

# **Update on the Integrated Road Map**



**Informal consultation**

**16 March 2018**

**World Food Programme**  
Rome, Italy

## Introduction

1. The Executive Board approved the Integrated Road Map (IRM) and its four components – the WFP Strategic Plan (2017–2021),<sup>1</sup> the Policy on Country Strategic Plans (CSPs),<sup>2</sup> the Financial Framework Review<sup>3</sup> and the Corporate Results Framework (CRF) (2017–2021)<sup>4</sup> – at its 2016 second regular session. The IRM defines the transformative strategic, process and system changes required to channel WFP’s support to countries’ work to end hunger among the poorest and most food-insecure people<sup>5</sup>. It facilitates and demonstrates WFP’s contributions to achieving the goals of the 2030 Agenda, particularly Sustainable Development Goals (SDGs) 2, “End hunger, achieve food security and improved nutrition and promote sustainable agriculture”, and 17, “Strengthen the means of implementation and revitalize the global partnership for sustainable development”.
2. Having begun on 1 January 2018, implementation of the IRM is well under way, with 65 country offices operating within the IRM framework through 20 full CSPs<sup>6</sup> approved by the Board, five interim CSPs (ICSPs),<sup>7</sup> 37 transitional ICSPs (T-ICSPs)<sup>8</sup> and three short-term interim country strategic plans.<sup>9</sup> These coherent country portfolios, which are supported by country portfolio budgets and replace existing programme categories and project documents, reflect the high level of commitment to and engagement in IRM implementation among WFP’s partners – national governments, Member States and donors – and within WFP’s country offices, regional bureaux and headquarters divisions.
3. WFP’s commitment to transparency and accountability is being demonstrated through the CSP results framework, which translates the results framework of the WFP Strategic Plan (2017–2021) to the country level. The CSP approach enables WFP to integrate the strategic orientation of its assistance with performance management and budgeting processes to strengthen its ability to manage for results. The design, planning, implementation, performance management and reporting in respect of CSPs are based on the results chain, which clarifies the relationship between resources deployed and results achieved.

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<sup>1</sup> WFP/EB.2/2016/4-A/1/Rev.2.

<sup>2</sup> WFP/EB.2/2016/4-C/1/Rev.1.

<sup>3</sup> WFP/EB.2/2016/5-B/1/Rev.1.

<sup>4</sup> WFP/EB.2/2016/4-B/1/Rev.1.

<sup>5</sup> As outlined in document WFP/EB.2/2016/4-A/ Rev.2, the Strategic Plan (2017–2021) should guide WFP through the first five years of the 2030 Agenda implementation period. The Plan channels WFP’s support to countries’ work to end hunger among the poorest and most food-insecure people and guides WFP’s participation in a revitalized global partnership for sustainable development, which will be supported by enhanced advocacy.

<sup>6</sup> CSPs can be designed for a duration of up to five years. They are based on country-led national zero hunger strategic reviews and may also be informed by evaluations, assessments – including joint needs assessments – and feasibility studies. CSPs that are funded entirely by the host country may be approved by the Executive Director or, if the host country so elects, by the Board; all other CSPs are approved by the Board.

<sup>7</sup> ICSPs have a duration of up to three years and are used when a strategic review to inform the design of a CSP has not been completed. ICSPs are based on WFP’s existing strategies, studies, assessments – including joint needs assessments – analysis and data. Like CSPs, ICSPs that are funded entirely by the host country may be approved by the Executive Director or, if the host country so elects, the Board; all other ICSPs are approved by the Board.

<sup>8</sup> A T-ICSP following a limited emergency response or based on previously approved project documents may be approved by the Executive Director for a duration of up to 18 months as a bridge to a CSP informed by a strategic review. The Executive Director began approving T-ICSPs in 2017, with implementation starting in 2018.

<sup>9</sup> As outlined in paragraph vii of decision 2017/EB.2/2, entitled “Update on the Integrated Road Map” (WFP/EB.2/2017/11), in the interest of a more efficient transition to the CSP framework the Executive Board approved short-term ICSPs for Honduras, Pakistan and Timor Leste by correspondence in accordance with Rule IX.8 of the Executive Board Rules of Procedure. The short-term ICSPs detail activities to be implemented under the IRM framework from 1 January 2018 through 31 March 2018. These country offices will submit full CSPs to the Executive Board for approval at the Board’s 2018 first regular session.

4. Lessons learned continue to inform the progressive evolution of the IRM and the refinement of related guidance, processes and approaches.
5. The 16 March 2018 informal consultation is an opportunity to update the Board on implementation of the IRM, with 65 countries now in the framework; the impact of earmarking on programme implementation and results and steps that the Secretariat plans to take to move towards more outcome based funding; lessons learned to date, including those that have emerged from implementation of the Sudan ICSP; planned refinements to the IRM to maximize efficiency; and interim governance arrangements. In addition, a proposal for the process for consulting Member States on CSPs and ICSPs is outlined in this document for the consideration of Member States.

## **Progress to date**

### **Country offices operating within the IRM framework to date**

6. The 65 country offices that have moved to the IRM framework through the introduction of CSPs, ICSPs and T-ICSPs account for 64 percent of WFP's programme of work. This includes 12 of 14 wave 1A and 1B CSPs (including one ICSP) approved by the Board at its 2017 first regular and annual sessions.<sup>10</sup> Fifty-three additional countries successfully moved to the IRM framework on 1 January 2018.
7. The "cutover" strategy and work plan for the 53 countries ensured a timely and accurate transition for 11 CSPs and ICSPs approved at the 2017 second regular session;<sup>11</sup> two CSPs, for Cameroon and Lebanon, approved at the 2017 annual session; three short-term ICSPs, for Honduras, Pakistan and Timor-Leste, approved by correspondence in accordance with Rule IX.8 of the Executive Board Rules of Procedure in December 2017;<sup>12</sup> and 37 T-ICSPs approved by the Executive Director during 2017.<sup>13</sup>
8. A "cutover monitoring dashboard", developed to support the transition, allowed focal points in country offices, regional bureaux and headquarters to supervise and manage the budgets, commodities and cash balances in their countries, regions and globally. The cutover process proved valuable for cross-regional collaboration, sharing lessons learned, resolving challenges and avoiding bottlenecks.
9. Following the flexible approach noted by the Board at its 2017 annual session, on an exceptional basis some country offices<sup>14</sup> opted to continue operating under the project system in 2018. Depending on the country, the additional time that this provides will enable the Secretariat to improve programme quality, address issues with the migration of resources from the old system to the new system and ensure greater capacity to manage the transition to the IRM. These country offices will move to the IRM framework by no later than January 2019.

