



World Food
Programme



Integrated Road Map: Proposed permanent delegations of authority

4 September 2019 | 9:30am – 12:30pm

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Governance arrangements in the context of the IRM framework

The IRM Framework has resulted in a demonstrable and evidence-based increase in the Executive Board's approval and oversight role as well as gains in transparency

- The Executive Board is positioned to **strategically engage** in a CSP or ICSP's design and development
- The Executive Board has, **for the first time**, initial approval authority over all WFP's operations in all contexts¹, including strategic outcomes related to protracted, predictable and/or recurring crisis response, service provision-related activities, and activities funded entirely by host governments
- This has brought **visibility to 20 additional countries** that were formerly operating solely under trust funds or where we were not present until now
- The Executive Board **approves all strategic revisions** (i.e. addition or deletion of a strategic outcome) to CSPs or ICSPs related to root causes and resilience building
- WFP has maintained **robust reporting and accountability mechanisms**
- WFP launched the **CSP data portal** to increase operational transparency

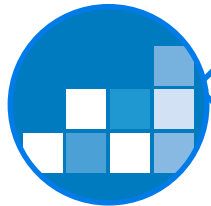
The proposed governance arrangements aim to maintain the Executive Board's strategic oversight and increased approval of programmes, ensure WFP's operational agility and efficiency, provide flexibility to align with the UN reform efforts, and reduce the administrative burden on country offices

¹ With the exception of CSPs and ICSPs funded entirely by host countries unless they have requested Executive Board approval.

Guiding principles for developing permanent delegations of authority and governance arrangements



Strengthen the **Executive Board's fundamental approval role**;



Reduce fragmentation to enhance the Executive Board's strategic oversight;



Retain WFP's ability to **respond quickly to emergencies**; and



Apply a governance model that **is risk-based and cost-effective**.

Agenda

1. **Context**
2. **Proposal for a streamlined consultation process**
3. **Proposal for permanent delegations of authority**

DISCUSSION

4. **Proposal to simplify the Member State review of crisis response-related budget revisions**
5. **Proposal for more detailed information via CSP data portal**
6. **Implementation of Interim Multi Country Strategic Plans**
7. **Next Steps**

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Background: Current two-step consultation process

The current process is in place until the end of 2019 and is being reviewed along with the permanent delegations of authority

Process:



- Review findings indicate that local consultations with stakeholders continue to add significant value to the development of CSPs/ICSPs
- WFP staff are in favour of moving to a **streamlined consultation** process due to the labour-intensiveness, administrative burden and complexity of the current two-step process

Proposal 1

Streamline the two-step consultation process while ensuring strategic engagement of the Board.

Share draft CSP/ICSP with Member States

- **Four months** before Executive Board session
- **UNSDCF made available**

Informal Consultation on CSP/ICSP

- **Three weeks** after draft CSP/ICSP has been shared

Deadline for written review

- **Three months** before Executive Board session
- **One week** after Informal Consultation on CSP/ICSP

Executive Board Approval

- **Six weeks** before Executive Board session

Strategic comments on CSP/ICSP (**three weeks**)

Technical comments on CSP/ICSP (**four weeks**)

Underlying Rationale

- Country offices support a streamlined consultation process to **reduce their administrative burden**
- **Local stakeholder consultations continue to add significant value** to the development of CSPs/ICSPs
- **Lead times required to meet documentation and review deadlines** have, in certain instances, resulted in **country offices preparing revisions even before a CSP is approved** due to the changing context
- The increased authority of the UNSDCF over agencies' country strategic planning implies that **CSPs should be developed in parallel to the UNSDCF**, and, as a result, the current CSP design, review and approval timeline **should be aligned** with the timeline of the UNSDCF
- If approved, this is an important step in **addressing recommendations of the strategic evaluation of CSP pilots** and **the External Auditor's report on country portfolio budgets**

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Background: Interim Delegations of Authority: Budgetary Thresholds and Focus Areas

	Crisis Response Budget Revision	Root Causes & Resilience Building Budget Revision (over the lifetime of the CSP)
Executive Director	Up to USD 50 million <i>(per revision)</i>	≤ 25 % of last EB approved CSP value OR USD 150 million
Executive Director and FAO Director-General	> USD 50 million <i>(per revision)</i>	N/A
Executive Board	N/A	>25 % of last Board-approved CSP value OR > USD 150 million

