

Update on collaboration with national governments and International Financial Institutions (IFIs)

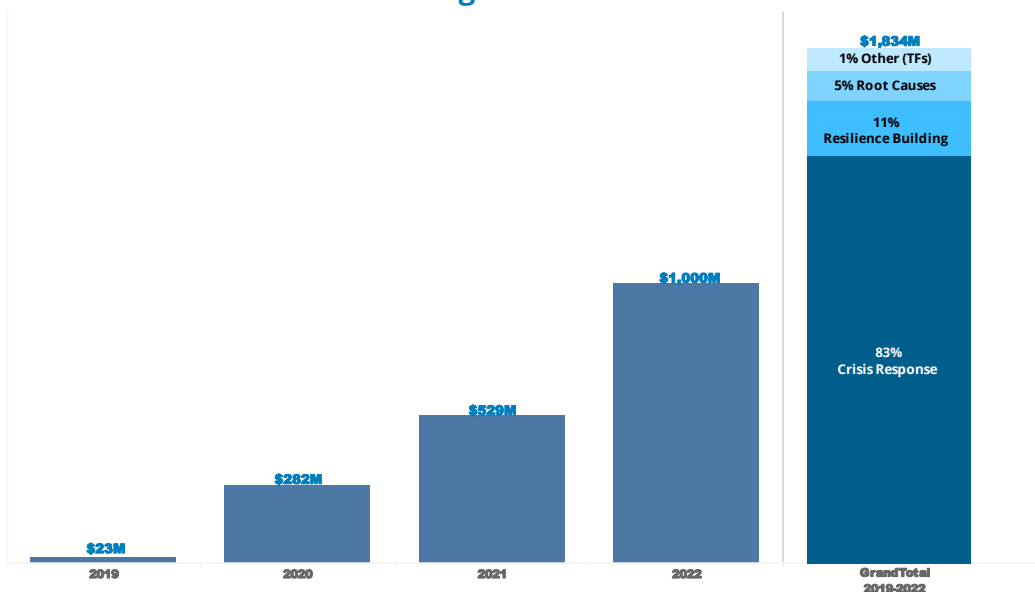
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This document aims to update the Executive Board on WFP's engagement with national governments and International Financial Institutions (IFIs), as requested by Member States during the informal consultation on the Annual Performance Report for 2022 in May 2023. The update covers the period 2019-2022.

I. Major trends

1. The partnerships between WFP, national governments and IFIs aim to support governments to achieve the 2030 Agenda for Sustainable Development. This includes a combination of strategic cooperation and technical exchanges that could result in the transfer of financial resources from governments and occasionally directly from IFIs to facilitate the implementation of national programmes where WFP has technical and operational comparative advantages.
2. These partnerships contribute to all five outcomes of WFP's Strategic Plan 2022-2025 from supporting people's access to urgent food and nutrition in crisis settings to strengthening national programmes and systems. Investments along the humanitarian-development-peace nexus support governments to achieve sustainable and inclusive results towards Sustainable Development Goal 2 "Zero Hunger"; increase the cost-effectiveness of individual interventions; contribute to prevention of crises, conflict and forced migration; and adapt to and mitigate the effects of the climate crisis.

Contributions from national governments and IFIs since 2019



3. The number of country partnerships and agreements channelled directly or indirectly from national governments to WFP and financed with IFI resources increased from ten in 2019 to 31 in 2022. The value of these partnerships jumped from just over USD 20 million in 2019 to USD 1 billion in 2022. The breakdown for 2022 is provided below.
 - 2022 Contributions: USD 712 million. This includes contributions received from national governments and funded by IFIs (USD 359 million) and contributions from IFIs on behalf of governments (USD 353 million).
 - 2022 Service Provision: USD 288 million. These are payments in exchange for services and are accounted for differently than contributions.

4. From 2019 to 2022, WFP signed agreements with national governments or with IFIs on behalf of national governments with financing provided from: the World Bank Group (including World Bank-managed trust funds such as Global Partnership for Education [GPE], Global Risk Financing Facility and the Global Agriculture and Food Security Program [GAFSP]), the Asian Development Bank, Inter-American Development Bank, African Development Bank, International Monetary Fund, the International Fund for Agricultural Development, the Development Bank of Latin America (CAF) and the African Export-Import Bank.¹ The World Bank was the source of 77 percent of resources between 2019-2022. Other multilateral development banks increased their collaboration in 2021-2022, with the Asian Development Bank providing 14 percent of resources in 2022, the African Development Bank 8 percent, and the Inter-American Development Bank 4 percent.