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<sup>10</sup> Wave 1A CSPs are for Bangladesh, China, Colombia, Ecuador, El Salvador, Indonesia, Lao People's Democratic Republic and Zimbabwe. The CSPs went live on 2 April 2017. Wave 1B CSPs are for Cameroon, Lebanon, Mozambique, Namibia and the United Republic of Tanzania; the ICSP is for the Sudan. Except for the Cameroon and Lebanon CSPs, which went live on 1 January 2018, wave 1B CSPs went live on 1 July 2017.

<sup>11</sup> The CSPs and ICSPs that were approved at the Board's 2017 second regular session and began on 1 January 2018 were for the Central African Republic, the Democratic Republic of the Congo, Guatemala, the Islamic Republic of Iran, Kyrgyzstan, Myanmar, Palestine, Peru, Sri Lanka, South Sudan and Uganda.

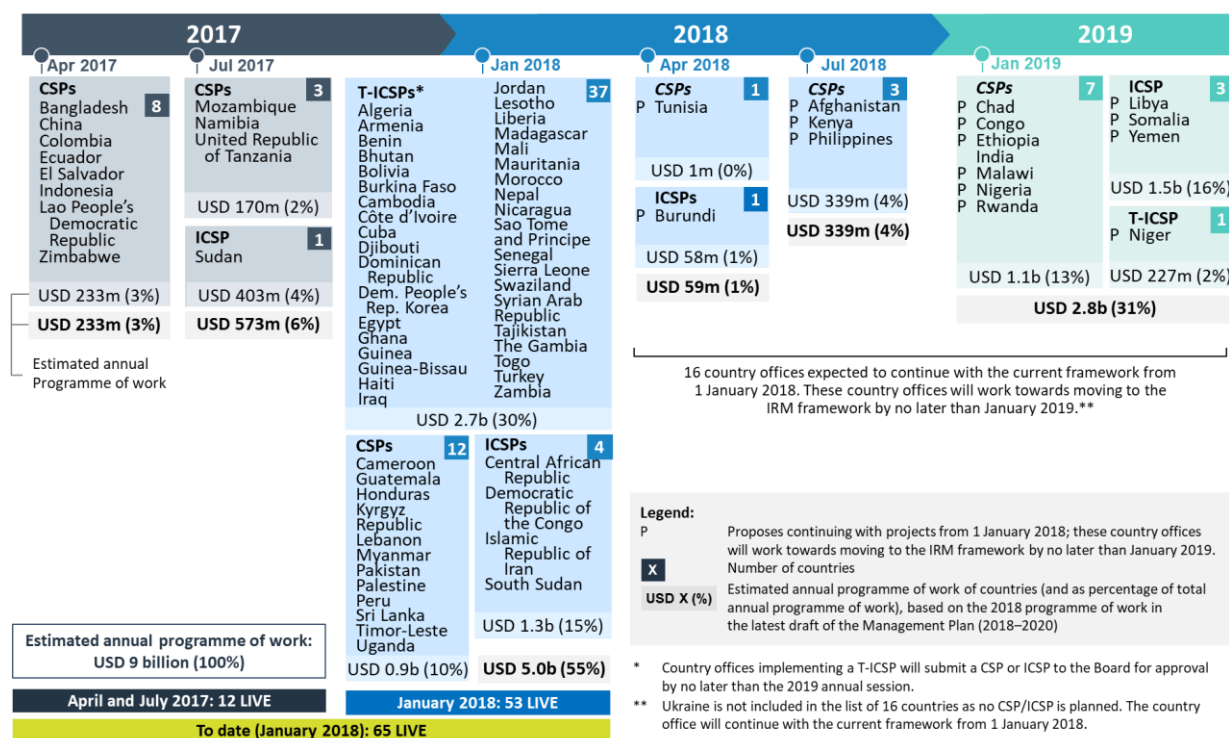
<sup>12</sup> In the interest of a more efficient transition to the CSP framework, approval through vote by correspondence in December 2017 in accordance with Rule IX.8 of the Executive Board Rules of Procedure allowed implementation of the ICSPs to commence on 1 January 2018, while country offices planned to submit CSPs to the Board for approval at the 2018 first regular session (WFP/EB.2/2017/4-A/1/Rev.1).

<sup>13</sup> The T-ICSPs were for Algeria, Armenia, Benin, Bhutan, Bolivia (Plurinational State of), Burkina Faso, Cambodia, Côte d'Ivoire, Cuba, Djibouti, Dominican Republic, the Democratic People's Republic of Korea, Egypt, Ghana, Guinea, Guinea-Bissau, Haiti, Iraq, Jordan, Lesotho, Liberia, Madagascar, Mali, Mauritania, Morocco, Nepal, Nicaragua, Sao Tome and Principe, Senegal, Sierra Leone, Swaziland, the Syrian Arab Republic, Tajikistan, the Gambia, Togo, Turkey and Zambia.

<sup>14</sup> Ukraine is not included in the list of 16 countries operating within the IRM framework because no CSP or ICSP is planned. The country office will continue with the current project framework until project closure.

10. Figure 1 shows the country offices that successfully moved to the IRM framework in 2017 and January 2018, those that are expected to do so later in 2018 and the anticipated timeframe for the transition of those country offices that will continue to implement the project framework in 2018 in accordance with the more flexible implementation approach.

