

A silhouette of a child running and a woman carrying a basket on her head in a dry, open landscape. The scene is set against a clear, light sky, with the ground appearing as a flat, arid expanse. The child is on the left, running towards the right. The woman is on the right, carrying a large basket or pot on her head, and another person is partially visible behind her. The overall mood is one of hardship and resilience.

Proposed classification of private sector donors as non-traditional donors under General Rule XIII.4 (c)

Understanding the challenge

What is the challenge?

- Increasingly common practice among the private sector to **engage two associated yet separate legal entities to provide contributions and meet Full-Cost Recovery (FCR).**
- WFP is currently not fully equipped to respond to these evolving business dynamics and accept contributions in an effective and timely way.



Why is it a challenge?

- **Private sector donors have not, up till now, been classified as a donor category** within WFP General Rule XIII.4(c).
- UN perceived by prospects as **difficult to work with, due to long/cumbersome processes** to identify and accept contributions from private sector.

Example



Entity A wants to partner with WFP and **provide a contribution** to support WFP's operations.



Entity B offers the funds to cover associated costs of the partnership with Entity A to make sure WFP meets full-cost recovery requirements.



Under current WFP regulations, **this arrangement**, which would consist of two separate contributions that together achieve full cost recovery, **would be considered twinning**. It is therefore **not permissible for private sector donors, as they are not currently classified as non-traditional donors**.

The proposed solution



What is the proposed solution?

- Private sector donors classified as **non-traditional** donors
- Enables eligibility of private sector donors for **twinning to achieve full-cost recovery**



No recourse to WFP Fund nor monetization

- Twinning through **recourse to the WFP Fund or monetization NOT ALLOWED**
- Funds from a public or private entity with an **explicit grant to support initial contribution**



This approach directly contributes towards expanding WFP's resource base, without relying on already-contributed multilateral funds.

The rationale for this proposal

Impact of private sector donors being classified as non-traditional



Ensuring a **successful implementation of PSPF Strategy** and its **ambitious 2025 objectives**, including the commitments around impact and income partnerships;



Meeting the **ever-evolving ways of working of the business sector** and reducing the perception that United Nations agencies are difficult to work with and do not understand the business;



Enabling WFP to **engage in public-private partnerships**;



Supporting **WFP's evolving needs in emergency** contexts;



Nurturing **long-term, sustainable relationships with the private sector**; i.e. not creating cumbersome processes that could potentially damage relationships with partners or prospects.