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Programa Mundial de Alimentos
برنامج الأغذية العالمي

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Private-sector partnerships and fundraising strategy (2020-2025)

Cooperation with the private sector, foundations and individuals for the achievement of zero hunger

Executive summary

After over a decade of decline, hunger is on the rise globally, compounded by factors including climate change and conflict. In 2019 more than 820 million people in the world suffer from chronic hunger¹ and 113 million people suffer from acute food insecurity.²

Faced with these challenges, WFP has redoubled its efforts to help reset a trajectory towards zero hunger. Despite having reached 90 million people in 2018, the gap between WFP's reach and the world's needs remains large. The vision of this strategy is to transform how WFP works with businesses and other actors – particularly at the local level – to save more lives and change more lives. It sets forth a new approach, looking to businesses primarily for technical partnerships that utilize their expertise, capability and advocacy support and to individuals for funds to help close WFP's funding gap. The strategy is built upon three interrelated pillars: *impact*, *income* and *innovation*. The three pillars are mutually supporting, and actors may be engaged through more than one pillar at a time.

¹ Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, United Nations Children's Fund, WFP and World Health Organization. 2018. *The State of Food Security and Nutrition in the World 2018*. <http://www.fao.org/3/i9553en/i9553en.pdf>. In this report it is acknowledged that experiences of hunger, food insecurity and malnutrition are varied, with inequalities in relation to matters such as gender and disability underpinning vulnerability.

² Food Security Information Network. 2019. *2019 Global Report on Food Crises*. https://docs.wfp.org/api/documents/WFP-0000104035/download/?_ga=2.58447468.711321890.1565442307-786793058.1562316348.

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- **Pillar 1: Impact:** WFP will build on its success and 15 years of experience in co-creating technical partnerships with the private sector to form best-in-class technical partnerships aimed at increasing local level impact. To assess partnership impact, WFP will develop a measurement methodology in accordance with its corporate results framework.
- **Pillar 2: Income:** WFP will develop a sustainable stream of flexible income through a new individual giving approach, investing in a digital-led fundraising strategy to engage people worldwide. This pillar also aims to increase yearly contributions from businesses and foundations.
- **Pillar 3: Innovation:** the third pillar allows for WFP to explore new modes of engagement to find innovative and collaborative solutions for the people it serves, through new technology and new ways of working. Activities under this pillar will support impact and income activities and goals.

WFP's engagement will be guided by a set of principles that will maximize results for its beneficiaries. Partnerships and engagement with individuals, foundations and business will:

- be needs-based, focusing on beneficiaries and maximizing local-level impact;
- support long-term engagement and sustainable outcomes;
- ensure transparency and accountability;
- ensure sound risk management; and
- explore innovative engagement models to achieve increased impact for beneficiaries.

The targeted increases in impact and income diversification and delivering on WFP's vision for engagement with the private sector, foundations and individuals will require associated investment, organizational restructuring and capacity changes. The greatest investment will be to launch the individual giving strategy under pillar two. Proposed funding sources are a combination of critical corporate initiative investments, a loan from the Capital Budgeting Facility, a portion of donated funds and the programme support and administrative budget. Additional resources related to pillar 1 include a dedicated team for technical partnerships, establishing staff in all regional bureaux; a centre of excellence; and a global services team at headquarters that will perform key support functions to improve the long-term stewardship of partnerships.

Draft decision*

The Board, having considered the “Private-sector partnerships and fundraising strategy (2020–2025): Cooperation with the private sector, foundations and individuals for the achievement of zero hunger” (WFP/EB.2/2019/4-A/Rev.1):

- approves the strategy, including the proposed funding approach;
- notes that the funding approach envisions the employment of a retention mechanism, as detailed in paragraphs 15–21 of section C of annex II to the strategy, in accordance with which a portion of individual giving income will be retained and reinvested in individual giving fundraising activities as detailed in paragraphs 32–36 of the strategy;
- notes also that the proportion of each contribution retained in accordance with the retention mechanism (“the retention percentage”) will not exceed a ceiling of 29 percent;
- notes further that the Executive Director will set the retention percentage, within the 29 percent ceiling, from time to time throughout the duration of the strategy and requests the Executive Director to report to it annually, through the management plan, on the retention percentages in effect throughout the duration of the strategy.

* This is a draft decision. For the final decision adopted by the Board, please refer to the decisions and recommendations document issued at the end of the session.

1. Introduction

1. In 2019, an estimated 2 billion people live in moderate to severe food insecurity, more than 820 million suffer from chronic hunger¹ and 113 million people living in crisis-ridden countries suffer from acute food insecurity.²
2. To address this challenge and help reset the trajectory towards zero hunger, WFP has increased its resources substantially in recent years, primarily from donor Governments. WFP received more than USD 7.3 billion and reached 90 million people in 2018. While this was a remarkable achievement, the gap between WFP's reach and the world's needs remains large.
3. This strategy sets forth a bold approach that looks to businesses, large and small, primarily for technical partnerships that utilize their expertise, capability and advocacy support to make WFP's work more impactful, and to individuals for funds to help close WFP's funding gap. Foundations can bring both funding and expertise to help reach zero hunger faster. Partnership is the focus of Sustainable Development Goal (SDG) 17 and is fundamental to achieving all the SDGs; the underlying vision of this strategy is to transform how WFP works with businesses and other actors, particularly at the local level, to save more lives and change more lives.
4. This strategy situates WFP's effort to expand partnerships and engagement within the broader context of collaboration within the United Nation system³ in support of SDG 2 and related goals and supports the Addis Ababa Action Agenda, which underlines the importance of diversifying funding and unlocking the "transformative potential of people and the private sector."⁴
5. In addition to being consistent with broader multilateral efforts, this strategy advances the WFP Strategic Plan (2017–2021), specifically Strategic Objective 5, "Partner for SDG Results", and Strategic Results 7 and 8, which address the need for diversified resourcing and partnerships that share knowledge, expertise and technology. It builds on the WFP Corporate Partnership Strategy (2014–2017), which notes that the private sector can make contributions in four types of partnerships: resource, knowledge, advocacy and capability. The strategy is informed by a 2017-2018 report by the Multilateral Organization Performance Assessment Network, which concluded that WFP's approach to partnership "with the private sector lack[ed] a coherent approach and strategy".⁵

¹ Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, United Nations Children's Fund, WFP and World Health Organization. 2018. *The State of Food Security and Nutrition in the World 2018*. <http://www.fao.org/3/i9553en/i9553en.pdf>. In this report it is acknowledged that experiences of hunger, food insecurity and malnutrition are varied, with inequalities in relation to matters such as gender and disability underpinning vulnerability.

² Food Security Information Network. 2019. *2019 Global Report on Food Crises*. https://docs.wfp.org/api/documents/WFP-0000104035/download/?_ga=2.58447468.711321890.1565442307-786793058.1562316348.

³ Joint Inspection Unit, *The United Nations System – Private Sector Partnership Arrangements in the Context of the 2030 Agenda for Sustainable Development*, JIU/REP/2017/8. Geneva 2017. "Such a need is not only dictated by the authority of the 2030 Agenda but is also an expression of the changes in the conditions for global collective action and the rise of non-governmental emerging powers, which are able to act more swiftly than multilateral intergovernmental processes." https://www.unjiu.org/sites/www.unjiu.org/files/jiu_rep_2017_8_english_1.pdf.

⁴ United Nations. 2015. *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*. https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf.