**Figure 1: Indicative transition of country offices to the IRM framework, 2017–2019**



11. In keeping with the flexible approach, the Secretariat will monitor changing needs and assess whether country offices should adjust their plans by staying in the project system in 2018 or moving more rapidly than planned to the IRM framework. It should be noted that the increased flexibility in the IRM timeline has allowed both the Sudan and the South Sudan country offices to continue implementing their project-based operations in addition to the ICSPs that were approved at the Board's 2017 annual session for the Sudan and 2017 second regular session for South Sudan. To mitigate potential issues with resource migration, the dual structure tested in the Sudan in 2017 was extended to South Sudan in 2018.

### Contributions

12. To facilitate the transition to the IRM framework on 1 January 2018 for a large number of country offices, budgets for the CSPs, ICSPs and T-ICSPs were “early released” in the WFP Information Network and Global System during the third and fourth quarters of 2017. The early release mechanism allowed new contributions to be confirmed directly to CSPs and ICSPs in order to reduce the resources requiring migration from closing projects and to initiate procurement and pre-positioning of commodities to facilitate CSP implementation from 1 January 2018.
13. By 8 February 2018, 65 countries had received USD 2.1 billion in 2017 and 2018, including contributions that were transferred from previous projects to the IRM framework. So far in 2018, USD 463 million in new resources has been received.

## Major issues

### Earmarking of contributions and its impact

14. The Secretariat has analysed the contributions to countries within the IRM framework. A total of 467 grants valued at USD 2.1 billion have been allocated to 65 country offices:
  - 79 grants valued at USD 98 million, or almost 4.8 percent of the total received, were allocated at the country level in 28 countries;
  - 21 grants valued at USD 25 million, or 1.2 percent of the total received, were allocated at the strategic result level in 17 countries;
  - 74 grants valued at USD 125 million, or 6 percent of the total received, were allocated at the strategic outcome level in 29 countries; and,
  - 293 grants valued at USD 1.8 billion, or 88 percent of the total received, were allocated at the activity level in 43 countries.
15. In many instances, contributions came with conditions restricting their use to specific geographic locations, modalities, beneficiary groups and sub-activities, or combinations of these categories. In addition, while 330, or 70 percent, of the grants received (totalling USD 1.68 billion) had spending deadlines of more than 12 months, the remaining 30 percent – 137 grants valued at USD 374 million – had spending deadlines of less than 12 months, with tight deadlines of less than six months for 56 grants with a total value of USD 168 million allocated to 23 countries.
16. It is important to recognize that earmarking predates the IRM, although a systematic comparison of the level of earmarking within the project and IRM frameworks is not possible. Notwithstanding this, the visibility brought by the “line of sight” within the IRM framework provides a basis for pre-existing conditions to be anchored within the structure of the results framework. Consequently, the Secretariat is examining the impact that such conditions could have on WFP’s ability to deliver assistance effectively, maximize its effectiveness and manage expenditures. In view of the holistic, longer-term approach introduced by the IRM, the tight spending deadlines attached to some grants also warrant further assessment, particularly regarding their effect on outcomes relating to resilience and capacity strengthening.
17. Examples of the impact of earmarking could be seen in the Sudan ICSP, which received USD 231 million in 2017 from 14 different donors. Of the 43 grants received, 30 – valued at USD 196 million, or 85 percent of the total amount received – were earmarked both at the activity level and for specific geographical areas. More than half of these 30 grants also imposed a third layer of earmarking at the sub-activity level, restricting the funds’ use to specific beneficiary types. More than 20 percent of the total grants had tight deadlines of nine months or less. This level of earmarking, and the restrictions imposed such as modalities and spending deadlines, risk compromising the effectiveness of operations, limiting delivery on the ground.
18. The Secretariat intends to have a broader discussion on the impact that earmarking is having on WFP’s operational effectiveness as part of informal consultations on the IRM.

### Efforts to encourage more flexible funding

19. The Secretariat considers that the transparency brought by the “line of sight” that the IRM gives to Member States and donor partners will result in more flexible funding over time, particularly as WFP demonstrates the impact of its assistance by tracking resources along the line of sight, from strategy, planning, budgeting and implementation to performance reporting. To this end, WFP will work with partners to encourage contributions that are not earmarked or are earmarked for higher levels in the results framework such as strategic outcomes, strategic results and country level in order to maximize flexibility while ensuring the strategic and coherent use of resources.
20. The Secretariat is committed to developing a partner engagement strategy, anchored in transparency and accountability commitments through the “line of sight”, to facilitate the move towards more outcome-based funding and recognizes that further work is required, including

for example potential refinement of the formulation of strategic outcomes in the IRM framework in order to encourage contributions at that level and above. In parallel, through internal training, updated guidance and practical support, the Secretariat is encouraging WFP staff members to engage strategically with donor partners, to demonstrate the links between resources secured and results achieved and value for money and to encourage maximum flexibility in contributions. These efforts are expected to contribute to collective engagement in finding ways of reducing contribution restrictions, moving towards more outcome-based funding and increasing multi-year and flexible funding.

21. The holistic nature of the longer-term IRM framework approach also presents an opportunity for WFP to maximize the impact of multilateral funding to support countries in their efforts to make progress towards the achievement of zero hunger. The Secretariat appreciates the willingness of multilateral donors to communicate the benefits of multilateral funding to other donors. WFP is also engaging in dialogues on strategic financing with donors, in which it will continue to advocate for increasing fully flexible funding, stress the need for more predictable funding and intensify its conversations on shared strategy.
22. Predictable funding secured through multi-year agreements is crucial to ensuring the continuity of WFP's operations, mitigating price volatility, enabling strategic advance actions and facilitating the building of more strategic partnerships. The IRM framework provides opportunities for securing more multi-year contributions. Of the total multi-year contributions received from 22 donors in 2017, USD 76 million was allocated to seven operations within the IRM framework. By 12 February 2018, WFP had received confirmed multi-year contributions for 2018–2020 totalling USD 1.25 billion, including USD 404 million for 21 countries operating within the IRM framework.

