# Update on the Integrated Road Map

**Doc. FC 177/3**

FAO Finance Committee, 177th Session

30 October 2019

WFP
World Food Programme

SAVING
LIVES
CHANGING
LIVES

# Progress update



**2017** — Pilot year

**12**
- **11** CSPs
- **1** Sudan ICSP

**Including:**
- Sudan ICSP (complex operation)
- Bangladesh CSP (Rohingya crisis)

**2018** — Transition year

**59**
- **21** CSPs and ICSPs
- **38** T-ICSPs

**LEO Papua New Guinea** approved

**2019** — As of January 2019: All COs operating under the IRM framework

**12**
- **10** CSPs and ICSPs
- **1** T-ICSP
- **1** Pacific IMCSP

- **Multi-country LEO** for Latin American countries impacted by the situation in Venezuela approved
- **LEO Comoros** approved

**2020** — By January 2020: All COs operating under a Board-approved CSP or ICSP

**1**
- **1** Caribbean IMCSP

**By January 2020: All 82 COs + 2 (Caribbean and Pacific IMCSPs) operating under a Board-approved CSP or ICSP**

# Background: Current Interim Governance Arrangements

**Under the interim delegations of authority, the Board retained the authority to approve:**

- All new CSPs/ICSPs and any revisions that add or delete strategic outcomes from a CSP or ICSP[1]; and
- Upwards revision of one or more individual strategic outcomes of a CSP, ICSP, or transitional ICSP that exceeds 25 percent of the plan's latest Board approved budget or USD 150 million.[2]

**Interim delegations of authority approved from 1 January 2018 to 29 February 2020**

**Review of the interim delegations of authority to be conducted prior to approval of permanent delegations of authority**

## Review of the interim delegations of authority

**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?

[1] Except when a CSP, ICSP or strategic outcome at issue is funded entirely by a host country that has not requested Executive Board approval or where the strategic outcome relates to emergency activities or service provision activities.
[2] Revisions in respect of emergency or service provisions activities, or Executive Director-approved strategic outcomes funded entirely by a host country, do not count towards the Board approval thresholds.

# Key conclusions from the review of the application of the interim delegations of authority

| | |
|---|---|
| **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 |

**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**

- Strategic engagement in a CSP or ICSP's design and development
- For the first time, initial approval authority over all WFP's operations in all contexts
- Additional visibility to 20 countries
- Approval of strategic revisions (i.e. addition or deletion of a strategic outcome) to CSPs or ICSPs related to root causes and resilience building
- Increased transparency through robust reporting and accountability mechanisms and the CSP data portal

# Proposals for Member State feedback and consideration

| | |
|---|---|
| **Proposal 1** | **Streamline the consultation process while ensuring strategic engagement of the Board** |
| **Proposal 2** | **Optimize permanent delegations of authority** |
| **Proposal 3** | **Modify the five-day Member State review of crisis-response-related revisions** |
| **Proposal 4** | **Improve the usefulness of the CSP data portal** |
| **Proposal 5** | **Amend the WFP General Rules to facilitate implementation of multi-country strategic plans** |
| **Seek feedback** | **Introduction of an email notification system** |

**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**

# Proposals for approval at the 2020 First Regular Session

| | |
|---|---|
| **Proposal 2a** | **Optimize permanent delegations of authority**<br><br>1. The Executive Board will approve **all new CSPs and ICSPs** and any **revisions that add or delete strategic outcomes** from a CSP or ICSP.[1]<br><br>2. The Board will approve **each non-crisis-related revision** to a CSP/ICSP that increases its current overall budget by **more than 15 percent.** [2]<br><br>3. **Member State ten-day review process** and the mechanism for **approval by correspondence** |
| **Proposal 2b** | **Maintain other delegations of authority** to the Executive Director as applied during the interim period |
| **Proposal 5** | **Amend General Rule II.2 and General Rule X.2** to enable the implementation of multi-country strategic plans. |

[1] Except when a CSP, ICSP or strategic outcome at issue is funded entirely by a host country that has not requested Executive Board approval or where the strategic outcome relates to emergency activities or service provision activities.