⁵ Multilateral Organization Performance Assessment Network. 2019. *World Food Programme (WFP) 2017–18 Performance Assessment*. <http://www.mopanonline.org/assessments/wfp2017-18/WFP%20report%20final.pdf>.

6. The strategy is informed by extensive internal and external data analyses, confidential interviews with private sector partners and consultations with the Executive Board, key headquarters-based functions, all regional bureaux and a range of WFP country offices. Leading experts who have held senior positions in United Nations agencies and non-governmental organizations (NGOs) were also involved in developing the strategy, as were peer agencies such as the United Nations Children’s Fund and the Office of the United Nations High Commissioner for Refugees and NGOs in Germany, Spain and the Republic of Korea.

1.1 Analysis and findings to inform a new strategic direction

7. Building on previous private sector engagement, recommendations from a 2012 evaluation of WFP’s 2008 private-sector partnership and fundraising strategy⁶ and feedback from stakeholders, this strategy sets a new course for WFP. Analysis shows that WFP – and therefore its beneficiaries – derives more value from businesses through technical partnerships with them rather than through a focus on generating funds.⁷ Furthermore, the private sector is increasingly responsive to employee and consumer demand for the utilization of a company’s expertise, reach and influence to achieve wider societal impact. A 2018 report indicates that 92 percent of corporate survey respondents believe that “effectively harnessing my company’s competencies and non-cash assets can make much more of an impact...than our financial support”.⁸ This trend presents significant opportunities for WFP to address additional needs and reach more beneficiaries through technical partnerships.⁹
8. The strategy is informed by the following findings and recommendations:
- Technical partnerships allow WFP to derive the most value from engagement with the private sector.¹⁰ It was suggested that WFP establish “clearer objectives and direction for... partnerships that are mutually beneficial to WFP and the companies involved.”
 - WFP has seen only limited success in its partnership approach at the local level because it has lacked sufficient resources and consistent guidance and support, which are needed “to successfully identify and nurture these diverse partnerships” sustainably.¹¹
 - WFP has not increased its fundraising income significantly through previous strategies because it did not focus on individual giving and did not make adequate up-front investment. WFP’s peer organizations have seen significant growth in revenue from

⁶ WFP. 2012. *WFP’s Private Sector Partnership and Fundraising Strategy: An Evaluation*. Report number OE/2012/010. <https://docs.wfp.org/api/documents/d6b29aa16b064ff38d015d04424f389b/download/>. Key findings from this evaluation are as follows: WFP’s strategy did not sufficiently distinguish between partnerships and fundraising and did not clarify the objectives, scope and limits of corporate partnerships; corporate partners have valuable technical expertise that WFP can benefit from as well as technology, facilities and access on the ground during sudden onset emergencies; from 2009 to 2011, only 15 percent of WFP’s private sector resources were raised from individuals.

⁷ Ibid.

⁸ C&E Advisory Services Limited. 2018. *C&E Corporate-NGO Partnerships Barometer 2018*. <https://www.candeadvisory.com/barometer>.

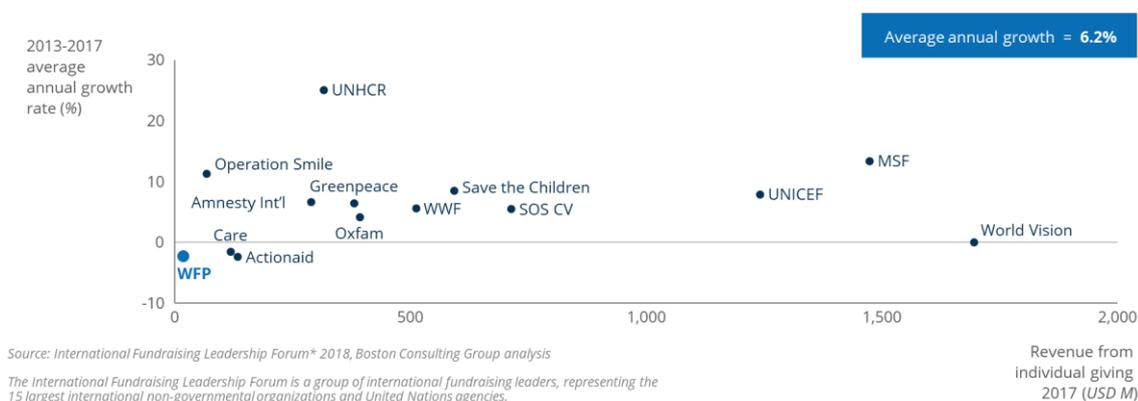
⁹ C&E Advisory Services Limited. 2017. *C&E Corporate-NGO Partnerships Barometer 2017*. https://www.candeadvisory.com/sites/candeadvisory.com/files/barometer_2017_0.pdf. This survey found that companies increasingly want to engage in deeper problem-solving partnerships for wider societal impact and that 77 percent expect their investment in cross-sectoral partnerships to increase over the next three years.

¹⁰ WFP. 2012. *WFP’s Private Sector Partnership and Fundraising Strategy: An Evaluation*. Report number OE/2012/010. <https://docs.wfp.org/api/documents/d6b29aa16b064ff38d015d04424f389b/download/>.

¹¹ Multilateral Organization Performance Assessment Network. 2019. *World Food Programme (WFP) 2017–18 Performance Assessment*. <http://www.mopanonline.org/assessments/wfp2017-18/WFP%20report%20final.pdf>.

individuals after investing in the necessary infrastructure, specialized skills and capabilities (figure 1).^{12, 13}

Figure 1: WFP's individual giving revenue is flat while peers have taken advantage of consistent global growth over 5 years



1.2 Focus areas, scope and guiding principles

- Non-governmental entities encompass a wide range of actors, from multinational corporations to local entrepreneurs, academic institutions and civil society actors. While current United Nations guidance defines the private sector in terms of businesses,^{14, 15} it can also include NGOs and other organizations. However, this strategy focuses on three areas that have the most potential to improve WFP's impact and increase funding: individuals, foundations and businesses, ranging from large global corporations to local small and medium-sized enterprises, regardless of operational context, ownership or structure.¹⁶ WFP recognizes that engagement with non-governmental entities is not limited to these areas, and engagement with NGOs follows separate corporate guidance.

¹² WFP. 2012. *WFP's Private Sector Partnership and Fundraising Strategy: An Evaluation*. Report number OE/2012/010. <https://docs.wfp.org/api/documents/d6b29aa16b064ff38d015d04424f389b/download/>. Additional recommendations resulting from the 2012 evaluation that this strategy takes forward include mobilizing financing from foundations; maximizing benefits from corporate partnerships to contribute to WFP's objectives; and implementing a process for prioritizing areas for partnership development. Other recommendations, such as integrating private sector partnerships and fundraising into WFP's overall budget and transferring responsibility for conducting due diligence outside of the Private Sector Partnerships Division, were adopted through the 2013–2017 strategy.

¹³ WFP *Private Sector Partnerships and Fundraising Strategy (2013–2017)*. <https://documents.wfp.org/stellent/groups/public/documents/eb/wfpdoc062579.pdf>. "This strategy has an important limitation in that it assumes that investment available to augment the private-sector function will be modest, and that in this respect will continue to lag behind that of agencies such as the United Nations Children's Fund and the Office of the United Nations High Commissioner for Refugees."