- The Executive Board approves budget revisions for strategic outcomes related to **resilience building** and **root causes** focus areas that exceed 25% of the Executive Board-approved value of the CSP/ICSP or USD 150 million, whichever is lesser
- 2018 programme of work was valued at USD 9.02 billion. Crisis response accounted for 73% of the programme of work at USD 6.62 billion, resilience building 19% (USD 1.66 billion) and root causes 8% (USD 0.74 billion)

Proposal 2

The Executive Board will approve all new CSPs/ICSPs, and any revisions that add or delete a strategic outcome related to resilience building or root causes. Other revisions would be delegated to the Executive Director or, for crisis response-related revisions, the Executive Director, and if required, the FAO Director-General

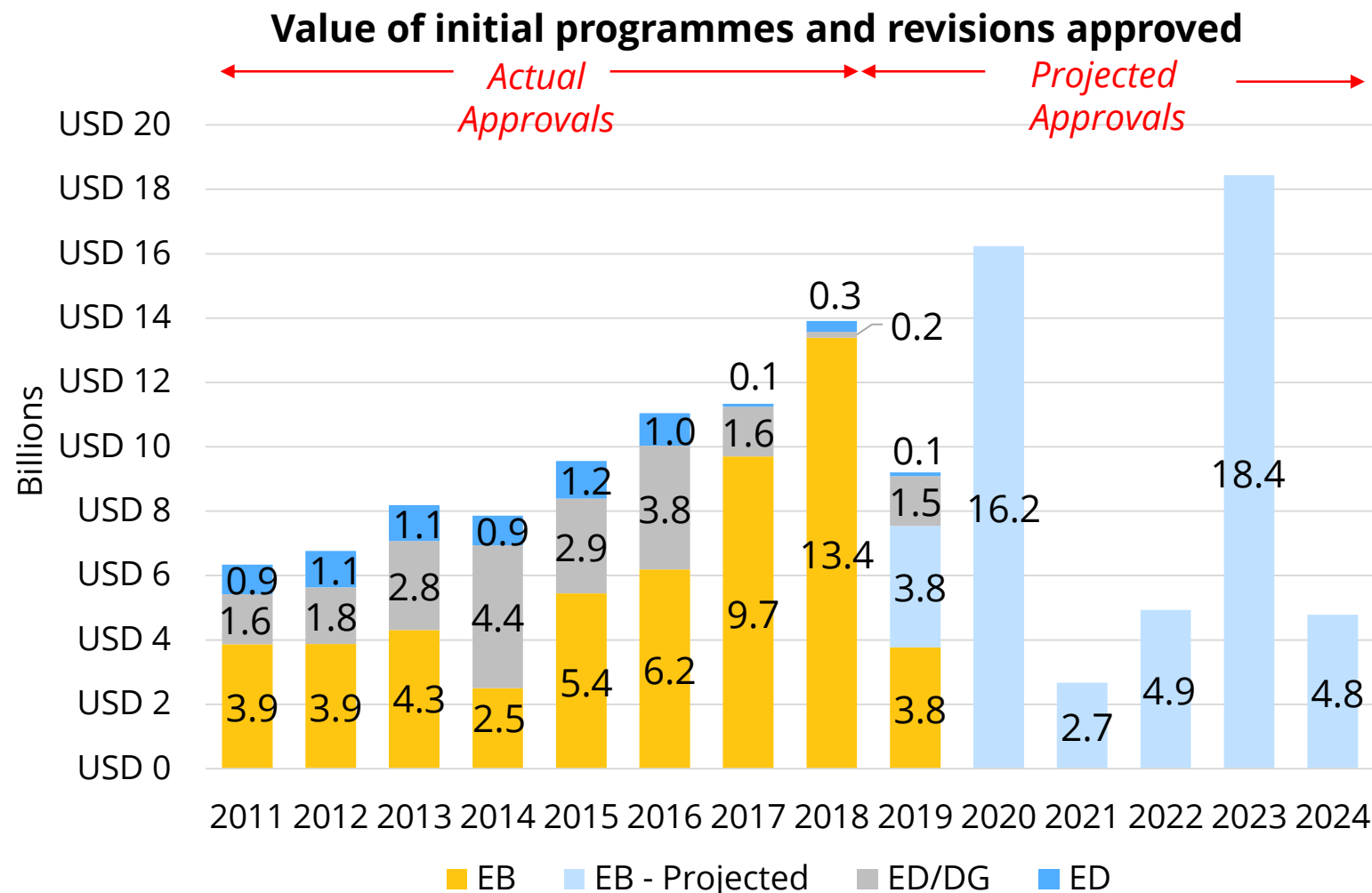
Underlying Rationale

- The Executive Board has **initial approval authority over all WFP's operations in all contexts**¹, including strategic outcomes related to protracted, predictable and/or recurring crisis response, service provision-related activities, and activities funded entirely by host governments
- The Executive Board **approves all strategic revisions** (i.e. addition or deletion of a strategic outcome) to CSPs or ICSPs related to root causes and resilience building
- Findings from the review of interim delegations of authority show a **demonstrable and evidence-based increase** in the Executive Board's approval and oversight role which is **occurring independent of budget revisions**
- The proposal ensures **focused Executive Board engagement** on strategic issues while **maximizing operational efficiency** by delegating non-strategic operational revisions of Executive Board-approved strategic outcomes
- The proposal responds to country office feedback and the Audit Committee that interim delegations of authority should be **simplified**
- The Executive Board is provided with different **reporting and accountability mechanisms** to help it fulfil its oversight role
- **Member States can request for revisions to be discussed** at the next Board session

¹ With the exception of CSPs and ICSPs funded entirely by host countries unless they have requested Executive Board approval.

Background: Finding 1: Under the IRM framework, there has been a substantial increase in the Executive Board's role in approving WFP programmes

- In terms of **absolute value** – from USD 4.4 billion between 2011 and 2016 to USD 13.4 billion in 2018
- And **as a proportion of annual approvals** as compared with the project-based system – from an average of **53%** per year between 2011 and 2016, to **96%** in 2018
- In 2019, the Executive Board is estimated to approve programmes and revisions totalling **USD 7.6 billion, or 83%** of the total programme and revisions approved in 2019.
- This increase in the approval of programmes by the Executive Board **is expected to be sustained in future years**, based on conservative projections.