[2] Increases in respect of emergency or service provision activities and Executive Director approved strategic outcomes funded entirely by host countries will not be included in the threshold calculation; in addition, the value of an increase will not be offset by the value of a decrease

# Other governance arrangements to take effect in 2020

**Proposal 1**

**Streamline the consultation process while ensuring strategic engagement of the Board**

- **an informal consultation** on each draft CSP or ICSP to gain strategic guidance and a **simultaneous electronic review period** to gather technical comments

**Proposal 3**

- Modify the Member State review process by **sharing for comment each crisis-response-related revision** of a CSP or ICSP that increases its current overall budget by **more than 15 percent.**

**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 country portfolio budgets.
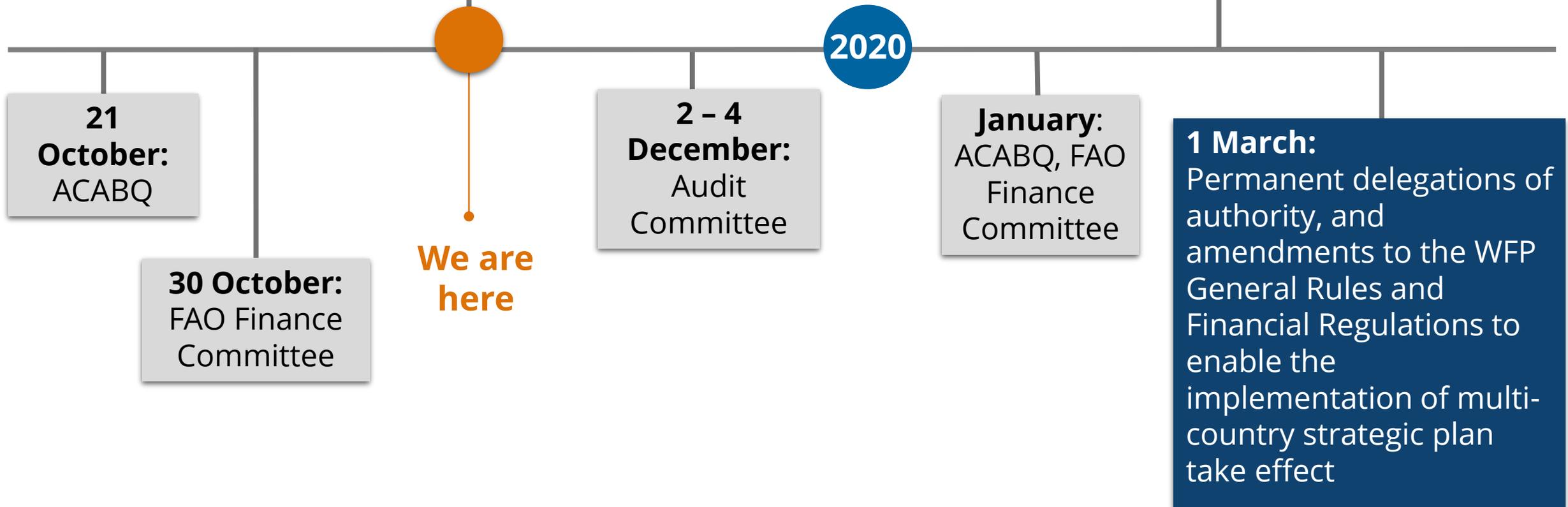
# Summary of draft decisions

*Update on the Integrated Road Map* will be **presented for consideration** during the 2019 Second Regular Session of the Executive Board.

- **Draft decision point i:**

  - Recalls the approval of the interim delegations of authority and decision that the permanent delegations of authority would be presented in February 2020;

- **Draft decision point ii:**

  - Notes the review of the interim delegations of authority was undertaken

  - Requests continued work on proposals with a view to finalisation and submission for approval at the 2020 first regular session;

- **Draft decision point iii and iv:**

  - relate to multi-country strategic plans and required changes to General Rules II.2 and General Rule 10.2 for approval at the 2020 first regular session.

