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Management response to the recommendations of the summary report on the strategic evaluation of funding WFP's work (2014–2019)

Background

1. This document presents the management response to the recommendations presented in the summary report on the strategic evaluation of funding WFP's work.
2. The evaluation covered the period from 2014 to 2019.
3. The evaluation made eight recommendations.
4. Management appreciates the evaluation findings and accepts the recommendations.
5. The matrix below sets out the planned actions and implementation timelines.

Focal points:

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MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE SUMMARY REPORT ON THE STRATEGIC EVALUATION OF FUNDING WFP'S WORK (2014–2019)			
Recommendations	Action by	Management response and action to be taken	Priority/ implementation deadline
<p>Recommendation 1</p> <p>WFP should take a collaborative approach to developing its next strategic plan that allows the organization to clearly articulate with one voice its full mandate and priorities for ending hunger and improving nutrition and act accordingly.</p> <p>a) The process of developing the next strategic plan, as well as the next plan itself, should provide direction on the link between what WFP wants to achieve and the funding ambitions, priorities and approaches of the organization.</p>	<p>Assistant Executive Director, Programme and Policy Development Department, with the collaboration of the Office of the Deputy Executive Director and the Oversight and Policy Committee</p>	<p>Agreed</p> <p>a) The initial findings of the mid-term review of the strategic plan 2017–2021, conducted concurrently with this evaluation, indicate that despite WFP's overall growth not all aspects of its strategy receive sufficient funding; there is difficulty in mobilizing the multi-year, non-earmarked resources required for resilience building and root cause activities. At the field level, country offices struggle to balance the ambition of the strategic plan – which calls for transformational country strategies that support countries in their journey towards zero hunger – with the feedback they receive regarding donor funding interests.</p>	<p>November 2020 or the approval date of the next strategic plan if it is delayed</p>
<p>b) The next strategic plan should:</p> <ul style="list-style-type: none"> stress the importance of maintaining WFP's capacity to respond to all types of emergencies and increasing related funding, with objectives for funding preparedness, anticipatory action and response, including in contexts that receive less attention. elaborate new approaches to working in partnership in protracted crises and for resilience building, including with international financial institutions in middle-income countries, to highlight the operational and funding requirements of WFP's work at the nexus of humanitarian, peacebuilding and development. 		<p>b) To prepare its next strategic plan, WFP will engage in a broad consultative process with stakeholders including donors, host governments and other Member State partners. The plan will reflect the importance of maintaining emergency response capacity and describe WFP's role in sustainable development, thus affirming the breadth of its mandate. It will also emphasize partnership strategies that seek to secure adequate funding for the full implementation of the strategic plan. This will include additional support for country offices with the design and implementation of transformative country strategic plans that are structured around the triple nexus of humanitarian, peacebuilding and development activities.</p>	

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<ul style="list-style-type: none"> include a coherent and holistic narrative regarding WFP's contributions to sustainable development and related funding ambitions that integrate advancements in various programming approaches. 			
<p>Recommendation 2</p> <p>WFP should strengthen the foundation for financing its work in changing lives and for financing national efforts to achieve the Sustainable Development Goals (SDGs). To that end, it should:</p>	Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of the Programme and Policy Development Department, regional bureaux and country offices	Agreed	February 2021
<p>a) develop a consolidated plan for and approach to accessing development financing, including clarity on potential sources and requirements, and investigate options for substantially different financing models.</p>		<p>a) WFP can only make long-term progress in its core work on SDGs 2 and 17 by integrating these goals into support for the broader 2030 Agenda and related national development priorities. WFP has designed a tailored development offer that links its value add to government-led initiatives, targeting root causes and working towards the achievement of a broader range of SDGs. Accompanied by a set of ten development activities that can be drawn upon to support national investments, this portfolio approach will facilitate engagement with governments, international financial institutions and other development partners. To complement this development offer, WFP continues to analyse opportunities for and provide guidance on engaging with international financial institutions and for leveraging alternative financing models for funding WFP operations. These efforts will remain consistent</p>	