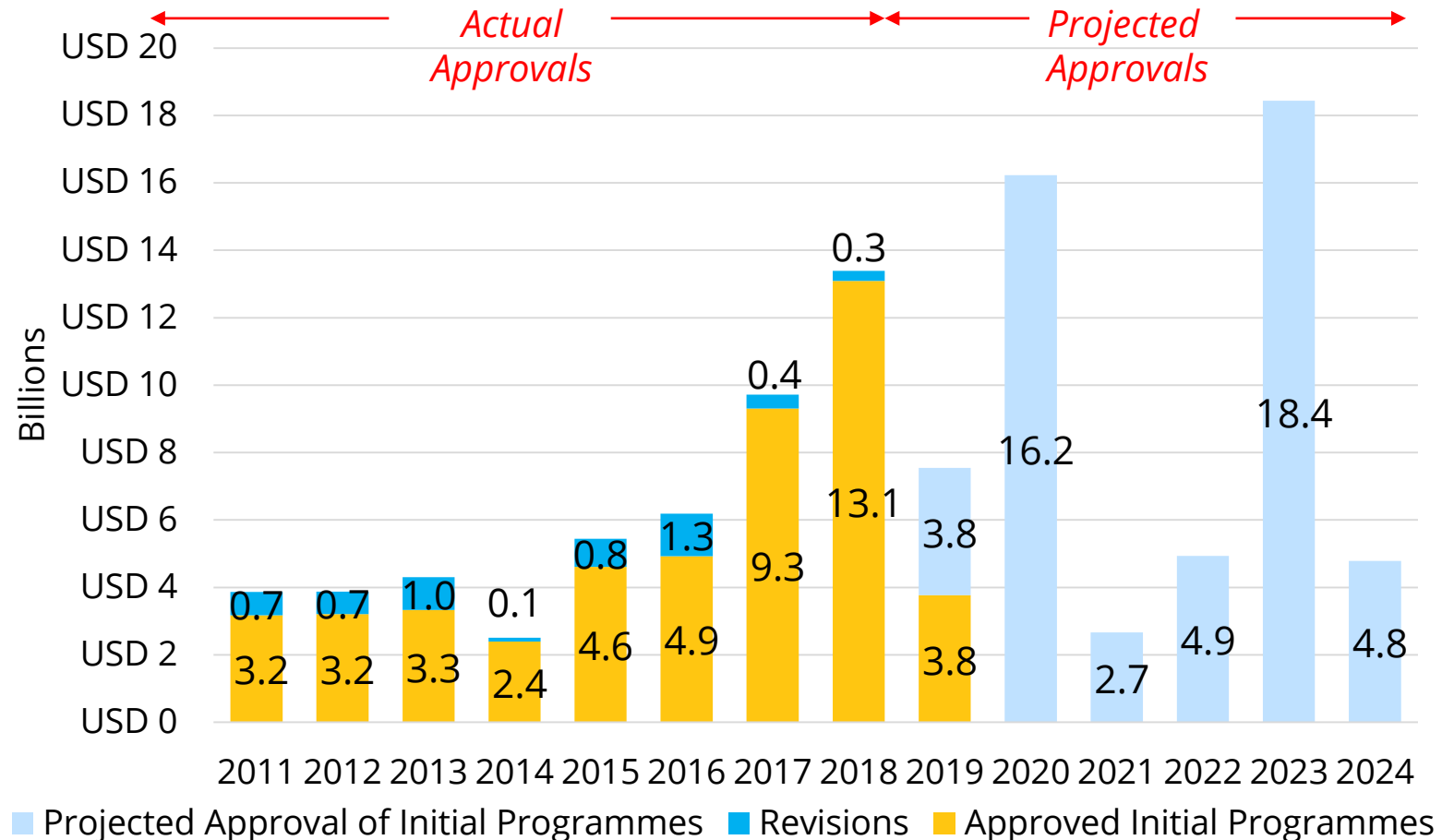


*Note: 2017 includes approvals for initial programmes and revisions under both the project-based system and the IRM framework and excludes T-ICSP approvals and project approvals related to the transition. 2018 excludes all approvals under the project-based system, the approval of T-ICSPs and all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework. 2019 includes actual approvals from January to June 2019 and projected Board approvals for July to December.

Background: Finding 2: Under the IRM framework, the substantial increase in the Executive Board's role in approving WFP programmes has occurred independently of budget revisions

- Budget revisions approved by the Executive Board represented **2%** of all approvals by the Board (USD 300 million/ USD 13.4 billion)
- The Executive Board approved 2 out of 46 budget revisions, which is the **same proportion as under the project-based framework**
- The increase in the approval of programmes by the Executive Board is **expected to continue in future years**, based on conservative projections

Value of initial programmes and revisions approved by the Board



*Note: 2017 includes approved initial programmes and revisions under both the project-based system and the IRM framework and excludes approved project related to the transition. 2018 excludes all approvals under the project-based system and all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework. 2019 includes actual approvals from January to June and projected Board approvals for July to December.

Background: Feedback from country offices, regional bureaux and HQ divisions

WFP staff found budgetary thresholds for interim delegations of authority complex because:

1

Different criteria according to focus area:

- Crisis response and limited emergency operations revisions subject to threshold ***per revision*** (above requires joint approval of Executive Director and FAO Director-General)
- Root causes and resilience-building (non-fundamental, non emergency) revisions subject to ***cumulative*** (*over the lifetime of the CSP*) budgetary thresholds (above requires approval of the Executive Board)

2

Root causes and resilience-building (non-fundamental, non emergency) revisions subject to two thresholds:

- **Maximum absolute value threshold** of USD 150 million; and
- **Proportion-based** (25%) threshold of original ICSP/CSP value, which has significant impact on smaller offices

Proposal 2

The Executive Board will approve all new CSPs/ICSPs, and any revisions that add or delete a strategic outcome related to resilience building or root causes. Other revisions would be delegated to the Executive Director or, for crisis response-related revisions, the Executive Director, and if required, the FAO Director-General

Conclusion

- Delegating budget revisions of Board-approved strategic outcomes **will not significantly impact the Executive Board's overall strategic oversight and approval role**
- The proposal ensures **focused Executive Board engagement** on strategic issues while **maximizing operational efficiency** by delegating non-strategic operational revisions of Executive Board-approved strategic outcomes to the Executive Director
- **Different reporting and accountability mechanisms** will ensure visibility and help the Executive Board fulfil its oversight role
- **Member States can request for revisions to be discussed** at the next Board session