### **Resource migration**

23. Resource migration entails the transfer or reallocation of resources from closing projects to new CSPs, ICSPs and T-ICSPs and their country portfolio budgets. It makes resources available at the start of CSP, ICSP or T-ICSP implementation to ensure the continuity of WFP operations. Resources are transferred or reallocated in accordance with the original intended purpose of the contribution, and in consultation with the donor when necessary. Current project closure procedures dictate that all outstanding commitments must be closed or transferred to new projects before a project can be financially closed, final financial reports can be completed and final resource transfers can take place.
24. Building on lessons learned from the implementation of CSPs in wave 1, and to facilitate the transition to the IRM framework on 1 January 2018 for a large number of country offices, the Secretariat followed a phased process for resource migration. Mapping of the migration of existing contributions from closing projects to countries' proposed CSPs, ICSPs and T-ICSPs began in September to allow adequate time for donor consultations in advance of the migration. The complexity of the resource migration process confirmed the need to include resource migration as a critical component of all IRM roll-out strategies. Project status was continually reviewed to facilitate timely final closure, with close coordination among functional areas in headquarters, regional bureaux and country offices. Tools have been created to track the resource migration and project closure processes. By 15 February, almost 800 grants had been analysed and USD 560 million and 230,000 mt of food had been migrated to CSP, ICSPs and T-ICSPs, representing 99 percent of the target amounts to be transferred.
25. A key challenge during the resource migration process was the accurate mapping of how contributions confirmed to projects related to the new CSP structure, particularly the CSP outcomes and activities. While the process to date has entailed manual review of contributions in consultation with country offices and donors, it is expected that the resource migration will be simplified for future waves as familiarity with and confidence in the process increase. The tools and processes will continue to be refined in preparation for future migrations from the project framework and the migration of resources from T-ICSPs to CSPs.

## Lessons learned

26. Implementation of the IRM is transforming WFP as the organization works towards strengthening the focus on performance, transparency and maximizing value for money. Through the systematic use of detailed tracking processes, structured inputs from pilot CSP countries, meetings with deputy regional directors, regular teleconferences with deputy regional directors and regional focal points, direct inputs from country directors, support missions, regional workshops and meetings with division directors as well as the IRM Steering Committee, the IRM team continues to gather lessons from country experiences. Examination and analysis of the challenges and best practices continue to be crucial to the enhancement of the IRM and ensuring WFP's support for countries' work to end hunger among the poorest and most food-insecure people and to achieve the SDGs. These findings have been presented in informal consultations throughout 2017 and at the 2017 annual and second regular sessions<sup>15</sup> and will continue to be presented throughout 2018.
27. The Secretariat recognizes that the continuing development and integration of lessons learned and best practices are crucial to easing country offices' workload while strengthening and refining the IRM framework as necessary. In addition, WFP benefits from lessons learned regarding its internal processes, systems and governance arrangements at the country office, regional bureau and headquarters levels.

### *Strategic review process*

28. As part of the transition to the IRM, 65 countries have initiated zero hunger strategic reviews, which identify the actions needed in order for the countries to achieve zero hunger by 2030. A wide range of stakeholders were engaged in the process, which involved the active participation of diverse partners, fostered existing relationships and generated new synergies between WFP's programmes and those of other actors.
29. The involvement of the United Nations country teams, particularly the Rome-based agencies (RBAs), during initial discussions with the governments on the zero hunger strategic reviews is critical. It has allowed joint facilitation of the review process and/or contributions – technical or financial – to the review. The vast majority of zero hunger strategic reviews have benefited from the constructive participation of United Nations agencies through inputs to the review process as members of advisory boards, participation in validation exercises and engagement in the official launch of the completed strategic review reports. United Nations agencies have also participated in follow-up mechanisms established by governments to oversee the implementation of collectively agreed priority actions. Several resulting CSPs include strong collaboration between RBAs and others, including through joint programmes. Examples of collaboration in selected countries include the following:
  - Afghanistan: The zero hunger strategic review has been co-funded by WFP, the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Children's Fund (UNICEF). The regional directors of WFP and its partner agencies will join the lead convener of the review to launch the report when ready. Stemming from this collaboration, the three agencies have signed an agreement to support a secretariat for the Afghanistan food security and nutrition agenda.
  - The Gambia: The zero hunger strategic review has been co-funded by WFP, FAO and UNICEF. The three agencies and the United Nations resident coordinator were closely involved in the review process under the active leadership of the country's Vice-President as chair of the advisory committee. They are now joined by the United Nations Development Programme, which is providing financial support for a countrywide campaign for disseminating the strategic review findings and mobilizing local actors around SDG 2.

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<sup>15</sup> Lessons learned were included in each background document prepared for informal consultations on the IRM on 17 March, 4 May, 18 July, 7 September, 4 October and 17 October 2017. In addition, an IRM seminar on 3 October featured lessons learned from the Sudan and Zimbabwe. The IRM documents submitted for approval at the Board's 2017 annual session and second regular session also included lessons learned. WFP/EB.A/2017/5-A/1 and WFP/EB.2/2017/4-A/1/Rev.1.

- Lesotho: Strong relationships with the United Nations country team contributed to valuable collaboration on the zero hunger strategic review among WFP, FAO and the World Health Organization (WHO). FAO provided two experts to the technical team for the strategic review – a climate change expert and a national agricultural economist – and contributed financially to the launch of the review and consultations with stakeholders. WHO provided financial support for a nutrition expert to engage in the review process and attend regional consultations.
- Dominican Republic: The zero hunger strategic review was led by the country’s Vice-President and co-organized in partnership with FAO and WFP. At the joint launch of the review report the Government presented the national zero hunger roadmap, which will be implemented with the support of both FAO and WFP. National online and regional consultations formed a part of the broad and inclusive strategic review and led to the formation of a national zero hunger movement aiming to promote progress towards SDG 2 across Dominican society. The zero hunger strategic review approach will be replicated for other SDGs in collaboration with other United Nations agencies.
- Nigeria: The zero hunger strategic review benefited from the strong commitment and support of the International Institute of Tropical Agriculture and the African Development Bank. WFP, FAO and UNICEF are supporting the Zero Hunger Forum – the follow-up mechanism established to oversee implementation of the actions identified in the strategic review.
- Uganda: In direct response to the recommendations and priority actions identified in the zero hunger strategic review, the Presidential Council has tasked the Government’s national planning authority – which is in charge of localizing the SDGs and of leading the zero hunger strategic review – to develop a national action plan. The “Zero hunger action plan for Uganda 2018–2025 – scaling up multisector efforts towards a hunger-free society” is being developed with support from WFP and others. The United Nations country team has recognized the Uganda zero hunger strategic review as a good example of United Nations coordination.