¹⁴ United Nations. 2015. *Guidelines on a principle-based approach to the Cooperation between the United Nations and the business sector*. <https://business.un.org/en/documents/5292>. The guidelines define the private sector as: "either for-profit, and commercial enterprises or businesses; or business associations and coalitions (cross-industry, multi-issue groups; cross industry, issue-specific initiatives; industry-focused initiative); including but not limited to corporate philanthropic foundations".

¹⁵ Joint Inspection Unit. 2017. *The United Nations System – Private Sector Partnership Arrangements in the Context of the 2030 Agenda for Sustainable Development*. JIU/REP/2017/8. https://www.unjiu.org/sites/www.unjiu.org/files/jiu_rep_2017_8_english_1.pdf.

¹⁶ Office of the United Nations High Commissioner for Human Rights. 2011. *Guiding Principles on Business and Human Rights*. https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf.

10. It is acknowledged that private sector partners can simultaneously have both a partner and a procurement relationship with WFP. United Nations guidance specifies that “cooperation should not provide exclusivity in its collaboration or imply endorsement or preference of a particular business sector entity or its products or services”. This principle is outlined for WFP in Executive Director’s circular OED2013/025.¹⁷ WFP procurement activities are governed by separate policies on general goods and services procurement and local food procurement.
11. WFP’s engagement with non-governmental entities will be guided by a set of overarching principles consistent with the 2030 Agenda for Sustainable Development,¹⁸ in particular the commitment to leaving no one behind. All of WFP’s partnerships and engagement will strive to ensure inclusiveness, diversity and equitable results for WFP’s beneficiaries. These guiding principles will ensure that partnerships and engagement:
 - are needs-based, focusing on beneficiaries first and on results-based activities and maximizing local-level impact;
 - support effective long-term engagement, focusing on sustainable outcomes that maximize impact for beneficiaries;
 - ensure transparency and accountability, following a human rights-based approach and adhering to the principles of the United Nations Global Compact¹⁹ and the United Nations Guiding Principles on Business and Human Rights;²⁰
 - ensure sound risk management, taking into account potential environmental, social and governance risks through WFP’s due diligence and conflict of interest guidance; and
 - explore innovative engagement models that lead to new ways to solve problems and achieve increased impact for WFP’s beneficiaries.
12. Meeting the SDGs and addressing global challenges need a significant scaling up of action and resources. To achieve this, private sector knowledge and expertise are necessary. The private sector is increasingly recognizing societal needs and environmental considerations as untapped business opportunities. WFP aims to conclude technical partnerships that entail a mutually beneficial exchange of expertise to meet the needs of beneficiaries and to contribute to the achievement of the SDGs. Ensuring transparency between and among partners are critical elements of the strategy, particularly regarding objectives and entry points for engagement. Technical partnerships can also enhance the capacity of host governments. By leveraging the innovative power of businesses, WFP can do even more to reach those furthest behind and develop sustainable solutions to long-term challenges, such as by supporting local producers through climate change adaptation and by expanding women’s access to income-generating activities. WFP seeks to develop transformative impact-driven partnerships with private-sector entities for the benefit of the beneficiaries as well as to strengthen WFP’s capacity and services. To this end, WFP will aspire to follow the principles of co-creation, co-implementation and co-management as well as exploring other modes of engagement.

¹⁷ OED2013/025. “...maintain separation between its cooperation with the private sector and procurement processes to ensure that commercial relationships with private sector partners remain distinct and are managed independently”.

¹⁸ Resolution 70/1. *Transforming our world: the 2030 Agenda for Sustainable Development*, A/RES/70/1, United Nations General Assembly, 21 October 2015. https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

¹⁹ United Nations Global Compact. *The Ten Principles of the UN Global Compact*. <https://www.unglobalcompact.org/what-is-gc/mission/principles>.

²⁰ Office of the United Nations High Commissioner for Human Rights. 2011. *Guiding Principles on Business and Human Rights*. https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf.

13. Recognizing the power of alignment with the other Rome-based agencies in driving efficiencies and impact for beneficiaries, WFP aims to create synergies between the respective Rome-based agencies' private-sector strategies to advance the goals presented in this strategy. Wherever possible, WFP will partner in joint initiatives with other United Nations agencies, in knowledge-sharing and in establishing best practices. Increased collaboration with the United Nations Global Compact and other multilateral stakeholders will ensure cohesive efforts to help achieve the SDGs.
14. Expanding partnerships and engagement will also come through close collaboration with WFP's Friends organizations in the United States, Japan and Italy. These organizations have opportunities to substantially increase their support for WFP programmes through effective and innovative communications and fundraising initiatives.

2. A strategy with three pillars of activity

15. Based on the distinct areas of added value described above, this strategy is built on three pillars: impact, income and innovation. To help WFP contribute to the achievement of zero hunger and to the broader goals of the 2030 Agenda, the pillars encompass the following activities:
 - *Impact:* WFP will build on its successes to form more "best-in-class" technical partnerships that provide expertise and skills to support capacity strengthening for WFP and local governments. Aimed at increasing impact at the local level, this pillar will empower regional bureaux to prioritize support for country office engagement with the private sector in furthering country strategic plans. Long-term partnerships with businesses at all levels will drive efficiencies. WFP will increase the number of its large-scale, global technical partnerships by 25 percent by 2025. Not only will the number of technical partnerships increase, but relationships with partners will be deepened through adherence to the new guiding principles.
 - *Income:* WFP will invest in the development of a significant, sustainable stream of flexible income through the creation of a digital-led fundraising strategy that engages people worldwide. By 2025, this activity aims to increase yearly income from individual supporters to USD 170 million, from businesses to USD 50 million and from foundations to USD 25 million. Fundraising activities will be synchronized with brand-building efforts to drive greater benefits for WFP, with the goal of increasing WFP brand familiarity by 12 percent over the strategy period.
 - *Innovation:* This last pillar allows for the exploration of new modes of engagement with actors to find innovative and collaborative solutions for accelerating WFP's progress towards zero hunger for the people it serves. The Partnerships and Advocacy Department will drive growth in impact and income, building on existing work being undertaken together with various technical units, regional bureaux and country offices.
16. The three pillars are interrelated and mutually supporting, and partners may be engaged through more than one pillar at a time. For example, many private sector partners provide funding to WFP along with their technical expertise; given the focus on impact partnerships as the most valuable way of engaging with the private sector, these two means of support are divided between the impact and income pillars. Individuals can also be engaged as both consumers and as employees of the businesses involved in WFP's partnerships.