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		with operational realities and the organization's capacity to deliver its programmes and implement its policies. The departments of Partnerships and Advocacy and Programme and Policy Development are working together to demonstrate how programme needs related to development align with the development funding opportunities. The programme and partnership support critical corporate initiative is facilitating this work.	
b) invest in the organizational capacity needed to better position itself and enhance partnerships with development funders and engage in development forums globally and at the regional and country levels, including through greater investment in policy advice, evidence generation and capacity strengthening.		b) Established through extrabudgetary funding in 2019, the Strategic Partnerships Division provides thought leadership, guidance and support related to development funding opportunities, with a focus on international financial institutions and alignment with national plans. In the future it will be important to consolidate these gains and to deepen engagement in global development forums. In addition, priority must be given to generating evidence and providing policy guidance while supporting capacity strengthening for WFP and partner staff. WFP will seek to integrate the Strategic Partnerships Division into the programme support and administrative budget to ensure that appropriate resources are available on a sustainable basis for the provision of analysis, guidance and support to country offices and regional bureaux including capacity support to enable WFP to engage in development dialogue and align its activities with national financing priorities.	

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<p>c) clarify its ambition for brokering direct development financing for national partners aligned with WFP Strategic Result 7 and SDG 17.3 and for institutionalizing the approach, including through methods for documenting its contributions to the indirect results of such partnerships, funding this element of its work and tracking forecasted and actual funding.</p>		<p>c) WFP has defined how to align its development portfolio with national development financing priorities for achieving the SDGs through a set of ten development activities. WFP's institution-specific engagement strategies describe how its engagement with international financial institutions, multilateral development banks and key bilateral donor agencies should improve. Together with ongoing project design and implementation support provided to selected governments, this demonstrates how WFP's ambition to change lives is being institutionalized and could be funded in order to support work on countries' development priorities while making progress towards the achievement of SDG 2. Thanks to a better understanding of funding models and project cycles, WFP is improving the tracking of forecast and actual funding. Regarding its ambition to broker direct development financing for national partners in line with WFP Strategic Result 7 and SDG 17.3, WFP will focus on how to document its contributions to the indirect results of partnerships.</p>	

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<p>Recommendation 3 WFP should continue to fully explore, implement and invest in strategies for diversifying its sources of funding including by:</p>	<p>Assistant Executive Director, Partnerships and Advocacy Department, supported by the Director of the Private Partnerships and Fundraising Division with the collaboration of WFP global offices, regional bureaux and country offices</p>	Agreed	September 2020
<p>a) ensuring full and sustained leadership and governance support for the implementation of the new private sector strategy, including by aligning marketing efforts with detailed management implementation plans and by considering more ambitious targets based on demonstrated performance.</p>		<p>a) The Private Partnerships and Fundraising Division will maximize WFP's investment in growing individual income in 2020, with critical corporate initiative (CCI) funding of USD 13.1 million and plans for a further USD 22.1 million CCI investment in 2021. The money will be allocated to achieve the highest long-term return on investment, with continued testing across different channels, including friends organizations such as WFP USA. In response to the COVID-19 crisis, investment will be pulled forward to maximize returns in 2020. If fundraising activities continue to deliver results that exceed agreed key performance indicator targets, WFP will propose bringing forward investment and delivering more ambitious income targets. Implementation plans developed in the first quarter of 2020 will be reviewed and updated every six months or more frequently as needed. Quarterly reports will be produced for senior management in addition to monthly performance reports and</p>	