# Next steps

**18 – 22 November:**
Second Regular Session:
Present proposed permanent delegations of authority *for consideration* along with other governance arrangements

**24 – 28 February:**
First Regular Session:
Present proposed permanent delegations of authority *for approval* along with other governance arrangements

**2020**

**21 October:**
ACABQ

**30 October:**
FAO Finance Committee

**We are here**

**2 – 4 December:**
Audit Committee

**January:**
ACABQ, FAO Finance Committee

**1 March:**
Permanent delegations of authority, and amendments to the WFP General Rules and Financial Regulations to enable the implementation of multi-country strategic plan take effect

# Discussion

# Draft decisions

Having considered the update on the Integrated Road Map set out in document WFP/EB.2/2019/4-D/1, the Board:

i) *recalls* paragraph vi of its decision 2017/EB.2/2, whereby it approved interim delegations of authority from 1 January 2018 to 29 February 2020 and decided that permanent delegations of authority would be presented for its approval, following a review of the interim delegations of authority, at its 2020 first regular session;

ii) *notes* that a review of the interim delegations of authority was undertaken, takes note of the review findings and proposals in respect of permanent delegations of authority set forth in paragraphs 39–81 of document WFP/EB.2/2019/4-D/1 and requests the Secretariat to continue to work on the proposals with a view to finalizing and submitting them to the Board for approval at its 2020 first regular session;

iii) *recalls* the multi-country strategic plan concept described in the update on the Integrated Road Map set out in document WFP/EB.2/2018/5-A/1; and

iv) *takes note* of the policy in respect of multi-country strategic plans and accompanying rule changes set forth in paragraphs 103–109 and annex V of document WFP/EB.2/2019/4-D/1 and requests the Secretariat to finalize both the policy and the rule changes and submit them to the Executive Board for approval at its 2020 first regular session.

To be **presented for consideration** during the 2019 Second Regular Session of the Executive Board.