3. Pillar 1: Impact

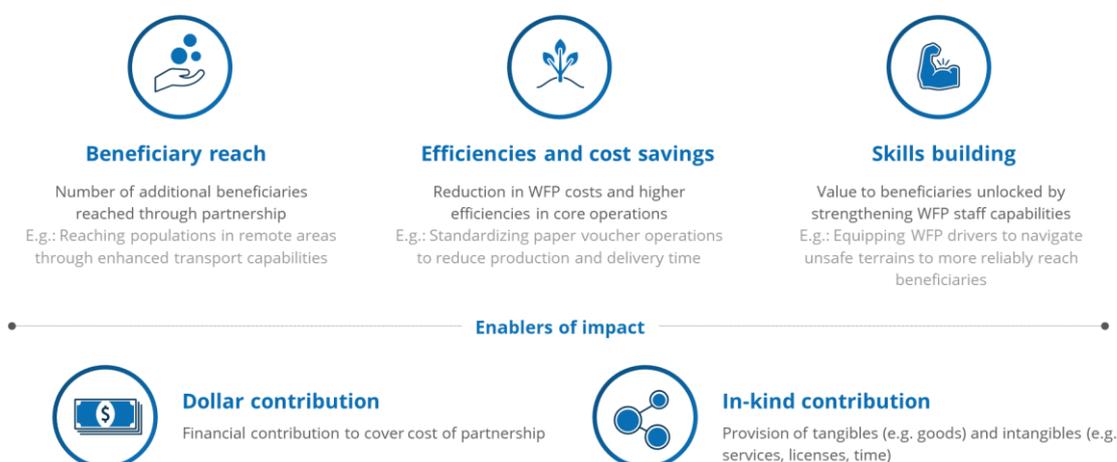
17. WFP has more than 15 years of experience in co-creating technical partnerships with the private sector. During the strategy period, WFP will increase this activity to better meet the needs of the people it serves, aiming to achieve:
- a comprehensive, regional-bureau-supported approach to increasing country office engagement with the private sector in order to leverage the expertise and skills of businesses in support of meeting the needs articulated in country strategic plans;
 - efficiencies and cost savings of at least USD 60 million over the strategy period as a result of collaboration with the private sector through long-term and innovative engagement approaches, including co-creation, co-implementation and co-management; and
 - a 25 percent overall increase in the number of needs-driven, multi-year global partnerships created with technical units, which number 20 in 2019.²¹

3.1 Improving accountability and transparency through comprehensive measurement

18. WFP lacks a standardized methodology for measuring and evaluating the impact of technical partnerships. Without such a methodology it cannot systematically evaluate the full impact of non-financial contributions from partners. WFP will develop a methodology for consistently assessing the impact of partnerships against pillar 1 goals. In accordance with WFP's corporate results framework, outcome data regarding individuals will be disaggregated by sex and age and include disability data where feasible.²²

Figure 2: Three key dimensions of assessing partnership impact

WFP to create a systematic methodology for measuring and reporting impact of technical partnerships, recognizing that no standard approach exists within or outside of WFP today



²¹ Boston Consulting Group analysis, April 2019.

²² WFP. 2018. *Revised Corporate Results Framework (2017–2021)*. (WFP/EB.2/2018/5-B/Rev.1) <https://docs.wfp.org/api/documents/WFP-0000099356/download/>.

3.2 Prioritizing needs-based partnerships for impact at the country office level

19. Technical expertise, knowledge transfer and capacity strengthening provided by the private sector can help WFP operate in the most efficient, effective and equitable way possible and better leverage donor government funding.²³ Consultations at the headquarters and country office levels identified programmatic needs that technical partnerships with the private sector are well-placed to meet (figure 3).²⁴

Figure 3: Potential to grow impact partnerships based on significant WFP needs



20. This strategy targets growth in country-office-driven partnerships for community-level impact, as part of the regional prioritization of engagement with the private sector. It aims to enable more needs-based partnerships such as one in Jordan, where a local publishing company created a cookbook sharing success stories of women who have benefited from WFP's activities, along with their recipes; a portion of sales go to WFP's school feeding activities. Specific private sector goals and strategies will be developed as part of partnership action plans. For relevant country offices, a component key performance indicator (KPI) will be developed as part of KPI 3 – *overall management performance standards*.
21. Technical partners can also contribute to increasing the capacities and skills of both WFP and host governments, thereby increasing indirect benefits over the long term. WFP aims to see more initiatives like Project Leche, carried out in Honduras in partnership with the Irish dairy company Kerry Group (figure 4). Kerry employees have transferred expertise to local Honduran farmers, enabling them to increase the quality of their products and connect to WFP's home-grown school feeding programme.

²³ WFP. 2012. *WFP's Private Sector Partnership and Fundraising Strategy: An Evaluation*. Report number OE/2012/010. <https://docs.wfp.org/api/documents/d6b29aa16b064ff38d015d04424f389b/download/>.

²⁴ The strategy also acknowledges that a partnership approach may not always be the best solution for meeting WFP's programmatic needs. Close collaboration between WFP's Private Partnerships and Fundraising Division and technical units, regional bureaux and country offices will identify instances where a procurement approach may be more appropriate.

Figure 4: WFP is strengthening local community resilience with Kerry-supported Project Leche in Honduras



*Home-grown school feeding

22. In countries where WFP has operations, private sector partners can be engaged to support the development of rural economies while collaborating in long-term efforts to foster sustainable, inclusive supply chains. In keeping with other WFP policies, such as the Gender Policy (2015-2020) and the forthcoming local food procurement policy, working with and through local markets in inclusive and equitable ways can enable WFP to improve the lives of rural smallholder farmers and improve food security and nutrition. WFP's local food procurement approach encourages sourcing from local producers and suppliers when feasible.
23. Particularly at the local level, public-private partnerships can be effective in facilitating engagement with the private sector and the sharing of resources, responsibility and risk. For example, the United States Agency for International Development, Cargill, the Government of Honduras and WFP joined forces in a two-year partnership in Honduras' Dry Corridor to deliver on a shared vision of food security, nutrition and inclusive supply chains by connecting 500 smallholder farmers to the national school feeding programme.

3.3 Exploring innovative engagement models with the private sector

24. Taking a step past corporate social responsibility, some companies are moving towards "shared value" partnerships or approaches. The greatest opportunities for WFP to engage in shared value partnerships – while adhering to existing United Nations principles, guidelines and frameworks – are at the country office level, through multisectoral partnerships involving a range of local actors that respond to specific beneficiary-focused needs as identified in country strategic plans.
25. WFP will increasingly play the role of convener and facilitator of partnership networks at the national and local levels, such as through Scaling Up Nutrition business networks, which increase the availability of, and demand for, nutritious foods. WFP's Nutrition Division, working with longstanding partner Royal DSM, has helped to establish such networks in Malawi, Zambia and Zimbabwe, with 16 more country offices actively pursuing similar approaches.

26. In addition to securing expertise for WFP programmes and convening private sector networks, WFP will explore different modes of engagement, including co-creation, co-implementation and co-management.²⁵ WFP will build on the experience of such initiatives as the Farm to Market Alliance, through which WFP collaborates with a consortium of businesses to improve smallholder farmers' access to high-quality seeds, reliable markets, affordable financing and digital solutions. By collaboratively leveraging the local private sector to foster resilient, equitable and inclusive value chains, WFP supports the most vulnerable actors – usually smallholder farmers, who make up roughly half of the 821 million hungry people in the world – enabling them to better contribute to and benefit from long-term economic development.

3.4 Building mutually beneficial engagement models for long-term impact

27. Businesses increasingly want to contribute to wider societal and environmental good while also increasing their bottom lines.²⁶ WFP offers an avenue through which the private sector can contribute to the SDGs, increase employee loyalty and communicate their positive value for society to stakeholders.²⁷
28. To improve the efficacy of technical partnerships, WFP will focus on developing and maintaining long-term relationships instead of short-lived one-off partnerships. In line with the principles outlined above, WFP will only selectively accept unsolicited offers of services or expertise, which often require resources to capitalize on and may not yield lasting benefits. Ensuring that relationships are mutually beneficial for both WFP and its partners, such as the global logistics company UPS, will help foster long-term and sustainable partnerships and maximize impact (figure 5).

Figure 5: Mutually beneficial partnerships are helping WFP enable the biggest humanitarian transport network



²⁵ In accordance with Executive Director's Circular OED2013/025, *Guidelines for Private Sector Partnerships*, no form of private sector engagement will in any way undermine or influence the authority of WFP Member States or the Executive Board, which is the only body with governance and decision making authority over WFP and the right to determine WFP's policies.