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		weekly activity monitoring to ensure results are on track.	
b) developing a strategy and structure and allocating resources for more proactive efforts to access innovative financing.		b) An investment case for new innovative financing initiatives to enhance organizational capacity received funding from the Strategic Resource Allocation Committee (SRAC) in early 2020. A cross-functional steering committee has been set up to define WFP's strategy on innovative financing, investigate and prioritize programmatic and thematic areas, assess resource mobilization opportunities and develop and pilot financing mechanisms. The innovative finance initiative is co-led by the departments of Resource Management, Partnerships and Advocacy, and Programme and Policy Development in full alignment with the programme and partnership support CCI.	
c) stepping up engagement with other United Nations organizations to capitalize on opportunities for joint programming and resource mobilization, including through joint applications for humanitarian and development-oriented pooled funding.		c) Under the programme and partnership support CCI, WFP plans to invest in the scoping and engagement strategy of individual partner United Nations entities, which will facilitate the identification of opportunities and strategies for collaboration in programming and resourcing and reveal likely areas of overlap and complementarity. Support provided to country offices for SDG fund applications has resulted in the successful funding of projects. With the emergence of COVID-19, joint proposals have been submitted to the United Nations Secretary-General's Multi-Partner Trust Fund Office, for example with the United Nations Children's Fund (UNICEF).	

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<p>Recommendation 4 WFP should increase and sustain organizational investments in critical resource mobilization and communications, marketing and advocacy personnel to maximize its ability to maintain existing funding and secure more diverse, adequate, flexible and predictable funding. To that end it should:</p>	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of the Resource Management Department and especially the Human Resources Division, the Office of the Deputy Executive Director and the Programme and Policy Development Department.</p>	Agreed	June 2021
<p>a) develop human resource strategies and funding arrangements for partnerships, reporting, communications, advocacy and marketing functions at all levels of the organization.</p>		<p>a) A full-time staffing coordinator was recently appointed for the Partnerships and Advocacy Department and the Communications, Advocacy and Marketing Division; the incumbent is working with the Human Resources Division in the development of human resource approaches to resource mobilization, communications, marketing and advocacy functions. There is a commitment to funding such roles as much as possible.</p>	
<p>b) invest in national staff in partnership functions and specialized staff with expertise in innovative financing, marketing and advocacy, thematic and cross-cutting issues and proposal development.</p>		<p>b) Along with current tools and training, new analysis and guidance from headquarters on engagement in new partnerships will help to strengthen capacity scale. The departments of Partnerships and Advocacy and Programme and Policy Development will work with staffing coordinators to look at how this can contribute to career planning for programme and partnership officers, as well as national officers, and the recruitment of specialized staff when gaps are identified.</p>	

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<p>Recommendation 5</p> <p>WFP should strengthen its organizational capacity by investing in the necessary tools, products, processes and protocols for better services related to funding. To that end it should:</p>	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of global offices, regional bureaux and country offices</p>	Agreed	<p>June 2021</p> <p>(This deadline is proposed in lieu of December 2020 as indicated in the summary evaluation report.)</p>
<p>a) institute coordination processes and protocols for engaging with donors and for capturing intelligence on donors and opportunities in Salesforce, with clear roles and responsibilities, to ensure a disciplined approach to presenting organizational priorities for funding.</p>		<p>a) WFP is optimizing its resourcing capacity by adapting its processes and operational norms to evolving needs. It has outlined a high-level draft framework addressing roles and responsibilities in support of a harmonized approach to funding its strategic plan and prioritized needs. WFP will also make every effort to ensure that its corporate tool for donor intelligence and forecasting, Salesforce, is in place along with guidance on its use. This tool will reinforce a systematic approach to corporate resourcing by hosting partner-relevant information from all WFP stakeholders that is available at all levels of the organization in all functional areas. A multidisciplinary WFP high-level steering committee provides oversight and guidance for Salesforce.</p>	
<p>b) develop communication, advocacy and marketing tools and initiatives based on evidence of programme effectiveness, including more effective communication of the added value of WFP work beyond emergency response.</p>		<p>b) Investment and capacity will be increased and sustained in areas of advocacy where knowledge, data and evidence should be gathered and used to influence targeted policymakers, decision-makers and donors. In addition, thematic products and campaigns will be used to raise awareness of and position WFP among the general public and</p>	