### ***CSP framework***

30. CSPs continue to lay the foundation for more effective partnerships with governments, with the longer planning duration providing a platform for building longer-term partnerships and foster South-South cooperation. The extended planning duration and line of sight also continue to bring greater coherence and vision to programme design.
31. Lessons learned from the emergency response in Bangladesh demonstrated that the presence of an existing activity for crisis response under an approved CSP enabled the country office to immediately initiate an emergency response. Support was also made available to facilitate the scale-up of operations to include the additional caseload of refugees and create additional activities as required under the emergency response vis-à-vis cluster services. Overall, efficiency gains were achieved because all activities were managed through a single instrument – the CSP – which led to a reduction in processing time. Notwithstanding this, lessons learned and consequent recommendations as they relate to internal guidance, processes and systems employed under the IRM framework to respond to the emergency in Bangladesh are expected to facilitate and better inform WFP’s emergency responses in the future.
32. The flexibility of the CSP framework is crucial to preserving WFP’s ability to respond quickly in fluctuating circumstances and to unforeseen emergencies. Pilot countries continue to report that the programmatic coherence of CSPs is contributing to enhanced partnerships and increased potential for new funding opportunities and improving stakeholder perceptions and WFP’s standing and positioning at the country level. Based on these experiences and lessons learned, the Secretariat continues to guide the development of new CSPs in accordance with corporate guidance.



33. The Secretariat recognizes the importance of ensuring that the membership has oversight of changes to budgets and their effect on planned activities. All changes exceeding USD 7.5 million, and any changes in the duration of a CSP or ICSP, regardless of approval authority, will therefore continue to be shared with the Board for information.

### ***Sudan***

34. The Secretariat included the Sudan country office ICSP as part of wave 1B in order to ensure that WFP could benefit from lessons learned from a major complex operation during the 2017 pilot phase and to allow solutions to be adjusted where necessary. Implementation of the Sudan's USD 592 million ICSP, which has six strategic outcomes and 15 activities, began formally on 1 July 2017 for a duration of 18 months.<sup>16</sup> While distributions started in August, implementation of the ICSP at scale began only in November, in part because the pre-existing protracted relief and recovery operation was being implemented in parallel as part of the dual structure approach adopted by the country office.
35. The Sudan country office (which includes four area offices – each larger than most of WFP's country offices – 16 field offices and more than 1,100 staff members) and the IRM team worked closely to build a shared understanding of the challenges of implementation. As outlined during the informal consultation on 7 February 2018, challenges identified consisted of the added complexity of the budget structure, which resulted in increased transactions involving multiple functions and an increased workload; the limits on flexibility resulting from the transparency afforded by the budget structure, which led to increased levels of earmarking and a need for increased management of donors' restrictions within activities; increased centralization of fund allocations, which led to operational delays; the impact that the current and revised CRF will have on performance measurement; and issues relating to staffing, staff capacity and reassignment.
36. The Secretariat is exploring several corporate solutions for responding to the lessons learned and addressing the underlying causes of challenges identified during the Sudan pilot. This work includes the provision of additional tools and guidance; the formulation of a donor engagement strategy to foster reduced earmarking and a move towards more outcome-based funding over time; internal refinements to the cost structure and management of costs; progress on enhancing the CRF; simplification of internal budget review processes; and review of the authorities for budget revisions, planned for 2019.