# 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



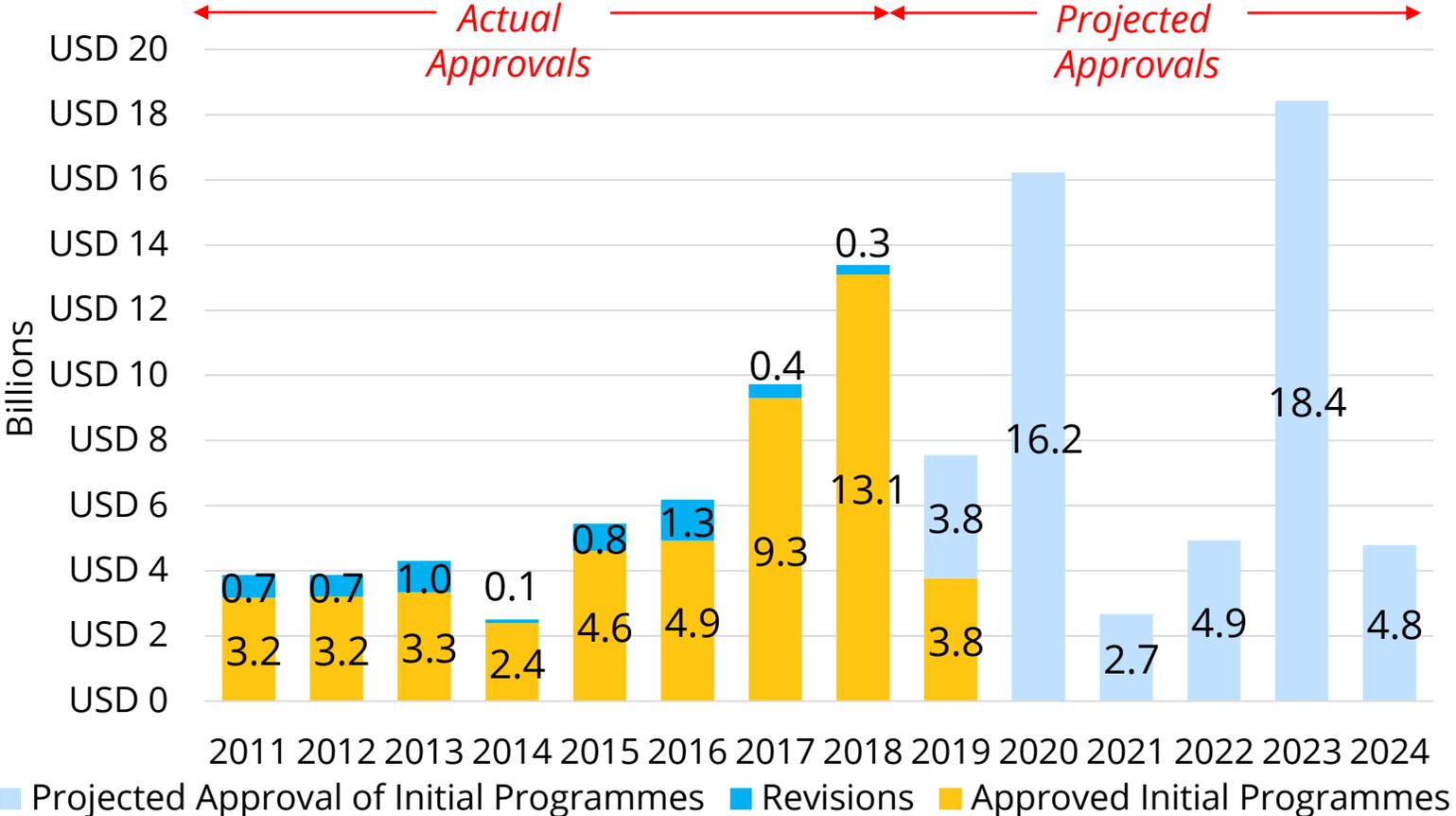Figure A.II.1: Value of initial programmes and revisions approved
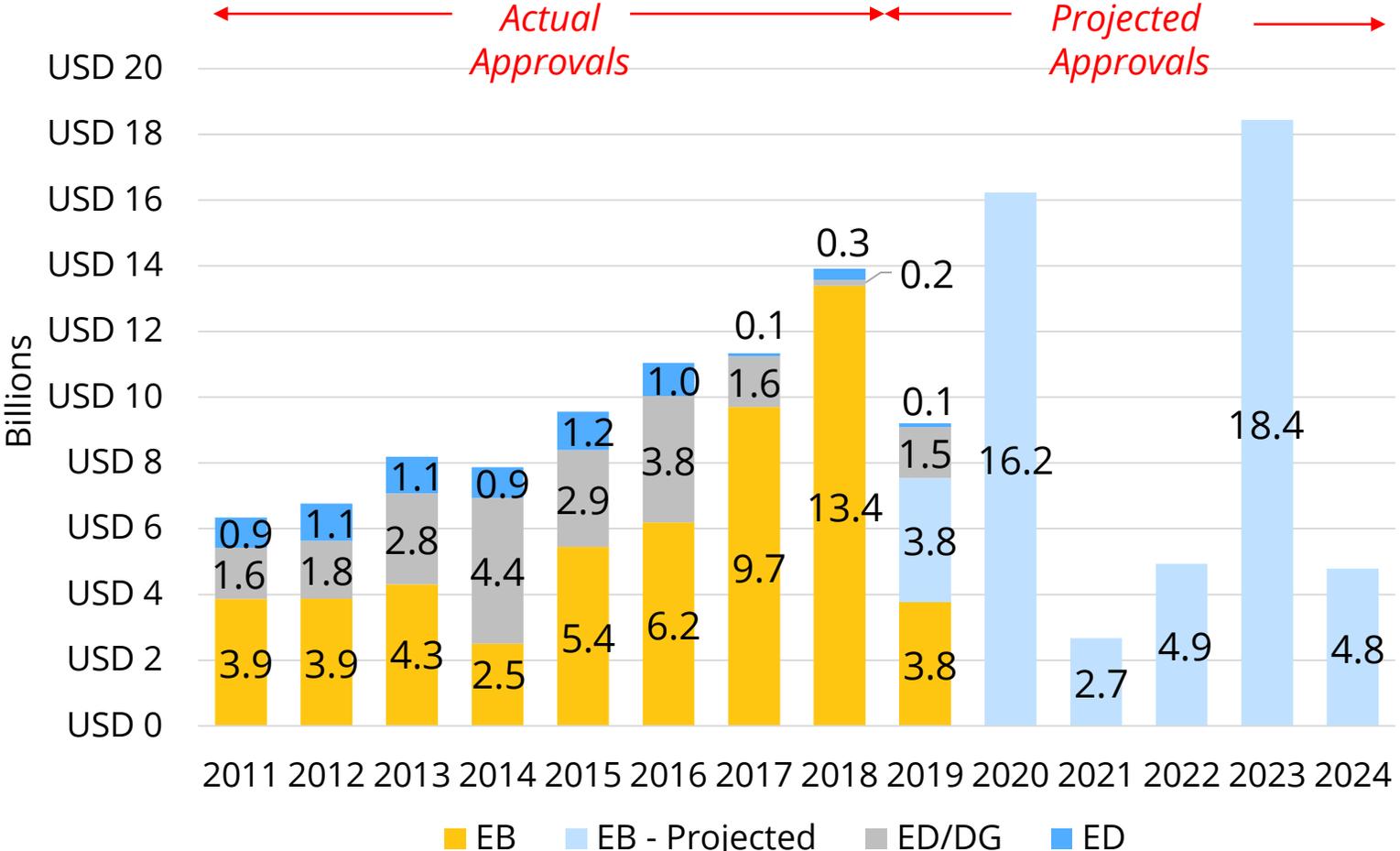
*Note: 2017 includes approvals for initial programmes and revisions under both the project-based system and the IRM framework and excludes T-ICSP approvals and project approvals related to the transition. 2018 excludes all approvals under the project-based system, the approval of T-ICSPs and all T-ICSP 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 – June 2019 and projected Board approvals for July – December 2019.

