibility for conducting due diligence outside of the Private Sector Partnerships Division, were adopted through the 2013–2017 strategy.

⁶ Le Group-conseil Baastel-Itée, “WFP’s Private Sector Partnership and Fundraising Strategy: An Evaluation,” September 2012. Report no.: OE/2012/010. <https://docs.wfp.org/api/documents/d6b29aa16b064ff38d015d04424f389b/download/>

⁷ C&E Corporate – NGO Partnerships Barometer 2014 and 2018.

Figure 1: WFP has extensive experience in partnering with corporates to progress SDGs



12. Feedback from confidential interviews conducted in 2018–2019 with technical partners indicates that WFP is seen as a “prime partner” in this area. As companies re-define their role beyond simply driving profits, WFP is well-positioned to help them leverage core business expertise to make a measurable difference in the world. Technical partners value WFP as an enabler of impact, and WFP offers an avenue through which companies can contribute to the SDGs, increase employee loyalty through hands-on opportunities and communicate their positive value for society to key stakeholders.
13. While WFP has already demonstrated success in technical partnerships as of 2019, there are significant opportunities to address additional needs and reach more beneficiaries. This strategy therefore seeks to build on WFP’s considerable success in technical partnerships for impact.
14. For fundraising, the new direction to focus on individual giving addresses insights from WFP’s 2012 strategy evaluation, that “all comparable NGOs and United Nations agencies have emphasized fundraising from the general public for fully flexible repeat giving. In recent years, UNHCR has been particularly successful in mobilizing a continuous income stream from the public, but this has required substantial initial investment.”⁸
15. As of 2019, WFP had made an active decision not to invest in individual giving, and, therefore, has not captured significant income from this proven and scalable private revenue stream.⁹ This strategy proposes a new approach to radically increase income from individuals to help close WFP’s funding gap, using new digital engagement tools to reach audiences across the globe in a flexible, cost-effective way.

1.4 Process, research and consultations leading into this strategy

16. The new strategic direction has been driven by a core team within WFP’s Private Sector Partnerships Division, working closely with the new Assistant Executive Director for Partnerships and Governance and a team from the consulting firm BCG.
17. The strategy is informed by feedback from the stalled strategy development process in 2017 and 2018 as well as extensive stakeholder consultations and data analyses. Confidential interviews were conducted with key corporate partners, as well as consultations with the United Nations

⁸ Le Group-conseil Baastel-Itée, “WFP’s Private Sector Partnership and Fundraising Strategy: An Evaluation,” September 2012. Report no.: OE/2012/010. <https://docs.wfp.org/api/documents/d6b29aa16b064ff38d015d04424f389b/download/>

⁹ WFP Private-Sector Partnerships and Fundraising Strategy (2013–2017): ‘This strategy has an important limitation in that it assumes that investment available to augment the private-sector function will be modest, and that in this respect will continue to lag behind that of agencies such as the United Nations Children’s Fund (UNICEF) and the Office of the United Nations High Commissioner for Refugees (UNHCR).’

Global Compact to align the proposed focus and scope of this strategy. Internal consultations covered headquarters-based functions as well as regional bureaux (RBs) and several country offices (COs). Leading experts who held senior positions in United Nations agencies and NGOs were also involved in crafting this strategy, as were peer agencies such as UNICEF and UNHCR and NGOs in Germany, Spain, and Republic of Korea.

2. A Strategy with Three Pillars of Activity

18. This strategy aims to maximize non-financial impact and financial contributions across private sector entities. To this end, the strategy is divided into three distinct pillars of Impact, Income, and Innovation with the following ambitions:
19. *Impact:* Build on existing success with corporate partners to form best-in-class technical partnerships to grow WFP's capacity, support local market development and increase impact. WFP will:
 - Increase global technical partnership activity by at least 25 percent by 2025;
 - Enable technical programme units in headquarters and COs to develop and execute partnerships based on the needs prioritized through country strategic plans (CSPs);
 - Facilitate corporate partners' role in developing and strengthening local markets, supporting economic development and creating jobs in countries where WFP operates.
20. *Income:* Invest in and grow private sector fundraising to make significant strides in closing WFP's funding gap, with the strongest focus on individual giving. WFP will:
 - Increase income from the private sector from USD 87 million in 2018 to USD 260 million by 2025;
 - Invest in developing a significant and sustainable new stream of unrestricted income to support underfunded country programmes through the creation of a digital-led fundraising strategy that engages people worldwide;
 - Synchronize fundraising and brand building efforts for greatest mutual impact.
21. *Innovation:* Explore new areas of private sector engagement (i.e. innovative financing, Islamic Social Finance, public-private partnerships (PPPs) and shared value) to accelerate progress towards Zero Hunger. WFP will:
 - Develop plans for innovative models to drive growth in income and capacity for WFP;
 - Identify the most effective opportunities for the private sector in achieving Zero Hunger, beyond WFP programmes.

2.1 Pillar 1: Impact

22. The most valuable contribution a corporate partner can provide to WFP is technical expertise, knowledge transfer and capacity building support. This helps WFP operate in the most efficient, effective way possible and better leverage the billions of dollars donor governments provide each year. In addition, corporate partners can expand agricultural markets and support the development of rural economies in the countries where WFP operates.

23. Growing technical partnerships are key to COs and technical units. The expertise and impact that corporates bring are consistently seen as more important than the financial resources they may provide. A focus on technical partnerships will enable WFP to benefit from a wide array of global expertise. Internal consultations identified several areas where technical partnerships are desired, including the illustrative list in Figure 2.