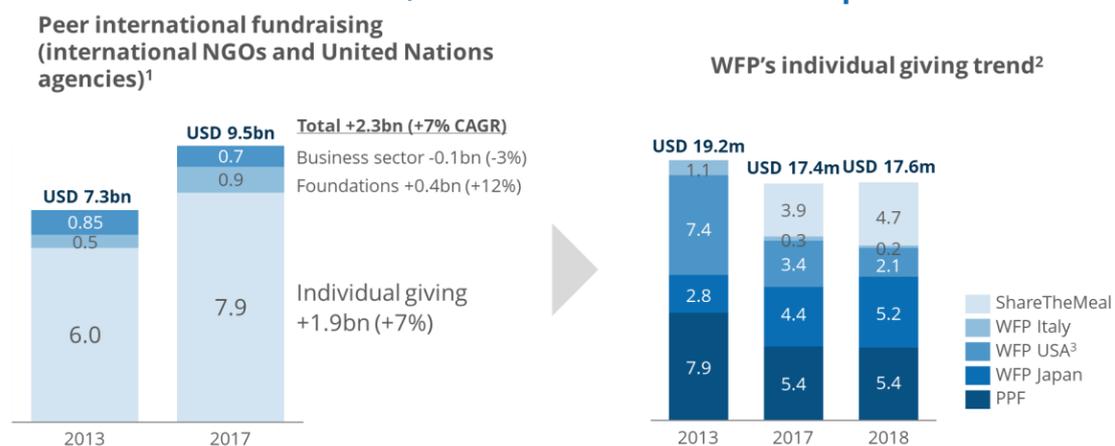
²⁶ Big business is beginning to accept broader social responsibilities. *The Economist*. 22 April 2019. <https://www.economist.com/briefing/2019/08/22/big-business-is-beginning-to-accept-broader-social-responsibilities>.

²⁷ 2019 Edelman Trust Barometer, Global Report. 67 percent of people said that they would either never work for an organization or would need to be paid a lot more to work for an organization, which did not meet the following statement: "my employer has a greater purpose, and my job has meaningful societal impact".

4. Pillar 2: Income

29. This strategy proposes a new way for WFP to encourage citizens to donate to and advocate for the achievement of zero hunger. WFP will reach more people around the world by tapping into the growing individual giving market, especially through the use of digital engagement tools, to increase its income and diversify its resource base. Corporations and foundations will also contribute to income growth, as shown in figure 6. Specifically, WFP will aim to:
- increase annual income from individual supporters to USD 170 million by 2025;
 - increase funds raised from businesses to USD 50 million and from foundations to USD 25 million by 2025; and
 - leverage simultaneous work driven by the WFP Communications, Advocacy and Marketing Division (CAM) and contribute to a 12 percent increase in WFP brand familiarity over the strategy period.

Figure 6: Individual giving by peers up USD 2bn over 5 years due to focus and investment; WFP down USD 2m in same period



1. Peer data from 13 leading international organizations (Red Cross excluded); data unavailable for Care (2013–2014), Greenpeace (Corp, 2014–2016), World Vision (Foundation, 2014–2016)
 2. As reported by WFP headquarters; 2018 figures preliminary
 3. WFP USA includes ~USD 1m revenue not yet recognized by headquarters due to change in accounting practices.
 Source: IFL Forum Peer Review 2013–2017; PPF January 2019; Boston Consulting Group analysis

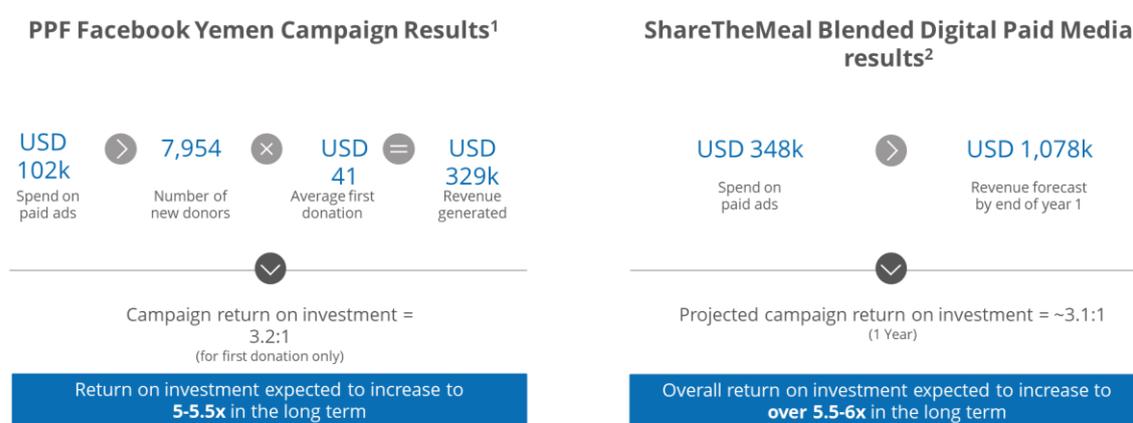
4.1 Transparent measurement of performance

30. Maximizing return on investment is critical to the success of the income growth planned across all streams: businesses, foundations and individuals. Individual giving activity will be closely monitored against KPIs, with regular reporting to ensure transparency and accountability, particularly ahead of key decision points for further approval and release of investments. Overall, the investment in paid fundraising activity will generate an average cumulative return on advertising spend of 5.3:1 over a five-year period. Additional detail is provided in annex II.
31. The KPIs include the following metrics:
- total income and expenditure per year and cost–income ratio;
 - cost of recruiting new supporters;
 - continuity of supporters (number who donate in future years);
 - cost of retaining supporters over time;
 - annual average value of donations from supporters; and
 - projected sustainable income in support of WFP programmes and beneficiaries.

4.2 A robust engagement model for individual giving

32. Individual giving is a large and growing source of funds that are often given flexibly and can therefore be used by WFP to meet the greatest needs. By prioritizing the raising of funds from individual supporters, WFP is responding to recommendations arising from assessments and evaluations of previous strategies for engaging non-governmental entities, including a recommendation that WFP should give “more emphasis to, and make the essential up-front investment for, repeat giving from the general public, to mobilize unrestricted contributions”.²⁸
33. Traditional individual fundraising has primarily been conducted through offline channels such as direct mail and implemented through national fundraising operations. Today, the individual fundraising market is different, with the majority of potential supporters present – and comfortable donating – online. WFP’s approach to individual giving will build on the success of the ShareTheMeal application and is designed to provide a “best-in-class” supporter experience in order to create a sustainable, self-funded programme and ultimately to generate a quantum leap in revenue.
34. Through this digital-based approach, WFP aims to see more successful fundraising like the 2018–2019 Facebook advertisement campaign through which it raised funds for the Yemen emergency (figure 7). The global digital approach will be augmented by targeted offline fundraising activity (e.g., face-to-face appeals and television advertisements) where testing shows it will be successful.

Figure 7: Investment already showing promising results through paid ad campaigns for WFP.org and ShareTheMeal



1. PPF individual giving Facebook Yemen campaign data (as of 23 June 2019) based on WFP paid advertising spend. 2. Digital paid advertising results for 2019 to 23 June. One-year return on investment projections are based on ShareTheMeal performance to date on repeat giving patterns. ShareTheMeal digital results are from a blend of Google Universal App Exchange, Facebook Paid Ads and Apple Search Ads. Source: PPF and ShareTheMeal marketing results.