# 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



**Figure A.II.2: Value of initial programmes and revisions approved by the Board**

*Actual Approvals*  ·  *Projected Approvals*

Billions

| Year | Revisions | Approved Initial Programmes | Projected Approval of Initial Programmes |
|------|-----------|------------------------------|-------------------------------------------|
| 2011 | 0.7 | 3.2 | |
| 2012 | 0.7 | 3.2 | |
| 2013 | 1.0 | 3.3 | |
| 2014 | 0.1 | 2.4 | |
| 2015 | 0.8 | 4.6 | |
| 2016 | 1.3 | 4.9 | |
| 2017 | 0.4 | 9.3 | |
| 2018 | 0.3 | 13.1 | |
| 2019 | | 3.8 | 3.8 |
| 2020 | | | 16.2 |
| 2021 | | | 2.7 |
| 2022 | | | 4.9 |
| 2023 | | | 18.4 |
| 2024 | | | 4.8 |

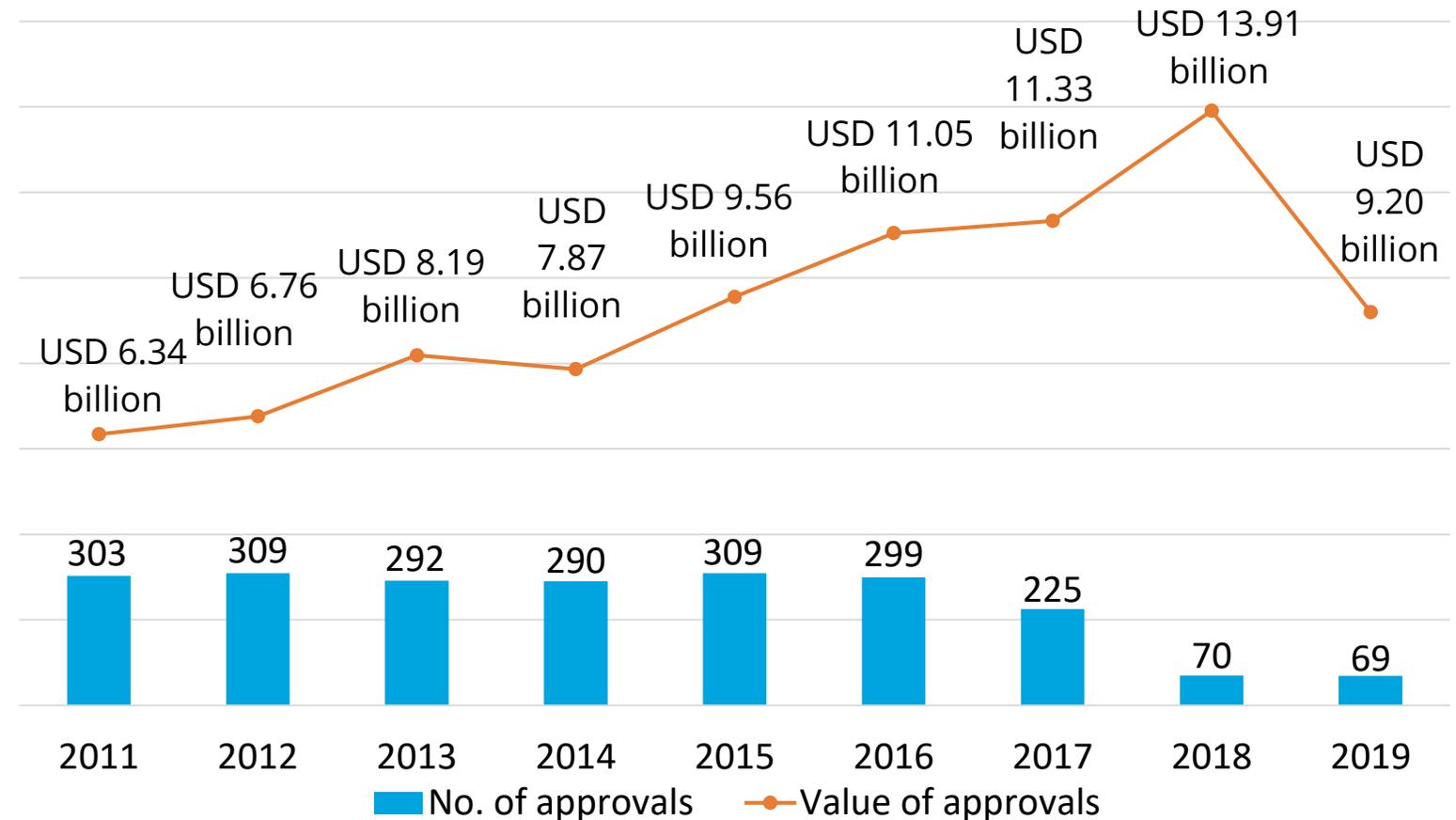Projected Approval of Initial Programmes ■ Revisions ■ Approved Initial Programmes