Figure 2: Significant need and potential to grow impact through new partnership opportunities

Illustrative list of some of the opportunities identified by WFP programme units:

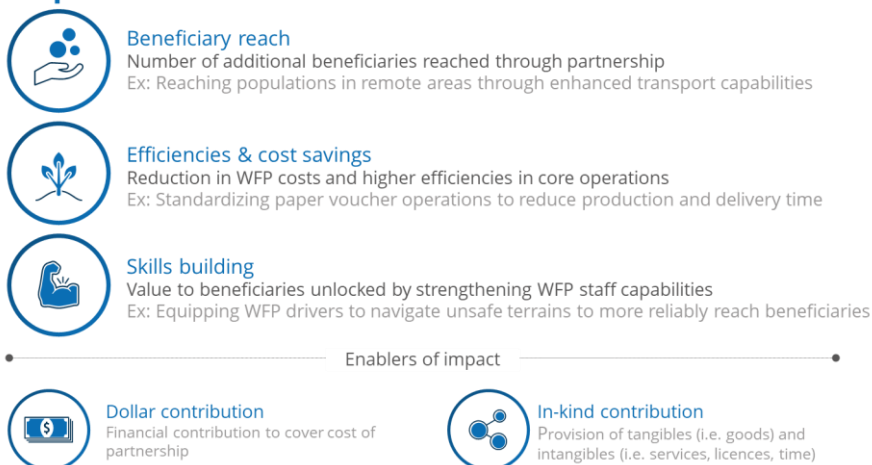


2.1.1 Increasing success from Impact partnerships

24. To improve the efficacy of WFP's proven technical partnership approach, WFP will focus on transformational partnerships over ad hoc transactional relationships. With a proactive strategy for partnerships based on needs prioritized with CO and technical colleagues, WFP will only selectively accept unsolicited services or expertise. While potentially beneficial in the short term, such offers require resources to steward and may not yield the long-term, sustainable benefits that more strategic technical partnerships can provide.
25. Additionally, WFP needs a new approach to measuring and evaluating technical partnerships to fully understand their impact value and derive efficiency-improving benefits. A new methodology will be created during the strategy period that measures cost savings, increased resources and improved services to beneficiaries, using such metrics as programme reach, value and intervention speed. Potential metrics for Impact measurement are outlined in Figure 3.

WFP to create a systematic methodology to measure & report impact of technical partnerships, recognizing that no standard approach exists within or outside of WFP today

Figure 3: Three key dimensions to assess partnership impact



26. In addition, WFP must embrace changes in how it engages corporate partners, including:
 - Specializing capabilities and upgrading the experience level of the corporate technical team;
 - Establishing enablement teams to properly resource contracting and reporting to improve the long-term stewardship of partnerships;
 - Improving coordination and clarifying roles and responsibilities between technical units and the private sector partnerships team.
27. Other required changes are the need to double private sector resources in RBs and establish a centre of excellence within an RB to capture and share best practices. Previously, the private sector and regional partnerships teams have developed tools and guidance to help COs use CSPs to identify strategic private sector opportunities. Training was delivered and toolkits developed, but with limited positive results. This new strategy will shift focus from disseminating tools to providing tailored support to COs with high potential for local private sector engagement.

2.1.2 Private Sector Impact for local market development

28. In addition to improving how WFP operates, the private sector can strengthen markets and improve food systems. This may include supporting local markets and food systems so that the most vulnerable actors, usually smallholder farmers, can better contribute to and benefit from long-term development. Of the 821 million hungry people in the world, about half are farmers. Too often, they cannot grow enough of the right crops, prevent food losses, or sell their harvests at a high enough price to provide for themselves and their families.
29. In response to this need, WFP is developing a broad range of tools to support smallholder farmers so that they can contribute to SDG 2. These tools include:
 - Connecting farmers with WFP's local procurement and other markets, providing a consistent demand for the crops that poor farmers grow;
 - Investing in innovative programmes that seek to improve access by smallholder farmers to quality seeds, reliable markets, affordable financing and digital solutions (e.g. the Farm to Market Alliance);
 - Developing scalable, market-based solutions to address post-harvest losses;

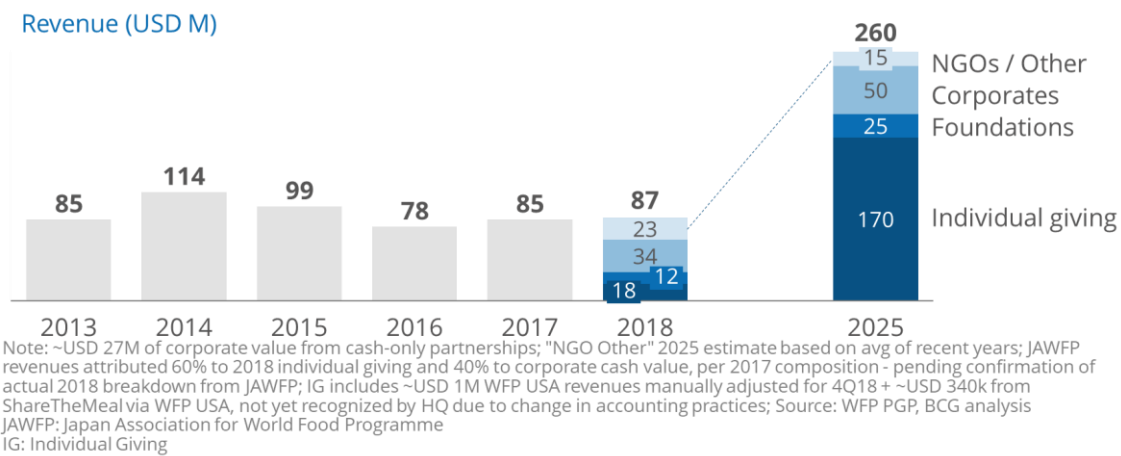
- Supporting home-grown school meals programmes that provide nutritious food for children in school while boosting the local economy.