Trend by IFI (US\$)

| IFI Source | 2019 | 2020 | 2021 | 2022 | Grand Total |
|---------------------------------|--------------|---------------|---------------|-----------------|-----------------|
| World Bank | 20.1M | 207.1M | 469.4M | 712.7M | 1,409.3M |
| Asian Development Bank | | | | 137.1M | 137.1M |
| Inter-American Development Bank | | 40.7M | 5.0M | 44.0M | 89.7M |
| African DevBank | | | 0.7M | 76.2M | 76.9M |
| International Monetary Fund | | 25.0M | 21.8M | | 46.8M |
| GPE | 2.5M | 5.4M | 9.1M | 14.1M | 31.1M |
| UN IFAD | 0.3M | 0.7M | 22.6M | 2.6M | 26.2M |
| GAFSP | 0.1M | 3.1M | | 13.4M | 16.6M |
| Other | | | | 0.3M | 0.3M |
| Grand Total | 23.1M | 282.0M | 528.5M | 1,000.4M | 1,834.1M |

¹ In 2023, the Islamic Development Bank and the Arab Bank for Economic Development in Africa were added to the list.

5. From 2019 to 2022, 83 percent of resources received were programmed under crisis response, 11 percent under resilience building and five percent under root causes.² Agreements have been predominantly in support of human capital development, including social protection, unconditional and conditional cash transfers and school feeding. According to WFP's activity categories, most resources targeted unconditional resource transfers (78 percent from 2019 to 2022), followed by resilience and livelihood (6 percent) and school meals (5 percent).
6. During the past five years, WFP has mobilized around USD 130 million in 17 countries to support climate resilient food systems, anticipatory action, and disaster risk management, including from the World Bank, Asian Development Bank, African Development Bank, and IFAD.
7. Almost all agreements have a system strengthening component that should reduce humanitarian needs in the medium to long term. IFI and government-sponsored projects emphasize the importance of building national systems and delivering assistance through these systems as much as possible. Most social protection and cash programmes implemented or supported by WFP in the framework of these partnerships rely on national delivery systems. These partnerships are creating unique opportunities for WFP to enable the transition to greater national ownership and advocate for sustainable long-term solutions.
8. In the absence of internationally recognized or eligible governments, WFP has entered agreements directly with the IFI concerned, while working in line with IFI principles of country ownership.
9. Projects supported by IFIs undergo extensive technical reviews by the various stakeholders involved and must abide with the highest levels of transparency and accountability, without which financing would not be secured. This includes environmental and social safeguards that create an enabling environment for the observance of humanitarian principles.

II. Collaboration modalities

10. Agreements with national governments and IFIs are usually based on pre-negotiated templates and can be signed directly with the Government (contribution agreement with government) or with the IFI in case of a direct contribution (direct contracting). WFP may also sign technical service contracts directly with IFIs or governments for smaller projects. Where pre-negotiated templates are not yet available, WFP has established precedential forms of agreement that can be replicated and used for similar engagements with the IFIs or the governments.

² The remaining one percent was programmed under HQ managed Trust Funds.

11. The three main type of agreements are summarized below:

- *Agreement with the Government:* This is the most frequent agreement type. WFP signs an agreement directly with the Government having the IFI as financier/source donor. Agreements are usually structured in an outputs-based format, specifying different activities and outputs. In certain engagements, a tripartite agreement is preferred by the Government and the IFI.
- *Direct contracting:* WFP enters into agreement directly with the IFI. This modality is often used where there is not an internationally eligible or recognized government.
- *Service provision:* this type of agreement can be used for food procurement, cash transfer services or supply chain service provision. Service provision activities primarily serve the needs and interests of the requesting party and are provided on a transactional, quid pro quo basis, foreseeing payment in exchange for services that are identified by the requesting party and performed by WFP. Under this category, WFP assumes limited liability.

III. Joint analysis and advocacy

12. The partnership with IFIs is not limited to financial contributions. It includes extensive policy dialogue and joint advocacy, technical exchanges, and knowledge creation and sharing. For example, in 2022 WFP undertook six country pilots with the IMF's Strategy, Policy and Review Department in Sub Saharan Africa to enhance and institutionalize areas and modalities of engagement, particularly around data analytics, social spending and food systems. Outputs of the exercise include the release of the IMF selected issue paper on *Food Insecurity and Climate Shocks in Madagascar*, periodic contributions by WFP to IMF reports, and joint meetings with authorities to provide guidance and capacity development. With the World Bank, collaboration with governments to support social protection programmes takes many forms. For example, it included technical assistance to the Government of Jordan on the Unified Cash Programme, through expertise on data collection, data payments, and complaint and feedback mechanisms.