35. In keeping with the guiding principles of this strategy, WFP’s individual giving and brand-building activities will aim to both secure monthly supporters of WFP’s work who give on a long-term basis and to transparently demonstrate to supporters how their funds are used.
36. Exploring innovative engagement models for individual giving, WFP will build on work undertaken in raising funds from individuals in predominantly Muslim countries and diasporas by exploring Islamic social finance such as Zakat, Sadaqat, Zakat Al-Fitr, Waqf and Sukuk.

²⁸ “Summary Evaluation Report of WFP’s Private-Sector Partnership and Fundraising Strategy” (WFP/EB.2/2012/6-A), <https://documents.wfp.org/stellent/groups/public/documents/eb/wfpdoc062160.pdf>.

4.3 Additional income growth from businesses and foundations

37. By 2025, WFP aims to raise USD 50 million annually from fundraising partnerships with the private sector. To do this, WFP will identify and secure major global donors by leveraging networking events, senior WFP leadership contacts and market trends. Selective, targeted prospecting will help to identify opportunities across large business-to-consumer companies, companies with operations located close to WFP beneficiaries and corporate foundations. Greater support will also be provided to country offices in their efforts to establish local private sector partnerships for funding country strategic plans.
38. Likewise, this strategy aims to double annual income from foundations to USD 25 million by 2025. Private foundations play a key role in driving innovation and helping WFP to address sustainable solutions that fall within the “humanitarian–development nexus”, as well as the root causes of hunger and malnutrition. While WFP has partnered with foundations in the past, the approach has been ad hoc. This strategy is focused on a targeted approach to collaborating with a small number of large foundations in North America and Europe in order to maximize return on investment and support technical units and country offices in pursuing opportunities.

5. Pillar 3: Innovation

39. Partnerships and engagement that focus on innovation through new technology or new ways of working are critical to helping WFP to accelerate progress towards zero hunger. Businesses are key drivers of innovation around the globe. Over the five-year period covered by this strategy, the private sector landscape will evolve significantly. Since 2014 new technologies such as artificial intelligence, drones and genomics have emerged, and they present significant opportunities for tackling some of the world’s most pressing challenges.²⁹ Evolutions in technology have also influenced the general public’s readiness to make purchases and donations online, with global e-commerce sales growing by 13 percent in 2017 alone.³⁰
40. With the mandate to explore how to engage with innovations in the private sector as they evolve over the coming years, WFP will be able to leverage ground-breaking technologies and methodologies to better deliver for beneficiaries worldwide. Over the period of this strategy, WFP will actively pursue opportunities to leverage principle-bound innovations and multi-stakeholder collaboration to reinforce the first two pillars of the strategy, reverse the decline in progress towards zero hunger and advance progress in the overall 2030 Agenda. The following are examples of what this work will involve:
- Expanding partnerships with the technology sector. The technology sector is a leader in innovation, with seven of the ten most innovative companies being technology companies according to a 2019 analysis by Boston Consulting Group.³¹ WFP will build on its existing partnerships with companies such as Ericsson, Alibaba and Facebook.
 - Leveraging the contribution of the WFP Innovation Accelerator. Building on its multifaceted involvement with the private sector, WFP can build innovations up from the local level in response to country office needs, as it did with the Nutrifami initiative.³²

²⁹ Accenture. 2018. *Technology for Good: Scaling up Social Transformation in the Fourth Industrial Revolution*. https://www.accenture.com/_acnmedia/pdf-75/accenture-tech-4-good-pov.pdf.

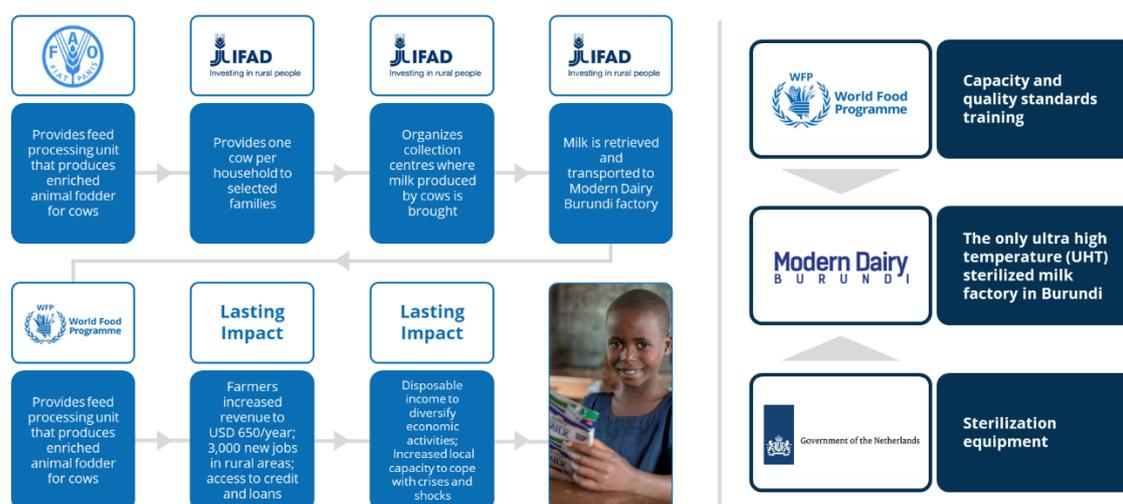
³⁰ United Nations Conference on Trade and Development. 2019. “Global e-Commerce sales urged to USD 29 trillion” Press release of 29 March 2019. <https://unctad.org/en/pages/PressRelease.aspx?OriginalVersionID=505>.

³¹ Boston Consulting Group. 2019. *The Most Innovative Companies 2019*. <https://www.bcg.com/publications/collections/most-innovative-companies-2019-artificial-intelligence-platforms-ecosystems.aspx>.

³² Nutrifami, a mobile phone application for e-learning, was developed to address a lack of nutrition education and tracking of food purchases in food-insecure communities in Colombia. Piloted in 2016, Nutrifami has since been scaled up to

- Developing new ways of engaging with potential supporters. For example, ShareTheMeal, a mobile application that emerged from WFP's Innovation Accelerator, has enabled WFP to engage and communicate with new audiences to increase brand familiarity and fundraising results.
- Collaborating with the other Rome-based agencies for impact and income. WFP could explore income-generating activities through innovative financing mechanisms such as the Agri-Business Capital Fund of the International Fund for Agricultural Development. Collaboration among the Rome-based agencies allows WFP to connect its core activities to those of large-scale global partners and local actors, as in Burundi for example (figure 8).

Figure 8: Successful Rome-based agencies milk value chain collaboration is empowering local smallholders in Burundi



41. Technical units, regional bureaux and country offices will drive demand and articulate problems to be solved through further exploration of needs-based innovative solutions, particularly with businesses. The Partnerships and Advocacy Department will convene inclusive and diverse cross-organizational working groups to address these challenges and leverage the impact of partnerships among governments, the private sector and international institutions.