30. Many of these activities are key WFP programme areas, and the Policy and Programme and Private Sector Partnerships divisions within WFP work closely together to ensure that corporate partners can provide the necessary expertise, knowledge and support to make the largest impact.

2.2 Pillar 2: Income

31. The primary way this strategy proposes to help close WFP’s funding gap is through a focus on engaging individuals around the world. Fundraising from individuals will provide significant income that is much more likely to be flexible and used for WFP’s greatest needs. Corporations and foundations will also contribute to income growth by 2025, as shown in Figure 4.

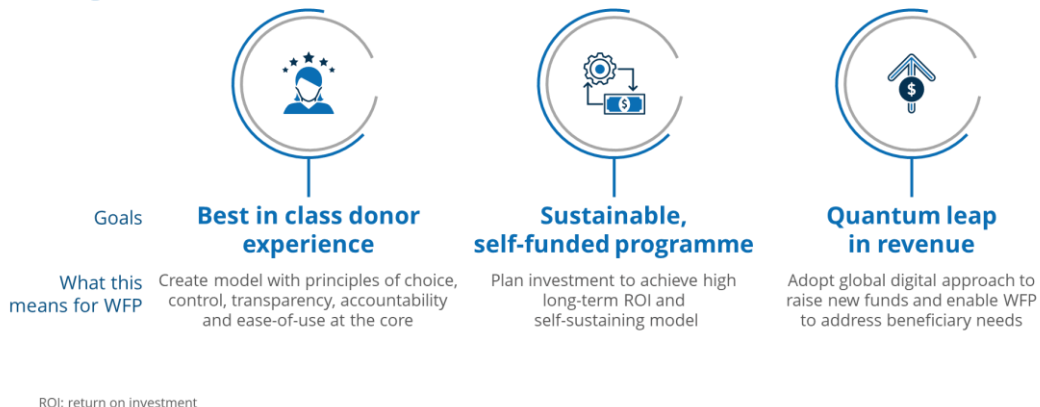
Figure 4: WFP to grow private sector fundraising to USD 260M by 2025



2.2.1 A bold, new Individual Giving fundraising approach

32. With the 2020–2025 strategy, and in light of feedback and evaluations from previous strategies, WFP now has an opportunity to build a new approach to individual fundraising. Three strategic goals have guided the design of the approach, as illustrated in Figure 5.

Figure 5: Individual Giving: Three goals guide strategy design



33. Traditional individual fundraising was primarily conducted through offline channels, including direct mail and telemarketing, and implemented through national fundraising operations. Today,

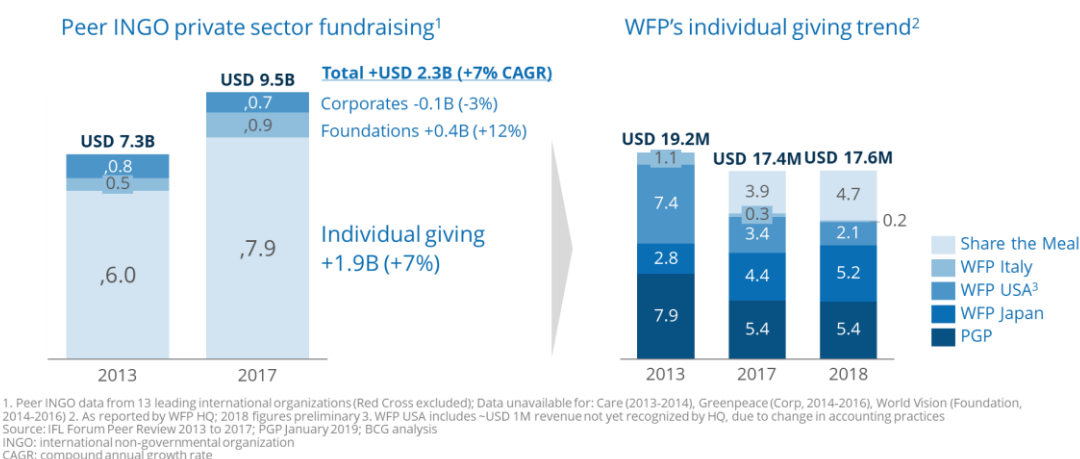
the individual fundraising market looks very different, with the vast majority of potential donors having a digital presence and being comfortable transacting online. The subscription payment model used by companies such as Netflix and Amazon Prime has introduced millions of digital natives to monthly giving which will be a key element of the approach to supporter engagement. WFP has a unique opportunity to define its approach during this digital change and leapfrog peers from the very start.

- 34. WFP has already innovated in this space with the ShareTheMeal app, which gained traction with specific market segments and generated USD 12.6 million since its 2015 launch. In 2018, WFP became the first international organization to implement new Facebook fundraising tools on a global basis.
- 35. A global digital multi-market approach will be WFP's focus for investment and will drive most new donor acquisition. This global approach will be augmented by a deeper focus on four to six high-performing and scalable markets to enhance regular giving growth.
- 36. Through this strategy, USD 170 million/year will be raised by 2025, which is approximately 10x the level of income from all WFP individual giving activity in 2018. By retaining a proportion of the income from individual donations to reinvest, the programme will be self-sustaining by the end of the strategy period (more detail in Section 3 and Annex I).