Information currently available to the Board

- Operational and budgetary information – including activity-level details – from the country operation management plans via the **CSP data portal** for all approved CSPs and ICSPs. The CSP data portal also features financial and performance information needed to monitor the progress of CSPs and ICSPs
- **Extracts of updated operational and budgetary plans, presented with the management plan for information**
- **Post-factum reports submitted twice a year to the Executive Board on the use of delegations of authority** for the approval of revisions to CSPs and ICSP
- **All revisions of CSP and ICSP budgets greater than USD 7.5 million and any changes in the duration of a CSP or ICSP, regardless of approval authority**
- **The Annual Performance Report**
- **Annual Country Reports**

Discussion



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Background: Current review and comment process for crisis response-related budget revisions

Crisis response-related revisions above the delegation thresholds (**the lesser of USD 150 million or 25 percent of the overall budget**) will be shared with Member States **for comment for a minimum five-day period before** they are approved by the ED, and if required, by the FAO Director-General.

Steps for the review process:

- 1** Draft crisis response revision **posted** on WFP's website
- 2** **Minimum of four working days** for Member State comments
- 3** **Comments compiled** on the password-protected interactive comment portal of the EB website
- 4** **A fifth working day** reserved for Member States to react to other comments
- 5** **Approval by the ED**, and if required, FAO DG, following revisions as appropriate.
- 6** **Final version** shared with Board members along with a matrix of comments

In the event of time-sensitive and unforeseen emergencies:

- The ED, and if required, the FAO DG, can approve crisis-response-related strategic outcomes and revisions without sharing them beforehand. The Secretariat will provide a brief information note explaining the operational context and justifying the time-sensitivity of the response. Such approved revisions will be shared *for information*.
- The review process (above), including comment period, will follow the approval. The next iteration of the document could incorporate comments received, where appropriate.

In all circumstances, any Member State can request the revision to be presented for information at a subsequent Board session.

Crisis Response Revisions that warranted Member State review

Date Approved	Country Office	Value (USD)	Member States commenting
16 March 2018	Mauritania	21,869,847	Canada, Belgium
23 March 2018	Zambia	8,495,532	USA, UK
30 April 2018	Mali	39,880,444	USA, Canada, Belgium
31 May 2018	Burkina Faso	41,520,530	USA, Denmark, Kuwait
29 June 2018	Bangladesh	188,550,905	Canada, Myanmar
24 August 2018	Colombia	43,780,256	USA, Colombia, Venezuela
16 Jan 2019	DRC	452,884,490	USA, Spain
27 Feb 2019	Bangladesh	438,125,978	Bangladesh, Spain, Australia, Myanmar, Canada
21 March 2019	Eswatini	9,521,617	(none)
5 April 2019	Mozambique	168,103,739	Belgium, Finland
8 April 2019	Madagascar	45,112,763	USA
2 May 2019	Colombia	93,303,121	Canada, Denmark
13 June 2019	Somalia	214,529,478	Australia, Canada
3 July 2019	Cameroon	86,682,316	USA, Canada
3 July 2019	Yemen	1,483,114,732	Canada
18 July 2019	Lebanon	364,354,369	Australia, Kuwait, Canada
16 August 2019	CAR	212,620,887	(none)
16 August 2019	Zimbabwe	156,166,408	Sudan, UK

Analysis of Process

- Review process **delayed WFP's operational response by an average of 10 working days**
- Thresholds are difficult to apply and **can 'catch' relatively small revisions**
- For budget revisions shared beforehand, **an average of two to three Member States** commented per revision
- For those shared after approval, **an average of two Member States** commented per revision
- Most sought additional information, with one comment resulting in substantive change**

Note: Value is primarily but not solely accounted for by crisis response, since revisions are rarely made up of just one focus area

Text in red: indicates Budget revision shared post-approval with Member States

Proposal 3

Simplify the five-day Member State review process for crisis response-related revisions by notifying and sharing crisis response-related revisions¹ with Member States.