*Note: 2017 includes approved initial programmes and revisions under both the project-based system and the IRM framework and excludes approved projects 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–December.

# Finding 3: Under the IRM Framework, the overall dollar value of programme approvals has increased while the number of approvals has declined, leading to efficiency gains in this area

## Efficiency gains with the transition to the IRM framework:

- The **value** of approvals **increased** from an annual average of USD 8.3 billion (2011-2016) to USD 13.9 billion (2018)

- The **number** of approvals **declined** from an annual average of 300 (2011-2016) to 70 (2018).

**Figure A.II.3: Number of Approvals – Initial Programmes/CSPs and Revisions**



*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 because they 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–December.

# 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

**Substantial reduction in the number of budget revisions being processed annually – enabling Country Offices to focus more on programme implementation.**

- **Number of revisions has declined by almost 80%,** meaning less time and fewer resources are being spent processing them;

- The decline **links to the country-wide portfolio framework,** where instead of managing multiple projects (which could require revisions), work is now consolidated into one;

- In addition, **flexibility of the country portfolio budget structure**, and the use of **resource-based implementation plans**, improves operational planning, and reduces the need for revisions related to technical adjustments.

**Figure A.II.4: Average number of budget revisions in one-year period**
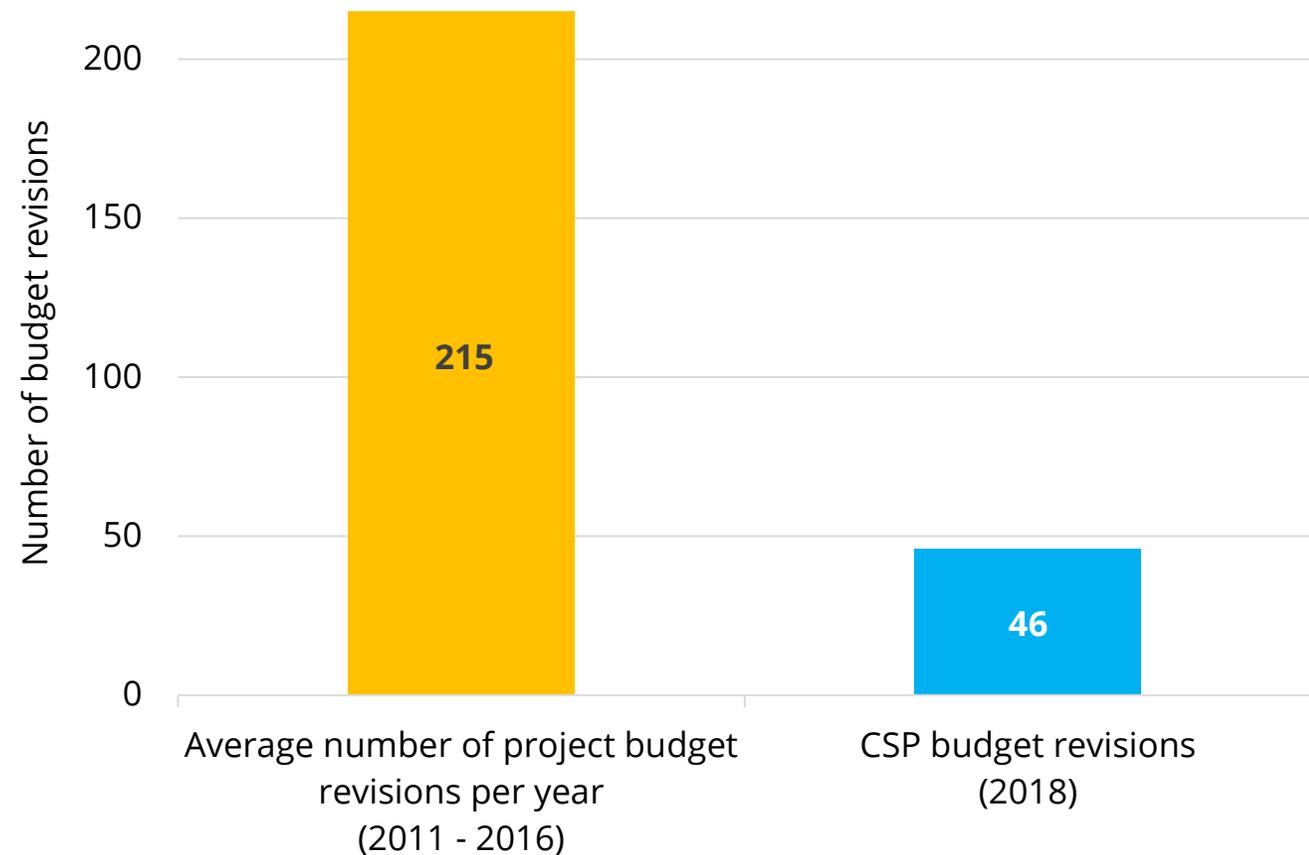


*Note: 2018 excludes the approvals of all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework.*

| Proposal 2b | Maintain other delegations of authority to the Executive Director as applied during the interim period. |

The Secretariat proposes that the Executive Board **continues to delegate to the Executive Director** the following authority as currently provided in the interim delegations of authority

- **Appendix to the General Rules (a)(i):** Limited emergency operations and transitional ICSPs (T-ICSPs), with the joint approval of the Executive Director and the FAO Director-General when the limited emergency operation or the emergency-related component of the T-ICSP exceeds USD 50 million.

- **Appendix to the General Rules (a)(ii):** Country strategic plans (CSPs) and interim country strategic plans (ICSPs) funded entirely by a host country where the host country has not requested the Executive Board to approve the plan.

- **Appendix to the General Rules (b)(i):** Revision of any limited emergency operation or emergency-related revision of a CSP, ICSP or T-ICSP, with the joint approval of the FAO Director-General for any increase exceeding USD 50 million.

- **Appendix to the General Rules (b)(iii):** Downward revision of any individual strategic outcome of a CSP, ICSP or T-ICSP.

- **Appendix to the General Rules (b)(iv):** Revision of non-emergency components of a T-ICSP following limited emergency operations.

- **Appendix to the General Rules (b)(v):** Revision of a CSP, ICSP or strategic outcome funded entirely by the host country.

- **Appendix to the General Rules (b)(vi):** Addition to a CSP, ICSP, or T-ICSP of a strategic outcome funded entirely by a host country that has not requested that the Board approve the strategic outcome

- **Appendix to the General Rules (b)(vii):** Revisions related to service provision activities.