2.2.2 Positioning in the individual giving market

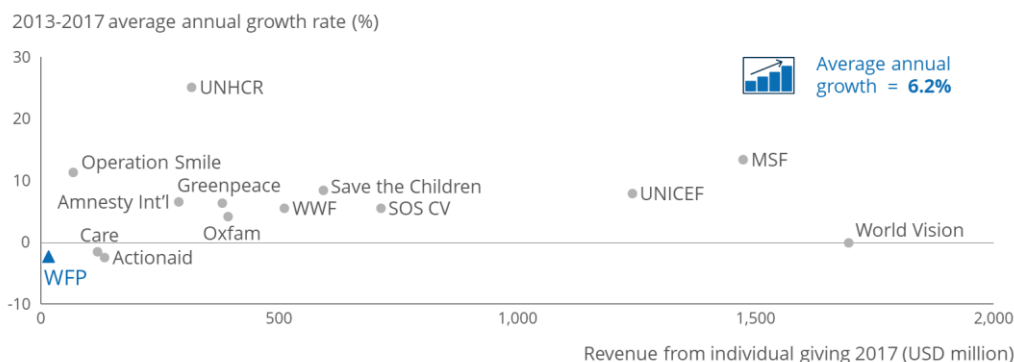
- 37. There is a concern that increasing WFP's fundraising from individuals would reduce income for sister United Nations agencies and NGO partners. This is based on a belief that the overall individual giving market is limited. However, an analysis conducted by WFP's peers with large individual fundraising operations shows that the market is both large and growing significantly – increasing the opportunities for all organizations (Figure 7). Additionally, a recent report forecasts that the rising global middle class has the potential to generate USD 319 billion in additional funds for non-profit organizations each year.¹⁰

Figure 6: Individual giving by peers up USD 2B over 5 yrs due to focus and investment; WFP down USD 2M in same period



¹⁰ Charities Aid Foundation's Groundwork for Global Giving report 2017. Projections by the Brookings Institution show that up to 2.4 billion people could enter the middle classes globally by 2030 and that their spending could almost double from USD34 trillion to USD 64 trillion over this period. The report notes that "If this new aspirant middle class were to dedicate just 0.5% of their spending – about the same as people in the Republic of Korea and just over a third of what people in the USA give on average – to charitable causes it would generate an astonishing USD 319 billion a year in funds."

Figure 7: WFP's individual giving revenue is flat while peers have taken advantage of consistent global growth



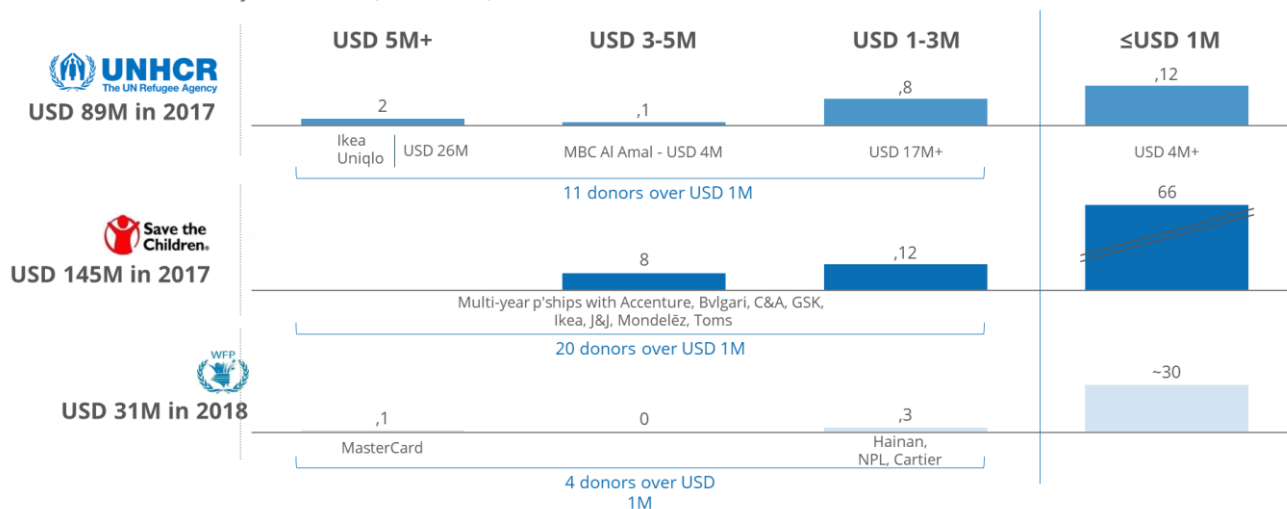
Source: IFL 2018, BCG analysis

2.2.3 Additional income growth from corporates and foundations

38. While most revenue growth will come from individuals, WFP also aims to increase income from corporates and foundations. WFP's peer organizations, notably UNHCR and Save the Children, have seen considerably more success in financial corporate partnerships than WFP to date.¹¹

Figure 8: Peers have many more USD 3M+ and USD 1M+ donors than WFP

Number of donors by tranche size (USD million)



Note: UNHCR figures capture USD 52M of USD 89M estimated in IFL 2018

39. To increase funding from corporations, WFP will shift focus and upgrade capabilities to identify and secure highest value global donors, primarily from networking events (e.g. Davos) and by leveraging senior WFP leadership and transforming WFP into a "go-to" brand for potential donors. Selective, targeted prospecting will help to identify high-value opportunities across large business to consumer (B2C) companies, companies with operations located close to WFP beneficiaries, and corporate foundations.