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		key stakeholders using evidence to demonstrate its impact. This will be achieved through a joint communications and advocacy strategy and work plan developed by the departments of Partnerships and Advocacy and Programme and Policy Development that will define the optimal investment and capacity needed to facilitate fundraising and policy change. Furthermore, there will be a continued focus on WFP branding led by the Communications, Advocacy and Marketing Division; the work plan in this area will include prioritizing themes, analysing audiences, developing key performance indicators, identifying outreach opportunities and designing strategic outputs such as campaigns and publications.	
c) strengthen management oversight of grant compliance requirements by country offices, with support from headquarters, regional bureaux and global offices.		c) The need for an enhanced end-to-end grant management process was identified by the Resource Management Department in 2019 to optimize the transaction and business insight functions and improve the value added by the corporate data currently managed by the Chief Financial Officer. In January 2020 a dedicated workstream on the end-to-end grant management process was launched, supported by the Boston Consulting Group and the divisions of Corporate Planning and Performance, Corporate Finance and Public Partnerships and Resourcing with the objective of simplifying the grant management process to achieve greater efficiency, reduced complexity and clear roles and responsibilities for staff at the country office, regional bureau and headquarters levels. It is expected that a simplified and efficient grants	

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		<p>management business process will be rolled out in early 2021 to enhance the ongoing processes. Other ongoing activities include the following:</p> <p>Country offices: Since the implementation of the Integrated Road Map (IRM), all country offices have been encouraged to hold monthly resource management committee meetings to discuss resource matters, including incoming grants and their potential conditions</p> <p>Regional bureaux: As part of the first line of defense, the regional bureaux share monthly reports with their respective country offices as part of their monthly oversight activities. These reports include resource analyses at various levels of the country portfolio budget, which almost always highlight grant-specific issues such as expiring contributions. Many regional bureaux have also established regional resource management committees, which discuss regional analyses and make recommendations for follow-up with country offices and headquarters as necessary. Country offices are expected to respond to any highlighted issues, confirming that they are taking action to ensure the optimal use of all available resources. Grant management reviews will continue to be a fixed agenda item for each country office support and oversight mission undertaken by regional budget and programming officer (BPO) teams.</p>	

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		<p>Headquarters: The Budget and Programming Division is responsible for ensuring in collaboration with the Partnerships and Advocacy Department, that each grant is used in compliance with any donor restrictions. To help country offices adhere to such conditions, the import parity form has been automated to show the conditions to be taken into account when country office BPOs prepare programming requests. This ensures that programming requests are aligned with donor expectations from the outset.</p> <p>Since the implementation of the IRM, several reports have been published on the IRM Analytics portal, which includes a report category dedicated to grant management. Users across the organization can access information on how grants have been registered, including validity periods and availability for advance financing. Annual regional workshops have been held to familiarize staff with various functions with the new framework and to discuss resource management concerns related to budgets, funds, grants and pipeline management. The Budget and Programming Division is establishing a global resource management committee to address resource management matters at the global level. Plans to update all available guidance and manuals to reflect the changes introduced through the IRM are also under way.</p>	

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d) maintain high levels of engagement in global humanitarian and development processes and forums to represent WFP contributions and commitments and continue work with donors to advocate adequate, predictable and flexible funding with reasonable reporting and other compliance requirements.		d) WFP actively participates in humanitarian and development forums in order to contribute to discussions and understand government priorities and expectations. In that context WFP consistently highlights the importance of adequate, predictable and flexible funding to its ability to respond quickly and appropriately when and where it is most needed. In its ongoing dialogue with partners WFP also promotes multi-year funding as an important contributor to the sustainability of programmes and operational continuity.	
Recommendation 6 WFP should redouble efforts to achieve the planning, accountability, transparency and resource management ambitions envisioned in various components of the IRM . To that end it should:	Assistant Executive Director, Programme and Policy Development Department, with the cooperation of the Budget and Programming Division, the Performance Management and Accountability Division, the United Nations System and Multilateral Engagement Division, regional bureaux and country offices	Agreed	June 2021