Proposed Process:

- Member States will be notified of all approved crisis response-related budget revisions greater than USD 7.5 million
- Budget revision documents will be published and shared with Member States and the CSP data portal will be updated

Underlying Rationale

- Under the IRM framework, the Executive Board has initial approval authority over **strategic outcomes related to protracted, predictable, and/or recurring crisis response**
- The proposal **eliminates the 10-day average delay in WFP's operational response**
- Notifying and sharing crisis response-related revisions **optimizes WFP's ability to swiftly respond, while providing visibility to Member States**
- Under the proposed process, **Member States can still seek clarification, express support and request for revisions to be discussed** at the next Board session and operational briefings will continue to be offered
- This proposal will **reduce that administrative burden** on small country offices that have limited capacity to respond to requests for additional information and resolve differing views between Member States while responding to the emerging crisis on the ground

¹ All revisions of CSP and ICSP budgets greater than USD 7.5 million and any changes in the duration of a CSP or ICSP, regardless of approval authority.

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Proposal 4

Provide more detailed information via the CSP data portal to improve its usefulness to users in line with Recommendations 7 and 8 of the External Auditor's report on the country portfolio budget

WFP is committed to improving the CSP data portal to increase the transparency and visibility of operations by:

- Better integrating data
- Enhancing the presentation of detailed information to ensure it is coherent, relevant, and useful for decision-making and oversight purposes.

Underlying Rationale

- **Provide the Board with information it requires for decision-making**
- These enhancements are **in line with the External Auditor's report** on the country portfolio budget:
 - **Recommendation 7: improving the usefulness of the "CSP Data Portal" for its users** by introducing the following for each country:
 - the original implementation plan budget for approved CSPs and ICSPs;
 - regularly updated expenditure data, including allocations from the programme support and administrative budget; and
 - percentages of indirect support costs and direct support costs; and
 - information on requirements in relation to the needs-based plan and the implementation plan and on the resource situation
 - **Recommendation 8: rationalizing the coexistence of the different information portals** relating to country strategic plans, systematically indicating their source, their rules and dates of updates and the nature of the costs presented (activities, transfer, implementation, direct support, and indirect support costs).

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Implementation of Interim Multi Country Strategic Plans (IMCSP)

Interim Multi Country Strategic Plans: approach for situations where WFP is working on particular themes (e.g. disaster preparedness) across several, similar situated small countries which do not have individual CSPs or ICSPs in place

2019 Annual Session

Pacific IMCSP approved by the Board

2019 Second Regular Session

Caribbean IMCSP to be presented to the Board for approval

2020 First Regular Session

Any necessary amendments to the WFP General Rules and Financial Regulations to be presented for approval along with the permanent delegations of authority

Agenda

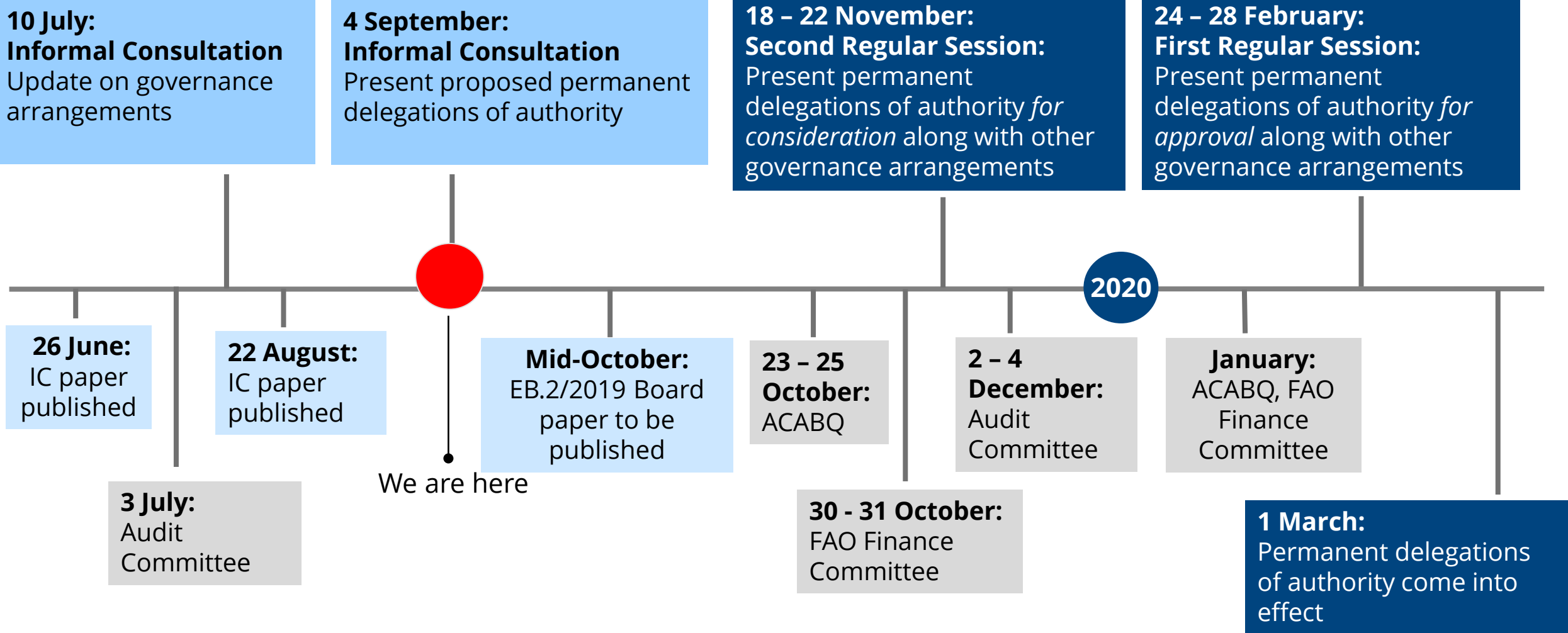
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Next steps: Member States engagement