### ***Country portfolio budget structure***

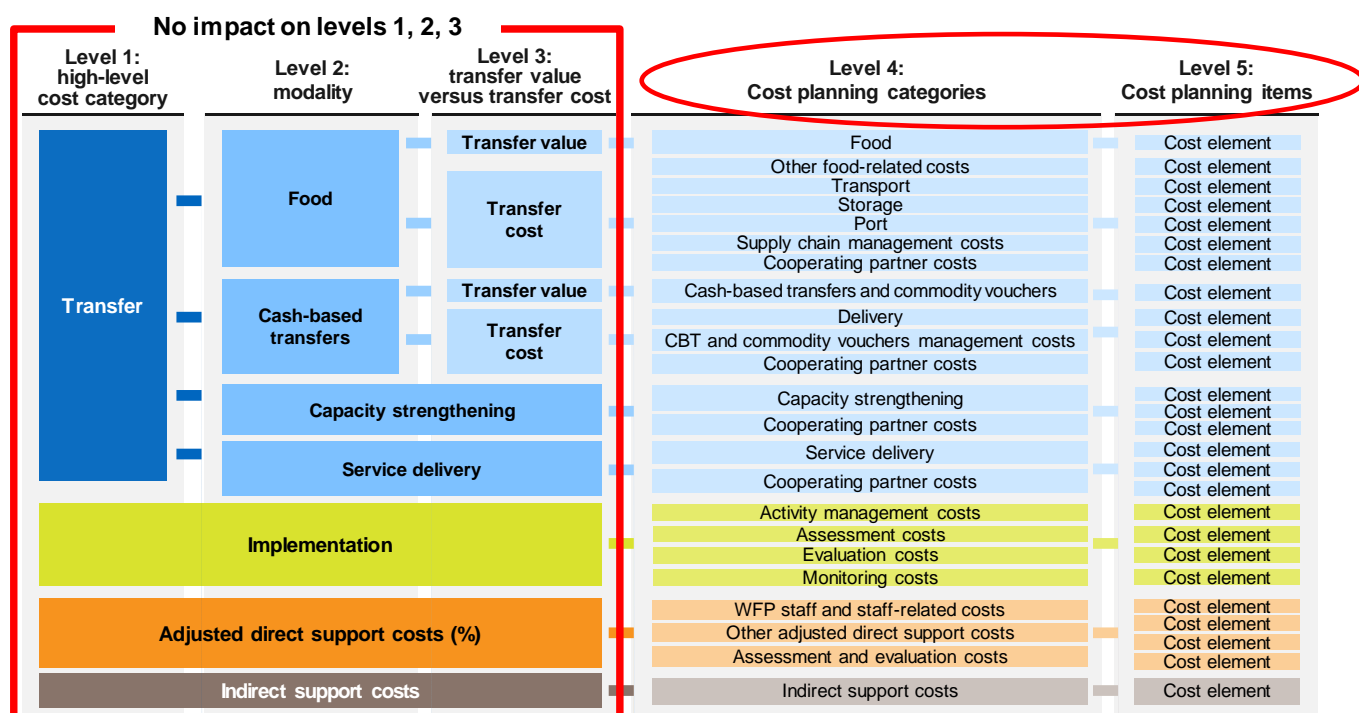
37. Countries operating within the IRM framework continue to appreciate the new cost structure and the clear line of sight from strategy, planning and resourcing to results, which have increased transparency down to the activity level and made communication easier. They have asked that more guidance and tools be made available to ensure that flexibility is maximized.
38. In spite of these benefits, however, challenges to funds management – resulting from the added complexity introduced by the vertical and horizontal orientation of the new budget structure – will necessitate internal refinements. As outlined in the IRM document presented at the 2017 second regular session and in discussions during the 7 February 2018 informal consultation, the Secretariat is exploring options for simplifying the cost structure and management of costs while preserving budgetary transparency.
39. As indicated in figure 2, planning elements related to the four high-level cost categories – transfer costs, implementation costs, adjusted direct support costs and indirect support costs – will be maintained, with no re-categorization of costs from one category to another. Foreseen refinements to the cost structure and management of costs will affect only levels 4 and 5 of the country portfolio budget. There will be no changes in the cost categories at level 2 of the budget structure, which refer to transfer modalities – food, cash-based transfers, capacity strengthening and service delivery – or at level 3, which covers the transfer values and transfer costs of the

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<sup>16</sup> WFP/EB.A/2017/8-B.

food and cash-based transfer modalities.<sup>17</sup> The Secretariat will keep the Board apprised of progress in and the potential impact of these developments, and the Board’s feedback will be taken into account as further refinements are considered.

**Figure 2: Internal cost structure refinements**



**Organizational readiness**

40. The IRM organizational readiness toolkit for country offices, which was rolled out in March 2017 and is based on the four dimensions of an integrated capability model – culture, organization, skills and talent – has been updated and was recently made available to offices and staff in the field. Incorporating lessons from pilot country offices in waves 1A and 1B, it includes revised guidance and additions such as advice on individual performance management and emerging high-level organizational structures. Regarding the latter, structural analyses carried out in early 2018 in a range of contexts will lead to more detailed guidance. Expanded guidelines on structure and staffing reviews and analyses of the thematic learning needs of country offices are also being developed.
41. An additional 40 human resource officers from around the world were trained in the four focus areas of the integrated capability model, bringing to 80 the total number of officers to receive such training. The training further strengthened human resource skills specifically related to the IRM, creating a pool of human resource officers ready for deployment as needed. Organizational readiness support missions have continued to target prioritized country offices and are led increasingly by regional bureaux, with the Human Resources Division providing support as required.
42. To support learning and development of the IRM, a dedicated IRM “learning channel” providing access to customized resources was created in WFP’s corporate learning management system. IRM functional learning paths were also developed to complement and help package a selection of existing online learning (or “self-teaching”) material. In at least one region, a tailor-made training of trainers programmes was implemented to help build capacity in accordance with the “cascade training” approach, through which people who have received training share their new knowledge and skills with colleagues.

<sup>17</sup> WFP/EB.2/2016/5-B/1/Rev.1.

## ***Partnerships***

43. The Secretariat continues its work to strengthen partnerships in all areas of the IRM framework. Guidance materials, tools and templates have recently been revised to further embed and reinforce WFP corporate partnership principles<sup>18</sup> throughout the CSP development and implementation process and CSPs submitted to the Board for approval.
44. The IRM framework creates an opportunity to forge and nurture the long-term, multi-stakeholder partnerships needed to support countries in achieving zero hunger. IRM instruments and processes support country offices and regional bureaux in engaging fully in an effective and strategic manner with the full range of partners – resource, policy, knowledge, governance, advocacy and capability – in order to achieve collective outcomes at the country level.
45. The Secretariat is developing e-learning materials on partnerships, which will be available to all staff members in 2018. The training covers essential skills and behaviours that underpin effective partnerships, WFP’s partnership principles and the abilities needed to navigate relationships. It enhances essential partnership skills for working both internally with WFP colleagues and with external partners and emphasizes new ways of identifying, engaging and aligning with partners. To date, the Secretariat has provided focused, strategic partnership training to country office management, through regional workshops on partnerships and in-depth training on engagement with host governments.

## **Looking ahead**

### ***Foreseen process for consultations with Member States on CSPs and ICSPs in 2018 and 2019***

46. In accordance with the approved process employed for the 2017 second regular session, five CSP and ICSP documents for the 2018 first regular session of the Board were made available 12 weeks before they were submitted for approval. Board members had 20 calendar days to provide comments electronically, and the final documents, incorporating comments received, were posted four weeks before the Board session. Following the process established for the 2017 second regular session, informal consultations were held on the draft CSP and ICSP documents at the conclusion of the 20-calendar day review process.
47. As outlined in the IRM document presented at the 2017 second regular session, the Secretariat is exploring the possibility of holding informal consultations early in the development of CSPs and ICSPs. The 16 January 2018 informal consultation provided the Board with an opportunity to discuss, on a trial basis, concept notes for five CSPs planned for submission for Board approval at the 2018 annual session.
48. During the 16 January and 7 February 2018 informal consultations, the Secretariat indicated that the introduction of an informal consultation on concept notes in addition to existing review processes was not an efficient use of time for either the Board or management as it would result in a three-step process prior to Board approval:
  - informal consultation on concept notes;
  - 20-day electronic written review process; and
  - informal consultation on draft CSPs/ICSPs.
49. At the 7 February 2018 informal consultation, the Secretariat presented potential options for simplifying the process while allowing sufficient opportunity for Board members to provide feedback in consultation with capitals and country-level missions, where appropriate. Based on feedback received on 7 February 2018, the Secretariat proposes the following two-step process prior to Board approval of CSPs and ICSPs:
  - a) Informal consultations on concept notes for CSPs and ICSPs, which would be held approximately six months before the Board session at which the CSPs and ICSPs are to be presented.