¹¹ Note: UNHCR figures capture USD 52M of USD 89M estimated in IFL 2018 report; for Save the Children and WFP, "≤USD 1M" counts # of partners in USD 100k-USD 1M bucket; total amount of USD 31M includes contribution from WFP Japan, detailed composition however pending. Source: UNHCR, Save the Children, WFP, BCG Analysis

40. A minimum donor threshold will be introduced for global corporate donors of USD 1 million/year for corporates and USD 500,000/year for corporate foundations. With these thresholds, WFP can shift focus towards highest value donors.
41. A dedicated team will focus only on corporate fundraising partnerships, and roles will be separated between new business generation and relationship management to secure high-value donors and provide high quality stewardship. Greater support will be provided to COs to establish national partnerships to fund their programmes. By 2025, WFP aims to raise USD 50 million annually from fundraising-only partnerships, up from USD 34 million in 2018.
42. Lastly, private foundations can provide funding to drive innovation within WFP. In addition to the knowledge and resources they provide, foundations often take a longer-term approach to solving some of the world's most pressing problems. Foundations play a key role in helping WFP address sustainable solutions that fall into the "humanitarian-development nexus," as well as the root causes of hunger.
43. While WFP has partnered with foundations for years, the approach has been ad hoc and disorganized. The 2020–2025 strategy proposes a focused approach to stewarding and collaborating with a small number of large foundations in North America and Europe to maximize return on investment (ROI) and help technical units and COs pursue opportunities. By 2025, this strategy could double income from foundations to USD 25 million with a limited additional non-staff budget to support the current team.

2.3 Pillar 3: Innovation

44. The strategy's third pillar explores developing areas of private sector engagement that are new to WFP, namely innovative financing, shared value, public-private partnerships (PPPs), and Islamic social financing. Peer organizations and other United Nations bodies are exploring these areas, which could be transformational for WFP. Internal cross-functional working groups, led by the Partnerships and Governance Department (PG), have been convened to explore each area and consult with relevant internal and external stakeholders. PG recognizes that these new areas have potential for WFP, although all are not expected to have a significant impact within the strategy's timeframe. The following illustrates the potential of these areas for WFP over the medium to long term.

2.3.1 Innovative Finance

45. Over the past two years, units within WFP have started exploring innovative finance, focusing on impact investment instruments such as social impact bonds and disaster insurance. WFP already has experience within the broad sphere of innovative financing, having developed the Global Commodity Management Facility, hosting the African Risk Capacity, developing the Food Security Climate Resilience facility, and the Farm to Market Alliance. PG is leading the collection and synthesis of past research, and interviewing leaders of key WFP technical units, to identify potential financing tools and vehicles.
46. WFP's further exploration with innovative financing will be driven by the needs and problems to be solved. WFP anticipates eventual enhanced staffing needs to manage the networking and research aspects, as well as external advisory expertise that WFP does not currently possess.

2.3.2 Islamic Social Finance

47. Islamic social finance has been partly explored by WFP offices in recent years, as it is often associated with a multi-billion dollar potential pool of funding. Islamic philanthropy encompasses various forms – Zakat, Sadaqat, Zakat Al-Fitr, Waqf, and Sukuk – each of which requires a specific approach and strategy. Specifically tied to national contexts, Islamic social finance as a potential source of funding can only be understood and unlocked through a close collaboration between government and private sector partnerships.

48. In 2012, WFP launched its first ever Ramadan online appeal, using the word “Sadaqat” – not “Zakat”. Working with private sector partners such as MBC, the Arab world’s leading media group, this campaign sought to work with the spirit of Islamic philanthropy and the relevance of WFP’s cause of alleviating hunger. The campaign is renewed annually, most recently in collaboration with ShareTheMeal.
49. While the World Humanitarian Summit in 2016 proposed a “Humanitarian Zakat Fund” that did not materialize, WFP continued to explore this topic through country-level discussions, notably in the Gulf Cooperation Council (GCC), Indonesia and Pakistan. WFP is exploring other related options and will seek advice and input from key Member States.

2.3.3 Public-Private Partnerships

50. Recognizing the catalytic role of public funding in attracting private sector resources, PPPs are an emerging theme within WFP’s approach to partnerships. Following research and consultation of the PPP space, three potential modalities for WFP’s engagement have been identified: direct participant (co-creating PPPs with public and private actors); end-user (WFP as a user of services/products created by PPPs); and facilitator (using WFP’s convening power to foster PPPs which help host governments deliver upon SDG 2 and 17).
51. Despite not having a common position or strategy for engaging in PPPs, numerous examples have been created across WFP in recent years, led by various units and offices. All models have the potential to benefit WFP’s work directly, and/or deliver progress against the achievement of SDG 2 and 17 at the national level. While PPPs have the potential to create transformative solutions, they also come with high complexity and transaction costs. The PPP working group is therefore exploring the way forward while ensuring that PPPs remain needs-driven, rather than donor-driven.

2.3.4 Shared Value

52. Shared value is an emerging area of interest for corporations, many of whom see this new way of partnering between sectors as mutually beneficial. Through shared value, businesses gain economic benefit while simultaneously generating social benefits through the development of new products, services or ways of doing business. The development of this concept is seen in the United Nations Global Compact, in the 2030 Agenda for Sustainable Development, and particularly in SDG 17. WFP’s peer organizations and some existing corporate partners have begun exploring how this trend can work within United Nations rules. A clear definition of what shared value means in the context of WFP is currently lacking, and a thorough exploration of the challenges and opportunities is required.

3. Enabling the delivery of this strategy’s ambitions

53. Successful engagement with the private sector cannot be achieved by WFP’s Private Sector Partnerships team alone. Achieving the strategy’s goals will require collaboration across WFP, particularly with COs and RBs. The Private Sector Partnerships Division (PGP) will continue to work closely with the Communications, Advocacy and Marketing Division (CAM); teams that benefit from corporate partners like supply chain, programme and policy, cash-based transfers, nutrition, and others; and with procurement and government partnerships to further explore areas such as shared value or Islamic social finance.
54. Embarking on new partnership modalities and increasing fundraising from the private sector will necessitate close collaboration with WFP’s Legal Office and financial teams. WFP also will continue to work with its Friends organizations in the United States, Japan and Italy to engage with the private sector in their respective markets, as they continue to support WFP’s programme of work through enhanced advocacy and communications initiatives.