Discussion



Annex



Review Parameters

Question

Have the original expectations for increased Board approval and efficiency under the Integrated Road Map Framework materialized?

Specifically:

1. **To what extent** has the Executive Board's role in approving WFP programmes (CSPs and ICSPs) increased under the Integrated Road Map framework compared with the project-based system?
2. **What is the extent** of the efficiency gains achieved in terms of the number of programme and budget revision approvals under the Integrated Road Map framework compared with the project-based system?

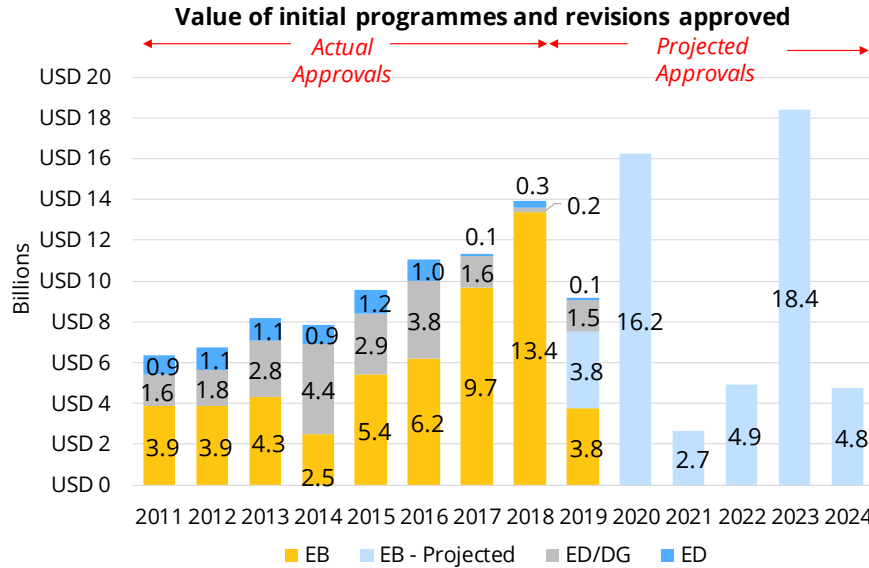
The review consisted of:

- Data analysis, including projections, of CSP budgets for the period 2018-2024 across 83 countries
- Analysis of project, CSP and ICSP approvals and revisions for the period 2011-2018
- One full calendar year reviewed - 2018
- 10 countries not part of Integrated Road Map framework at this time: Chad, the Democratic Republic of Congo, Ethiopia, Libya, Malawi, Niger, Nigeria, Rwanda, Somalia and Yemen
- Feedback from country offices, regional bureaux and various HQ divisions