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<sup>18</sup> WFP/EB.A/2014/5-B.

- b) A review process through which Board members can provide technical comments on CSP and ICSP documents electronically will commence 12 weeks before the documents are submitted to the Board for approval.
50. The Secretariat proposes to apply this process until the end of 2019, after which it could be reviewed, along with the permanent delegations of authority, at the 2020 first regular session. The review would benefit from at least four cycles of informal consultations on concept notes on CSPs and ICSPs, the electronic technical review as well as Executive Board approval. It would include an examination of the value of the full process, taking into account perspectives from the field as well as its costs.

### **Revision of CSPs**

51. WFP remains committed to providing transparency and reinforcing the Board's enhanced oversight role throughout the IRM, including with regard to the revision of budgets under the IRM framework.
52. Interim delegations of authority for approving CSP revisions were approved by the Board at its 2017 second regular session.<sup>19</sup> In effect since 1 January 2018, they are already providing the Secretariat with an opportunity to learn. As noted during the 7 February 2018 informal consultation, two lessons have emerged from the use of these interim delegations:
- i) Board approval is required for any revision that increases a country portfolio budget by the lesser of 25 percent or USD 150 million in respect of activities in the root causes or resilience building focus areas. In the absence of a minimum threshold, revisions may have a disproportionate impact on smaller CSPs. For example, for a very small CSP, a budget increase as small as USD 80,000 may require Board approval.
  - ii) Similarly, the current budget thresholds require that crisis response revisions be shared with Member States for comment before approval by the Executive Director and, if required, the Director-General of FAO (again, 25 percent of a country portfolio budget or USD 150 million). Relatively minor revisions, which could ordinarily be processed rapidly for smaller operations, may result in a reduction of both time and cost efficiency for the Board and WFP operations.
53. The Secretariat recognizes that the issues to be considered in the approval of a CSP revision extend beyond the value and size of the CSP. Feedback from the Board on these observations will be taken into account as the Secretariat analyses experiences to inform lessons learned and incorporate them into improved processes.

### ***Budget planning tool***

54. The budget planning tool is a corporate planning application that streamlines and automates multiple planning databases to create a central repository of budgeting and planning data, allowing consistency in quality and financial control. The tool will also facilitate the preparation of budgets that link resource allocations to strategic results and outcomes throughout WFP. Rollout of the budget planning tool to country offices has started as scheduled, and the rollout of the initial system is expected by June 2018, with further refinements expected through the end of the year.

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<sup>19</sup> The Board approved for the period 1 January 2018 to 29 February 2020 the interim delegations of authority to the Executive Director that are set forth in annex II to the "Update on the Integrated Road Map" presented at the 2017 second regular session (WFP/EB.2/2017/4-A/1/Rev.1).

### ***Corporate Results Framework***

55. The CRF presents the strategic goals, outcomes and results relating to the WFP Strategic Plan (2017–2021), including the indicators that WFP uses to plan, monitor and report on its programmes and management performance. The framework includes indicative measures for capturing management performance in terms of efficiency, effectiveness and economy and is a critical component of the IRM framework, enabling the organization to measure results and meet its commitments to transparency and accountability.
56. A revised CRF will be presented to the Board in November 2018 for application from January 2019. An internal advisory board including senior staff, supported by a technical working group, has been created to coordinate the revision. The Executive Board will take the final decision on approving the new results framework.
57. The revised CRF will meet the needs emerging from the ongoing United Nations reform process, taking into account the following: United Nations development assistance framework (UNDAF) guidelines and United Nations Development Group guidance on joint monitoring; Quadrennial Comprehensive Policy Review recommendations; development of a United Nations online platform for joint monitoring of UNDAF progress; first progress reports on global targets and indicators from the United Nations Statistics Division; and a full system review of global targets and indicators scheduled for 2020 and 2025.
58. The review is being discussed and coordinated with inter-agency partners, which has opened opportunities and approaches for partnerships on joint monitoring and reporting throughout the United Nations system. Broad consultations are under way among the Rome based agencies on monitoring contributions to SDGs and collaborating on the humanitarian-development nexus.
59. The revision is an opportunity to ensure that WFP is in line with the external United Nations-wide processes and will ensure that WFP uses the lessons learned so far to improve the results framework to best cater to the needs of country offices to report on their results, programmatic achievements and contributions provided to the governments in achieving national SDG targets, as well as performance management. Revisions are expected to concentrate particularly on Strategic Results 5–8, as they appear to present the greatest opportunities based on country office experiences. Pilots of new indicators and methodologies are being undertaken, and their results will feed into the revision process.
60. The new results framework will include a revised compendium of indicators, methodologies and guidance for building national capacity and supporting governments and provide a refined performance indicator structure that will be applied to annual performance plans and the management plan.

### ***Reporting***

61. WFP is preparing annual country reports for the 12 country offices<sup>20</sup> that implemented programmes within the IRM framework in 2017. The 2017 interim annual country reports will accommodate reporting both on projects and CSPs, using the CRF to demonstrate results. The reports will be released by the end of March 2018. The annual country report template – incorporating any lessons learned – will be used for all country offices with CSPs in 2018, other than those continuing to operate within the project-based framework.