3.1 Intersections between building the WFP brand and private sector engagement

55. Achieving the objectives laid out in this strategy is closely linked with the development of a strong and coherent brand for WFP. Research shows that there is a strong relationship between a non-profit organization's brand strength and its voluntary or fundraised income.¹² Spontaneous brand awareness and voluntary income form an interdependent cyclical relationship – awareness boosts fundraising performance and fundraising activity boosts awareness.
56. The importance of a strong brand applies both to engagement with corporate partners and individual supporters. While these audiences can have different motivations, triggers and needs from brands with which they engage, an organization's success can grow with all audiences if its brand is perceived to be strongly associated with attributes that stakeholders value.
57. In 2018, CAM commissioned the first brand market research study for WFP in over a decade.¹³ This study investigated which attributes people associated most with WFP and, crucially, which attributes are most likely to drive donations among individuals (further detail in Annex III). The survey specifically asked about individuals' willingness to donate, but these attributes are also highly relevant to companies considering partnerships with WFP. The most important attributes for driving donations (average among the 11 countries studied) are: successful, compassionate, efficient, effective.
58. The attribute for which WFP scores most highly is global reach; however, this attribute is also generally seen to be a low driver of donations. Attributes may shift from year to year, however, high-performing attributes should be maintained rather than de-emphasized.
59. It is important to note that the donation drivers varied significantly by country. While global initiatives should follow the findings noted above, local efforts should aim to align to the country-specific drivers. It should also be recognized that donor behaviours and opinions will continue to shift over the strategy period. Based on future brand research, WFP will adapt its approach toward messaging and amplifying brand attributes.
60. CAM and the Private Sector Partnerships Division will work together to ensure that communications activities support the development and strengthening of the WFP brand, and that WFP's brand helps to create the best possible conditions for fundraising from the private sector.

3.2 Investing in private sector growth

61. In addition to the detailed figures presented in the investment model for individual giving (Annex I), investments of both human and financial resources are required to achieve the results laid out in each of the three pillars described below.

3.2.1 Pillar 1: Driving Impact through corporate partnerships

62. Several changes in team structure and capabilities are required for WFP to realize its ambition to drive greater impact through technical partnerships.
63. WFP will establish a dedicated Technical Partnerships Management Team within the PGP Corporate Team, focused solely on building and growing technical partnerships. Corporate fundraising activities will be performed by a separate team to enable greater specialization.
64. Capabilities in RBs and headquarters will be upgraded to more effectively pursue partnerships addressing highest priority needs. Staff presence in RBs will double over the strategy period. By 2025, all six RBs will have dedicated private sector staff who will focus on strengthening support

¹² nfpSynergy, *Ringling a bell? Analysing available evidence on the sources and benefits of awareness for charities*. May 2015.

¹³ Ipsos, *WFP Brand Research: Global Report*. September 2018. Eleven key donor markets were targeted: Australia, Canada, France, Germany, Italy, Japan, the Netherlands, the Republic of Korea, United Arab Emirates, United Kingdom and United States of America.

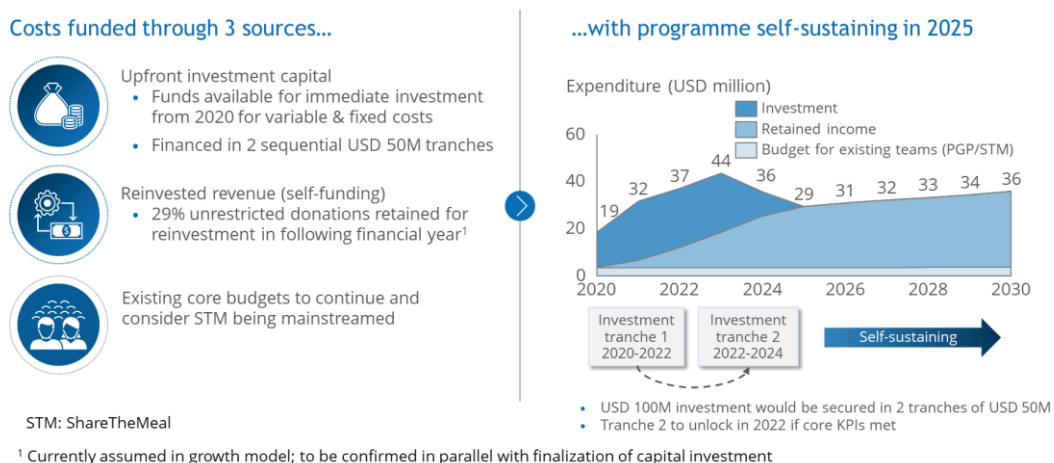
to COs. Resources will also be necessary for personnel in RBs to provide support to COs in the gathering and creation of content for the fundraising campaigns.

- 65. A dedicated centre of excellence (CoE) will be created at one of the RBs. The CoE will synthesize and share knowledge and best practices with COs. The private sector focal point in each RB will offer COs strategic support (e.g., incorporate private sector priorities into CSPs) and, going forward, the role of the RB will be focused on CoE activities and strategic guidance only.
- 66. WFP will invest in increasing the skills of key enablement functions such as impact reporting, communications and contracting, to upgrade stewardship capacity for all partnership aspects and support global, regional and CO needs.
- 67. In addition to upgrading capabilities, the Technical Partnership team will seek to add new staff positions in 2022 and additional new positions by 2025, contingent on achieving impact results. An increase in key performance indicators (KPIs), currently under development (e.g., x% cost efficiency from partnership, y# more beneficiaries reached, z# WFP staff members trained in a specific best-practice activity), will trigger capacity growth.