6. Building WFP's brand to boost partnership and engagement success

42. Achieving the objectives laid out in this strategy requires the development of a strong and coherent brand for WFP. Research shows that there is a strong relationship between a non-profit organization's brand strength and its voluntary fundraised income, forming an interdependent cyclical relationship – awareness boosts fundraising performance and fundraising activity boosts awareness.³³
43. A strong brand is important to engagement with private sector partners and individual supporters. While these audiences can have different motivations, triggers and needs concerning the brands with which they engage, an organization's success can grow with all audiences if its brand is perceived to be strongly associated with attributes that stakeholders value. The key attributes that WFP will be emphasizing as part of the brand building strategy are "successful", "powerful", "brave" and "expert". It is also important that potential partners

increase its user base beyond WFP beneficiaries, within the country and beyond. The success of the application among beneficiaries has sparked knowledge sharing among regional bureaux, including the recent adaptation of the application to the local language and culture in Senegal.

³³ nfpSynergy. 2015. *Ring a bell? Analysing available evidence on the sources and benefits of awareness for charities.* <https://nfp synergy.net/free-report/ringing-bell-analysing-available-evidence-sources-and-benefits-awareness-charities> .

and supporters perceive ending hunger around the world as a problem that is solvable and therefore worth their investment of time, effort and resources. Long-term evidence of how WFP is saving as well as changing lives through its programmes is thus critical to addressing the issue of solvability.

44. Research shows that increasing people's familiarity with WFP is an important step towards engagement and potential support for the organization.³⁴ The target of increasing WFP brand familiarity by 12 percent over the strategy period has been set.³⁵ More details are provided in annex III.

7. Investing in impact and income to meet the needs of beneficiaries

45. This strategy targets increases in WFP's impact as well as income diversification and describes the investment, restructuring and capacity changes required to achieve them. An initial amount of USD 1.1 million is needed in 2020 to ensure that key capabilities are in place to drive pillar 1 activities, including new specialized resources in more regional bureaux and support functions such as reporting, contracting and impact analysis. These resources are crucial to improving the competencies and capabilities of teams closer to the local level for the success of the sustainable country-based partnerships that support country strategic plans.³⁶ A cost breakdown for this investment is provided in annex I.
46. The growth in individual giving under pillar 2 will require investments of USD 13.1 million in 2020 and USD 22.2 million in 2021 to fund fundraising activity and infrastructure. A further disbursement will be requested in 2022. The investments in 2021 and 2022 will only be disbursed provided certain KPIs are met in 2020 and 2021. The total investment is forecast to generate cumulative revenue of USD 683.9 million between 2020 and 2025, as well as significant future income from new supporters. A breakdown of the assumptions underlying the individual giving investment model is provided in annex II.
47. Proposals for investment in pillar 3, innovation, if needed, will be presented over the course of the strategy period.

7.1 Additional changes required to achieve pillar 1

48. Investment will be complemented by a restructuring of existing resources and the establishment of a dedicated team with the skills and expertise needed for technical partnerships that are separate from private sector fundraising. Staff presence in regional bureaux will double over the strategy period and capabilities will be upgraded to strengthen support for country offices. The focus will shift from disseminating tools to providing tailored support to country offices with high potential for local private sector engagement.
49. A dedicated centre of excellence for synthesizing knowledge and sharing best practices will be established in a regional bureau. A global services team focused on key support functions such as contracting and impact reporting will also be established, thus improving the long-term stewardship of partnerships. This team will provide support and guidance on contracting, impact analysis and partner visibility for country offices, regional bureaux and headquarters.

³⁴ Ipsos. *WFP Brand Research: Global Report*. September 2018. Eleven key donor markets were targeted: Australia, Canada, France, Germany, Italy, Japan, the Netherlands, the Republic of Korea, United Arab Emirates, United Kingdom and United States of America. (Not available online.)

³⁵ For instance, in the Republic of Korea our data shows that there is a 51 percent net increase in favourability and 37 percent increase in likelihood to donate by associating "UN" with our brand, particularly among those who identify as liberals (51 percent / 38 percent), and those with a high level of education (63 percent / 48 percent). In the United Kingdom, individuals ages 18-35 were most likely to be positively influenced by identification with the United Nations, with a change of 47 percent in likelihood to donate.

³⁶ Multilateral Organization Performance Assessment Network. 2019. *World Food Programme (WFP) 2017-18 Performance Assessment*. <http://www.mopanonline.org/assessments/wfp2017-18/WFP%20report%20final.pdf>.

7.2 Additional changes required to achieve pillar 2

50. An integrated individual fundraising team is needed to deliver on the bold approach proposed. This requires bringing together the existing ShareTheMeal and individual giving teams to create a holistic individual supporter engagement team and opportunities to share costs and improve efficiency. The capacity of this team will be augmented by a mix of flexible and virtual resources, including outsourced support services and fundraising agencies.
51. Close collaboration with CAM is vital to developing and maintaining a seamless supporter journey with engaging, effective content and personal stories that connect with supporters. A structured approval process governing fundraising campaigns, asset use, reputation management and a messaging framework will be developed.
52. A dedicated team to pursue private sector fundraising opportunities will also be established, with sub-teams split between new business generation and existing partner management. Another small dedicated team will be assigned to growing income from foundations, working closely with technical units and country offices.

8. Risk management for transparency and accountability

8.1 Due diligence

53. WFP's robust due diligence process serves to manage potential reputational risks that could result from WFP's engagement with partners and supporters. The process ensures that WFP engages with private sector actors in a manner that is consistent with the guidelines issued by the Secretary-General of the United Nations on cooperation between the United Nations and businesses, which were last updated in 2015.³⁷
54. The process is managed by WFP's Legal Office, which provides due diligence reviews to the Private Donors and Partnerships Committee chaired by WFP's Deputy Executive Director. The committee provides oversight of the process, including approval of and guidance on engagement with relatively high-risk donors and partners. The Private Partnerships and Fundraising Division (PPF) acts as the secretariat to the committee.
55. Currently, WFP requires due diligence screenings for prospective donors and partners who intend to contribute USD 50,000 or more or use the WFP name and emblem. WFP proposes to increase the financial threshold to USD 100,000 to facilitate a streamlined process for more country-office-led opportunities of modest financial value, consistent with the focus of this strategy and in line with United Nations development system reform. PPF will continue to provide technical advice on managing negotiations and risk for opportunities of all financial value.
56. In addition, WFP will develop new ways of working – with the guidance and oversight of the Private Donors and Partnerships Committee – that will both ensure sound risk management and enable regional bureaux and country offices to more quickly and effectively engage with the private sector at the local level. This approach will be in line with the recommendations of the strategic partnerships results group of the United Nations Sustainable Development Group, under which a private sector task team has been working on due diligence harmonization.
57. Given the increased volume of technical and fundraising partnerships with businesses envisaged in this strategy, extra resources will be provided to the Legal Office for increased due diligence and contractual support.
58. Further detail is provided in annex IV.

³⁷ United Nations. 2015. *Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector*. 2015. <https://business.un.org/en/documents/5292>.

8.2 Managing other risks

59. Risk management and mitigation are critical to the successful implementation of this strategy. The key risks and related mitigating actions are outlined in table 1.