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<sup>20</sup> Annual country reports are being prepared for Bangladesh, China, Colombia, Ecuador, El Salvador, Indonesia, Lao People's Democratic Republic, Mozambique, Namibia, the Sudan, the United Republic of Tanzania and Zimbabwe.

### ***Online portal***

62. The Secretariat remains committed to launching a beta-version of an online portal by the second quarter of 2018 with phased updates throughout the year. The portal will provide Member States with access to activity-level information on the programmes, financing and performance for countries with CSPs and ICSPs that have been approved by the Executive Board. As noted in previous updates, data for the online portal will be based on annual planning processes and country operation management plans (COMPs). Information will be presented by country, strategic result and SDG target, strategic outcome, activity and year and will include variables such as modalities of assistance.
63. Until the online portal becomes functional in the second quarter of 2018, this information will continue to be provided through the COMP documents and the WFP Management Plan (2017–2021). Information and data from COMPs and from the current and future WFP management plans will be integrated into the online portal from June 2018 onwards.

### **Interim governance arrangements**

#### **Interim delegations of authority**

64. Interim governance arrangements were approved at the 2017 second regular session of the Board. The arrangements include interim delegations of authority for the period 1 January 2018 to 29 February 2020 and principles to guide the application of full cost recovery to complement the continued derogations from WFP general rules and financial regulations that are required for implementation of the IRM framework in 2018. The interim arrangements will apply to the country offices that are operating within the IRM framework.
65. Permanent delegations of authority, drawing on experience from the interim period and from reviews, will be presented for approval at the Board's 2020 first regular session and, if approved, will take effect on 1 March 2020.

#### **Full cost recovery**

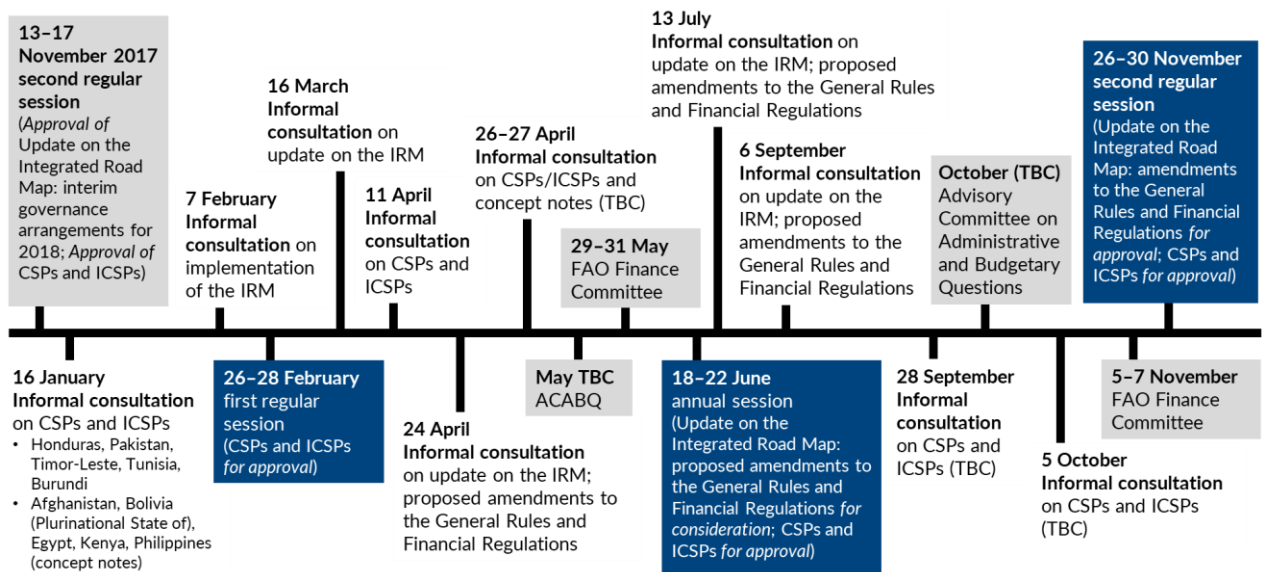
66. At its 2017 second regular session the Board approved interim governance arrangements to guide the application of full cost recovery from 1 January 2018. These interim arrangements apply to all country offices implementing CSPs, ICSPs, T-ICSPs and limited emergency operations. Countries operating within the project structure will continue to apply full cost recovery in compliance with General Rule XIII.4.
67. The Secretariat is currently reviewing the text referring to full cost recovery in General Rule XIII.4, recognizing that some of it will require updating once all countries are working within the IRM framework. It is not expected that there will be any need to change WFP General Regulation XIII.2, which establishes the principle of full cost recovery to ensure that sufficient funds are provided to cover all operational and support costs related to each contribution. Trust funds, which are closely tied to the issue of indirect support costs and service delivery, are also being examined in the review of full cost recovery. The review findings will be presented to the Board at consultations. It is anticipated that any proposed changes to General Rule XIII.4 will be presented to the Board for consideration during the 2018 annual session and for approval at the 2018 second regular session.

### **Member State engagement in 2017 and 2018**

#### **Informal consultations in 2018**

68. To ensure the Board's continued engagement throughout 2018, the Secretariat has scheduled a series of informal consultations. The consultations (figure 3) will provide an opportunity to share updates on IRM implementation, discuss draft CSPs, draft ICSPs and interim governance arrangements and consider needed amendments to the general rules and financial regulations, which will be presented for approval at the 2018 second regular session of the Board, and proposed revisions of delegations of authority, which will be presented for approval at the Board's 2020 first regular session.

**Figure 3: Updated schedule of informal consultations in 2018**



## **Acronyms used in the document**

COMP	country operation management plan
CRF	corporate results framework
CSP	country strategic plan
FAO	Food and Agriculture Organization of the United Nations
ICSP	interim country strategic plan
IRM	Integrated Road Map
RBA	Rome-based agency
SDG	Sustainable Development Goal
T-ICSP	transitional interim country strategic plan
UNDAF	United Nations Development Assistance Framework
UNICEF	United Nations Children's Fund
WHO	World Health Organization