3.2.2 Pillar 2: Growing income with a focus on individual giving

- 68. Achieving WFP’s ambition to grow individual giving income from USD 87 million in 2018 to USD 170 million will require significant investment and several changes across WFP.
- 69. It is proposed that USD 100 million of investment capital is needed to achieve this growth in individual fundraising by 2025. In parallel with the start-up investment, a mechanism will be established from 2020 to retain a proportion (approximately 29 percent) of the funds raised which will fund future fundraising costs and investment. This retention mechanism will allow the individual fundraising programme to be self-sustaining by 2025 and grow in the long term without additional investment. Lastly, it is assumed that PGP will continue to receive the limited funding currently within the Programme Support and Administrative (PSA) budget for individual giving (Figure 9).

Figure 9: Individual Giving: Model is self-sustaining by 2025



- 70. The investment model is built on a detailed structure of assumptions and drivers, based on WFP’s experience, input from other United Nations agencies and expert external advice, summarized in Figure 10.

Figure 10: Overview of key channel assumptions for individual giving

Lever	Digital	DRTV	F2F ² (Spain, Republic of Korea, Japan)	New channels
First-year retention (one-off / regular)	25% / 80%	- / 92%	- / 74%, 56%, 60%	- / 70%
Retention after year 1 (one-off / regular)	60% / 80%	- / 90%	- / 80%	- / 80%
Gift size (one-off / regular p. month)	USD 50 / USD 17.50	- / USD 12	- / USD 9.60, USD 24, USD 18	- / USD 9
Gift size growth¹	3% (2019) to 0% (2030)	3% (2019) to 0% (2030)	3% (2019) to 0% (2030)	3% (2019) to 0% (2030)
Acquisition cost (one-off / regular)	USD 30 / USD 90	- / USD 193	- / USD 203, USD 250, USD 250	- / USD 220
Acquisition cost growth	0%	0%	0%	0%
Fraction spent on acquisition of regulars	50%	100%	100%	100%

Note: As of 20 March, 2019; 1. Gift size growth decreases with multiplicative factor year to year: at 75%, 3% growth rate in year 1 becomes 2.25% growth rate in year 2, then 1.69% in year 3, etc. 2. Benchmark across multiple organizations for Spain and the Republic of Korea, THINK Offline data for Japan, BCG analysis

71. The USD 100 million investment will be spent across the first five years (2020–2024) and split into two tranches of USD 50 million. The first tranche will be spent in 2020–2022 to fuel initial growth in donor acquisition and retention activity. The second tranche of USD 50 million will be conditional on results and made available if target KPIs are achieved by mid-2021.
72. Figure 11 provides the key indicators to assess “go/no go” decision for the release of the second tranche of investment.

Figure 11	
Indicator	Target range
2020 income target	USD 36m–USD 44m
Average year 1 ROAS (return on advertising spend)	1.5 – 1.9
Digital paid year 1 ROAS (return on advertising spend)	1.8 – 2.2
First-year retention (one-off/regular)	Digital: - 22% - 27%/72% - 88% DRTV: -/83% - 95%
Gift size (one-off/regular p. month)	Digital: - USD 45–USD 55/USD 15.75- USD 19.25 DRTV: -/USD 10.80-USD 13.20
Acquisition cost (one-off/regular)	Digital: - USD 27–USD 33/USD 81- USD 99 DRTV: -/USD 174–USD 212

73. An integrated, individual fundraising team is needed to deliver on the bold, new approach. This requires bringing together the existing ShareTheMeal team, housed within the Innovation and Change Management Division, and the Individual Giving team within PGP to create a new, integrated supporter engagement team. There will be opportunities to share costs and drive efficiencies across this integrated new team.
74. Close collaboration with CAM is vital to develop and maintain a seamless supporter journey with engaging, effective content. A structured approval process governing marketing campaigns, asset usage, messaging framework and reputation management across WFP's global digital footprint will be agreed.
75. The capacity of the supporter engagement team will grow as the individual giving programme expands. This will be achieved through a mix of flexible and virtual resources, including outsourced support services, marketing agency relationships and consultancy roles. There will be only limited growth in the number of fixed-term staff. There are two fixed-term international professional staff within the Individual Giving team in PGP, and it is forecast that the new supporter engagement team will grow to ten by 2025.
76. A full breakdown of the assumptions in the model, the returns by channel and the expected long-term income are provided in Annex I.
77. While most increased income will be generated by individual giving, corporation and private foundation giving is also targeted to expand. To double corporate fundraising income to USD 50 million by 2025, WFP will need to sharpen its focus and upgrade staff capabilities to identify and secure the highest value partners from key networking events and to follow through on opportunities generated by WFP senior leadership.

3.2.3 Pillar 3: Innovating new forms of engagement with the private sector

78. Proposals for investment in this area, if needed, will be provided during the timeframe of the strategy, as each PG-led working group makes progress in identifying the need and applicability of each developing area for achieving WFP's mission and zero hunger.

3.3 Due diligence and risk management for partnering with corporates

79. The success of this strategy is contingent upon deep private sector engagement, and WFP's robust due diligence process, formalized through the 2013–2017 private sector strategy, which exists to manage any potential associated reputational risk.¹⁴ WFP ensures that its engagement with the private sector is aligned with the United Nations Secretary-General's guidelines on cooperation between the United Nations and businesses, updated in 2015.
80. Due diligence reports on prospective donors and partners who intend to give over USD 50,000 and/or to use the WFP name and emblem are required before any collaboration starts. The reports are produced by the WFP due diligence team within WFP's Legal Office, to remove potential conflict of interest with the Private Sector Partnerships team. Oversight for private sector donors and partnerships is provided by a senior committee, chaired by WFP's Deputy Executive Director.¹⁵ This committee provides approval for engagement with those donors and partners that pose relatively high risk.

¹⁴ See OED2013/025 – Guidelines for private sector partnerships.