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a) continue the process of aligning country strategic plan (CSP) planning cycles with United Nations sustainable development cooperation framework (UNSDCF) processes and supporting the design of next-generation CSPs to ensure that they are coherent, evidence-based and aligned with national development goals and financing priorities and that they incorporate resource mobilization and partnership considerations.		a) WFP is aligning the contents and cycles of second-generation CSPs with UNSDCFs. These CSPs will also be informed by the growing body of WFP evaluation evidence. In response to national SDG targets and gaps identified through the enhanced United Nations common country analysis, the second generation CSPs will include advancing agency collaboration through joint assessments and joint programming, in particular with the other Rome-based agencies and other food security and nutrition stakeholders such as UNICEF. UNSDCF joint workplans will be accompanied by annual funding frameworks that take into account the national SDG financing landscape.	
b) identify how the resilience and development targets in CSPs are reflected in global resource mobilization targets, ambitions and communications.		b) While retaining its emergency response capacity to respond to humanitarian needs, WFP aims to gradually reduce needs by advocating funding for scaled up resilience building activities that safeguard progress made through humanitarian interventions and strengthen national systems and policies to facilitate the eventual handover of its operations to national programmes. The UNSDCF process is an opportunity to underscore what WFP can offer in the development sphere and to ensure that its related activities are included in UNSDCFs and joint work plans. In addition to pooled funds and advocacy efforts under UNSDCFs, WFP is intensifying its outreach with governments, international financial institutions and global funds on areas such as climate change, education and HIV/AIDS as part of its work to change lives. CSPs will continue to be reviewed to ensure that proposed programmes of	

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		work (which include resilience and development targets) reflect anticipated funding at the country office level. Individual country office needs and cumulative needs inform the efforts of the Partnerships and Advocacy Department to secure resilience and development funding.	
c) continue work on tools and guidance to demonstrate the connection between resources and results by better defining corporate indicators, measuring cross-cutting results (particularly with regard to gender equality and resilience) and minimizing the opaque effects of bundling activities.		c) WFP will build on its Resources to Results (R2R) initiative, which seeks to improve how the organization links its financial resources and its performance results, by including progress against CSP baselines and targets and showing resources and results data side by side. The ongoing corporate results framework mid-term review will provide additional insights into indicators and guidance needs. These initiatives, along with CSP guidance issued in January 2020, will help minimize the reduction in transparency caused by bundling activities.	
d) review the challenges to country office resource management flexibility posed by activity-level earmarking based on lessons learned from first-generation CSPs and provide guidance for the next generation of CSPs.		d) WFP is engaged in dialogue with donors to demonstrate the efficiencies gained through flexible contributions. WFP will document the challenges posed by earmarking during the ongoing review of lessons learned from CSPs, which will help to inform any adjustments needed in donor engagement.	

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e) review guidance and practice regarding specialized donor reporting, including related budgeting approaches, and incorporate information in Salesforce to ensure monitoring and reporting costs are included in budgets.		<p>e) The majority of WFP's donors accept annual country reports for reporting and accountability purposes. Some donors, however, require specialized financial reports in accordance with their own regulatory frameworks. WFP provides these reports as required under its agreements with the donors. WFP issued internal guidelines in 2019 describing a cost recovery mechanism to cover the costs associated with preparing specialized donor financial reports. However, donors also make ad hoc requests to country offices for narrative and financial reports that are not prescribed in their agreements with WFP. Additional resources are needed at the country office level to cover the cost of collecting data and preparing and submitting these ad hoc reports.</p> <p>WFP is expanding its donor base and engaging in partnerships with non-humanitarian donors. It is hoped that at least some of these new donors will accept reporting through the annual country reports once they become more familiar with WFP rather than require the use of their own reporting formats. To that end, WFP will continue to familiarize donors with its standard country portfolio structure and reporting capabilities. It will also review existing guidance and if necessary issue new guidance to the effect that country offices should only agree to provide additional ad hoc reporting after checking with the partnership officers that the requests for such reporting are in line with WFP's agreements with donors; a standardized approach has been established to address ad hoc reporting requests, which includes a cost recovery mechanism, an</p>	

