

A photograph of a dry, open landscape under a clear sky. In the foreground, a person is running from left to right. In the middle ground, another person is carrying a large pot on their head, walking towards the right. The ground is dry and dusty, with some small rocks and debris scattered across it. The overall scene suggests a rural or arid environment.

**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.



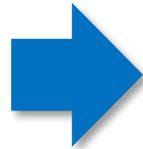
Under current WFP regulations, **this arrangement**, which would consist of two separate contributions that together achieve full cost recovery, **would be considered twinning**. It is therefore **not permissible for private sector donors, as they are not currently classified as non-traditional donors.**

## 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.