¹⁵ The Due Diligence Committee is comprised of: the Deputy Executive Director (DED); the Assistant Executive Director (AED), Resource Management and Chief Financial Officer; the AED, Operations Services; the AED, Partnerships and Governance; the Chief of Staff, and the Director, Office of the Executive Director (OED). The directors of the Communications, Advocacy and Marketing Division and the Private Sector Partnerships Division hold observer status.

81. Given the increased volume of technical and fundraising partnerships with corporations envisaged in the 2020–2025 strategy, extra resources are needed for key enabling teams within WFP to realize these ambitions. The strategy provides for increased funding to the Legal Office for due diligence and contractual support that is expected to grow over the coming five years.
82. WFP is currently exploring new ways of working in the area of due diligence that will enable RBs and COs to more quickly and effectively develop partnerships with corporations in their locality. WFP will ensure that due diligence processes remain robust and accommodate any new partnership models that WFP develops.
83. A full description of WFP’s due diligence process and criteria is provided in Annex II.

4. Managing risk across the delivery of the strategy

84. There are several risks associated with this strategy that must be mitigated. The main risk relates to a lack of investment. Insufficient investment in partnerships and fundraising will affect WFP’s ability both to achieve transformative impact and to support the RBs and COs in connecting the private sector with the CSPs. The way to mitigate this risk is to develop a self-financing mechanism or other financial tools to be presented in the next WFP Management Plan (2019-2021).
85. Additional risks and mitigating actions are outlined in Figure 12 below.

Figure 12		
Risk	Model of collaboration impacted	Mitigating actions
<p>1. Reputational risk</p> <p><i>The management of potential reputational risk to WFP is essential when engaging with corporations, foundations and individuals.</i></p>	<p>All private sector engagement</p>	<p>WFP will continue to ensure that all private sector channels (foundations, corporations, individuals giving USD 50,000 and above) go through the organization’s rigorous due diligence process prior to any agreement being signed or partnership being announced.</p> <p>See WFP circular no. OED2013/025 for more information on due diligence guidelines.</p> <p>Careful stewardship of WFP’s reputation is essential to creating a positive enabling environment for partnerships and fundraising and to managing any potential negative impact caused by external factors outside WFP’s control.</p> <p>An experienced team within CAM focus on managing WFP’s reputation and work closely with the private sector partnerships team when a prospective partnership poses a risk to that reputation. This capacity must be maintained at a level proportionate to the number and scale of partnership activities that pose a reputational risk.</p>
<p>2. Conflict of interest</p> <p><i>Potential misunderstanding of commercial relationships and partnerships poses a risk to the organization.</i></p>	<p>Technical partnerships; fundraising from corporations</p>	<p>There must be a clear firewall between commercial relationships and partnerships. WFP maintains a strict separation between its partnership and commercial (procurement) activities, ensuring transparency and fairness in its dealings with the private sector.</p> <p>From a procurement perspective this is done through several measures: ensuring competitive, fair and transparent tenders; discouraging requests for direct purchases from partners unless clearly justifiable; and determining whether partners can use WFP’s logos and, if so, under what conditions – as they would not be permitted to use the logo in a procurement relationship. This also entails informing potential partners at the start of the negotiation process that the more visible they are as partners the more likely it is that there may be a perceived conflict of interest.</p>

Figure 12

Risk	Model of collaboration impacted	Mitigating actions
<p>3. Lack of internal capacity to execute and absorb partnerships</p> <p><i>All partnerships, whether they provide cash or technical expertise, require internal capacity to operate effectively and need to be continuously stewarded if they are to achieve their intended impact. Without this capacity to absorb, resources may be wasted, and WFP's reputation put at risk.</i></p>	<p>All private sector engagement</p>	<p>The way to mitigate this risk is to assess the potential value and all associated costs of a partnership before a partnership agreement is signed to ensure compliance with WFP's full cost recovery principle. Every donation of expertise or services must be based on a WFP need and must be accompanied by a financial contribution that enables WFP to manage the partnership effectively within technical units, RBs or COs.</p> <p>Another way to mitigate this risk is to ensure that a fully staffed and skilled private sector team is in place.</p> <p>As the number of campaigns increases, community management and customer engagement personnel will need to be hired to proactively manage communications with potential and existing donors on social media.</p> <p>These will sit with the individual giving team in PGP, but work in coordination with the CAM digital team, liaising with the Campaign Manager under the overall supervision of the Head of Digital and working on the agreed campaign and content approval process for online outreach.</p> <p>See risk 5 below for more detail.</p>
<p>4. Lack of organization-wide commitment</p> <p><i>Enhanced collaboration with and among technical units, RBs, COs, CAM, and the Legal Office is essential to support the strategy. Possible lack of such collaboration poses a risk.</i></p>	<p>All private sector engagement</p>	<p>The means of mitigating this risk is to provide adequate funding for partnership building to be fully resourced across these teams.</p>
<p>5. Lack of fully staffed skilled teams to implement the strategy</p> <p><i>The right skills and knowledge must be deployed consistently over time to achieve partnership and fundraising targets.</i></p>	<p>All private sector engagement</p>	<p>Developing partnerships and fundraising requires specialized skills. WFP should put processes in place to attract and retain staff who have the right skills.</p>

Acronyms used in the document

CAM	Communications, Advocacy and Marketing Division
CO	country office
CoE	centre of excellence
CSP	country strategic plan
IG	Individual Giving
JAWFP	Japan Association for the World Food Programme
KPI	key performance indicator
MOPAN	Multilateral Organization Performance Assessment Network
NGO	non-governmental organization
PGP	Private Sector Partnerships Division
PPP	public-private partnership
RB	regional bureau
ROI	return on investment
SDG	Sustainable Development Goal
STM	ShareTheMeal
UNHCR	Office of the United Nations High Commissioner for Refugees