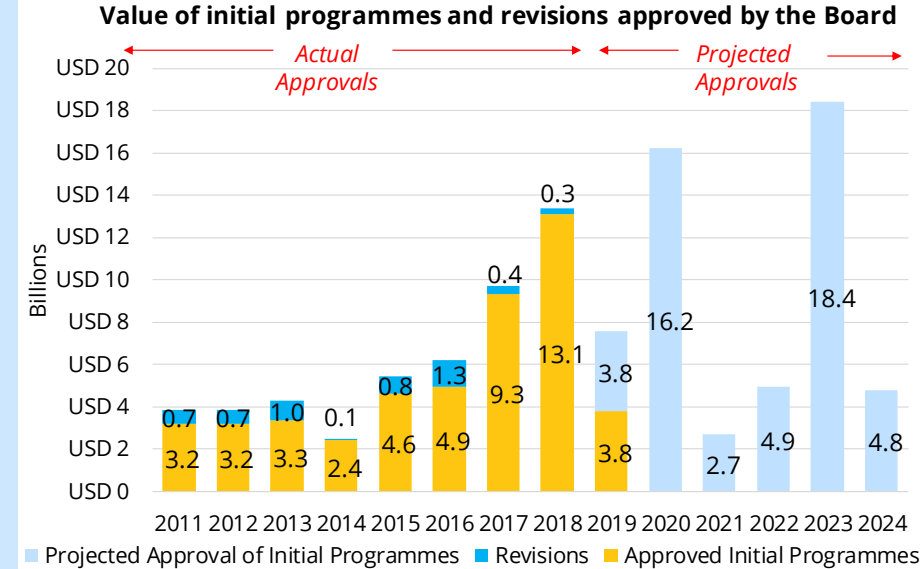
Key findings updated to include first six months of 2019

Note: Please see the detailed explanation of findings in the Annex

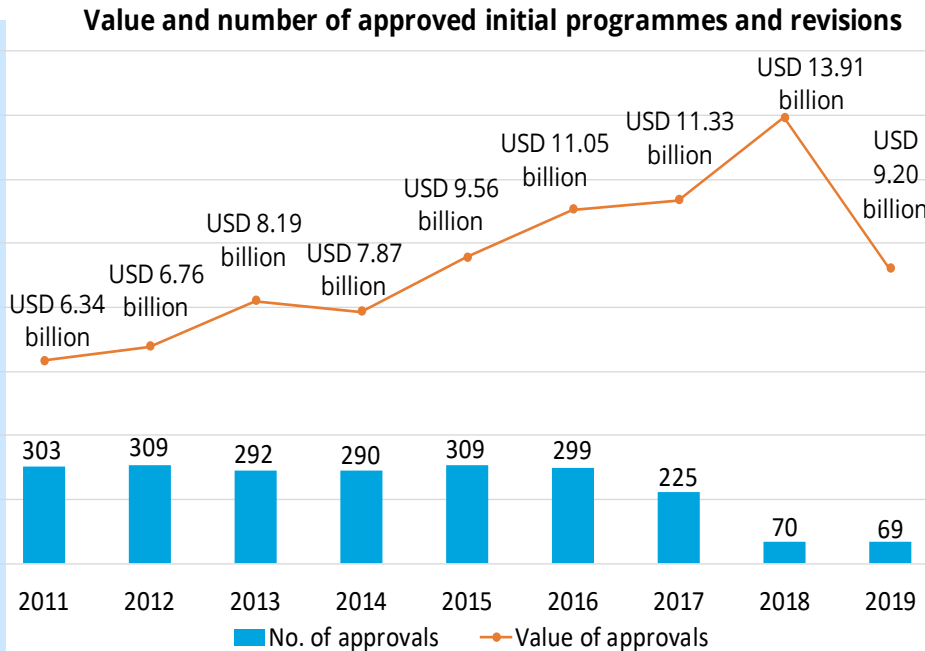
Finding 1: There has been a **substantial increase** in the Executive Board's role in approving WFP programmes



Finding 2: The **substantial increase** in the Executive Board's role in approving WFP programmes has occurred **independently** of budget revisions



Finding 3: The **overall dollar value** of programme approvals has **increased** while the **number of approvals** has **declined**, leading to efficiency gains in this area



Finding 4: The change from the project-based system to the IRM framework has improved **efficiency**, as evidenced by a substantial reduction in the number of revisions being processed annually