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		indication of budgetary impact and relevant key information in Salesforce to provide more insights and guidance to country offices.	
Recommendation 7 WFP should improve the effectiveness of its corporate resource allocation processes and decisions in order to facilitate continuous, transparent and timely prioritization to meet its strategic needs. To that end it should:	Assistant Executive Director, Resource Management Department, with the collaboration of the Chief of Staff and the Deputy Executive Director	Agreed	September 2021
a) invest in the thorough implementation of the bottom-up strategic budgeting exercise, which should include consideration of all headquarters and regional bureau functions and costs, including special accounts and trust funds.		a) The bottom-up strategic budgeting exercise is due to start in mid-May under the leadership of the Office of the Executive Director. The Budget and Programming Division will provide support throughout the exercise.	
b) develop a mechanism for articulating the relationship between the hierarchy of corporate priorities and resource allocation from all funding sources as part of developing the annual management plan.		b) The Budget and Programming Division, in its capacity as SRAC secretariat, is developing prioritization criteria for the allocation of funds to corporate initiatives. The prioritization will inform the development of the annual management plan.	
c) provide staff and governance with transparent and timely information on the allocation decisions of the Strategic Resource Allocation Committee and the rationale for prioritization.		c) The SRAC has approved new quantitative and qualitative prioritization criteria for the allocation of multilateral funds to crisis response and resilience and root cause activities. Guidelines on the methodology have been published in team-space and are accessible to relevant divisions at headquarters and in regional bureaux. All notes for the record and minutes of SRAC meetings are available in the same repository.	

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d) continue timely decision making on investment case proposals (as initiated in 2020) to allow adequate time for implementation.		d) SRAC intends to continue to make decisions on investment case proposals in a timely manner that allows adequate time for implementation.	
e) develop a system for tracking and reporting on the use of resources allocated to critical corporate initiatives and other investment cases and ensure that this performance information is used in future funding decisions.		e) The Tagetik platform is in place to facilitate monitoring and reporting on all extra-budgetary activities (including CCLs and investment cases). The Budget and Programming Division has developed additional reports that track the budget performance of these initiatives.	
f) provide the Executive Board with a detailed analysis of the implications of an inflexible indirect support cost rate, taking into account system-wide discussions on aligning practices, competition and partnership considerations, to facilitate more formal Executive Board feedback on indirect support cost flexibility proposals.		f) A detailed concept paper has been drafted by the Budget and Programming Division and will inform discussions with the Executive Board.	
Recommendation 8 WFP should strengthen its advance financing mechanisms so that they ensure predictable and timely resourcing for the full scope of WFP's work, including emergency (preparedness, anticipatory action and response), resilience and development activities. To that end it should:	Assistant Executive Director, Resource Management Department, with the collaboration the Office of the Deputy Executive Director and the Programme and Policy Development Department	Agreed	February 2021

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a) ensure the availability of internal resources for the start-up of resilience and development activities until additional external funding can be catalysed and sustained, recognizing the longer period required for accessing external financing for development-related work.		a) For 2020, the SRAC agreed to pilot the early allocation of multilateral funds to resilience and root cause activities. The pilot is based on new criteria jointly developed by the Budget and Programming Division and the Programme and Policy Development Department. It provides a one-off allocation of multilateral funds at the beginning of the year, enabling a long-term impact on activities.	
b) complete the review of the Immediate Response Account and consider establishing one consolidated and regularly replenished emergency advance financing facility that covers the full scope of WFP's work related to preparedness, anticipatory action and emergency response, as well as the advance financing needs of mandated common services.		b) The Budget and Programming Division and the Emergency Operations Division will undertake a joint review of advance financing for preparedness activities. The Budget and Programming Division will also assess the other advance financing mechanisms to ensure that their scope and ceiling are appropriate for evolving operational needs. Regarding the Immediate Response Account, a sustainable replenishment model will be defined in consultation with the leadership group.	
c) develop options for providing advance financing for launching common mandated services.		c) WFP will conduct a review to assess the need for advance financing for launching common mandated services. Sustainable options will be reviewed and put forward for endorsement by the SRAC.	