TABLE 1: KEY RISKS AND RELATED MITIGATION ACTIONS	
Risk	Mitigating actions
<p>1. Reputational risk</p> <p><i>The management of potential reputational risk to WFP is essential when engaging with businesses, foundations and individuals.</i></p>	<p>WFP will continue to ensure that businesses, foundations and individuals giving USD 100,000 or more or wishing to use WFP's name and emblem go through the organization's rigorous due diligence process prior to any agreement being signed or partnership being announced. In accordance with the existing due diligence process, any proposals for partnership or engagement with entities identified as posing high risk or with actors in high-risk sectors will be subject to extra scrutiny and will be examined by the Private Donors and Partnerships Committee. For partnerships with businesses in the technology sector, WFP will give particular consideration to risks associated with data use and will ensure data privacy for beneficiaries. As part of the due diligence process, WFP will also assess potential environmental, social and governance risks.</p> <p>Following due diligence, binding agreements in line with WFP's guidelines for private-sector partnerships (OED 2013/025) will be concluded with donors and partners, which will help to mitigate legal and reputational risk. These agreements include clear terms of engagement, visibility guidelines and exit clauses. Careful stewardship of WFP's reputation is essential to creating a positive enabling environment for partnerships and managing any potential negative impact caused by external factors outside WFP's control.</p> <p>An experienced team in CAM focuses on managing WFP's reputation and works closely with PPF whenever a prospective partnership poses a risk to that reputation. This capacity – and that of the Legal Office's due diligence team – will be increased as part of this strategy and must be maintained at a level proportionate to the number and scale of partnership activities that pose a reputational risk.</p>
<p>2. Conflict of interest</p> <p><i>Potential confusion of commercial relationships and partnerships poses a risk to the organization</i></p>	<p>In line with WFP's guidelines on partnerships with the private sector, a clear separation between WFP's procurement processes and cooperation with businesses must be maintained. Annex III of Executive Director Circular OED2013/025, which sets out WFP's procurement process as it relates to partnerships with the private sector, says that WFP will "maintain separation between its cooperation with the [business] sector and procurement processes to ensure that commercial relationships with [business] sector partners remain distinct and are managed independently".</p> <p>WFP recognizes that businesses that are partners can also be suppliers, as long as the two aspects of their engagement with WFP are managed separately and in compliance with the 2015 guidelines on cooperation between the United Nations and the private sector to ensure that suppliers gain no unfair advantage.</p>

TABLE 1: KEY RISKS AND RELATED MITIGATION ACTIONS	
Risk	Mitigating actions
<p>3. Lack of internal capacity to actively manage partnerships</p> <p><i>All partnerships, whether they provide cash or technical expertise, require internal capacity to operate effectively and need to be continuously stewarded if they are to achieve their intended impact. If the capacity to actively manage partnerships is lacking, resources may be wasted and WFP's reputation put at risk.</i></p>	<p>The way to mitigate this risk is to assess the potential value and all associated costs of a partnership before a partnership agreement is signed to ensure compliance with WFP's full cost recovery principle. Every donation of expertise or services must be based on a WFP need, and the resources required to actively manage the partnership must exist within the relevant technical unit or country office. If such resources do not exist, the partnership should include a financial contribution to fund such resources.</p> <p>Another way to mitigate this risk is to ensure that a fully staffed, skilled partnership team is in place. The management plan submission associated with this strategy includes such staffing needs, and more details are provided in section 7 above, "Investing in impact and income to meet the needs of beneficiaries". This resourcing goes beyond PPF to include CAM, the Legal Office and other essential functions.</p> <p>See risk 5 below for more detail.</p>
<p>4. Lack of organization-wide commitment</p> <p><i>Enhanced collaboration among PPF, technical units, regional bureaux, country offices, CAM and the Legal Office is essential to the success of the strategy. The possible lack of such collaboration poses a risk.</i></p>	<p>The process leading to the development of this strategy has been inclusive and consultative, guided by an advisory group consisting of WFP's senior leadership to ensure organization-wide buy-in and commitment. Close collaboration with CAM is ongoing, and additional resourcing is envisaged to enable WFP's Legal Office team to meet an anticipated increase in demand for Legal Office guidance on contracting and due diligence.</p> <p>During implementation, PPF will mitigate this risk by continuing to work inclusively and in close collaboration with technical units, regional bureaux and country offices to create the sense across WFP that the businesses, foundations and individuals involved can provide added value, particularly by addressing needs that cannot be met through other sources.</p> <p>The regional-bureau-based centre of excellence provided for in this strategy will ensure that collaboration is enhanced among headquarters, regional bureaux and country offices, where partnership needs are generated and impact is most often felt.</p>
<p>5. Lack of fully staffed, skilled teams to implement the strategy</p> <p><i>The right skills and knowledge must be deployed consistently over time to achieve partnership and fundraising targets.</i></p>	<p>Developing partnerships with the private sector and achieving success require specialized skills, as well as support from key support functions.</p> <p>To support activities under pillar 1, Impact, this strategy provides for doubling the number of posts in regional bureaux and upgrading other posts in key roles and locations to ensure that staff have the right skills and capabilities, with a focus on providing specialized support to country offices pursuing private sector opportunities. Further details are set out in annex I.</p> <p>In 2018, a small initial investment was provided to enhance the individual giving team within PPF, including through the appointment of highly skilled senior staff. The team will be further expanded to achieve the targets set out in this strategy. The investment model and resource requirements for achieving the individual giving segment of this strategy are described in annex II.</p> <p>WFP will also invest in increasing the skills of staff performing key support functions by creating a new global services and country office support team within PPF. This team will perform key functions such as impact reporting, communications and contracting to help meet global, regional bureau and country office needs.</p>

TABLE 1: KEY RISKS AND RELATED MITIGATION ACTIONS	
Risk	Mitigating actions
<p>6. WFP does not meet the target KPIs set out in the individual giving investment model.</p> <p><i>If the KPIs are not met, the next disbursement of investment will not be released.</i></p>	<p>Growth in individual giving is contingent upon, among other factors, attracting and retaining a certain number of donors. The start-up capital needed is proposed to come from a critical corporate initiative investment to be used for non-recurring costs and one-off technical items. PPF will provide quarterly reports to senior management and the Executive Board on progress against agreed KPIs related to the individual giving activity (more detail on KPIs is available in annex II).</p> <p>It is proposed that the investment be disbursed gradually over the first three years of the strategy period. In 2020, USD 13.1 million would provide for growth in supporter acquisition. Another disbursement of USD 22.2 million in 2021 would enable further expansion of this activity and supporter retention.</p> <p>Following regular reports on results during these first two years of activity, and provided that agreed KPIs are at least 80 percent achieved, the final disbursement of USD 17.3 million would be released for activities in 2022.</p> <p>The investment model and associated KPIs for reporting are intended to track the overall progression of WFP's individual giving activity. At each decision point, unless all KPIs are 80 percent met, WFP will re-evaluate the direction of the individual giving strategy and take corrective action. As this investment is reserved explicitly for the individual giving activity, any such re-evaluation would not have an effect on the non-individual giving activities envisioned in the strategy.</p> <p>Based on future brand research and through close collaboration between CAM and PPF, WFP will continually adapt its approach to messaging, amplifying brand attributes as needed to resonate with audiences in identified target markets and demographics.</p> <p>PPF will work closely with the Resource Management Department to identify how best to integrate this activity into WFP's corporate results framework and other corporate management tools.</p>
<p>7. Private-sector partnership or fundraising activity negatively affects the contributions from government counterparts to WFP.</p>	<p>It is recognized that it is possible that some private-sector partnership or fundraising activity could have a negative impact on the contributions to WFP of existing government partners. As an entirely voluntary-funded agency which relies predominately on funding from government counterparts this is a risk that would have serious consequences. As such, WFP will put in place processes to ensure that private-sector partnership and fundraising activity will be subject to consultation and consensus with government counterparts in the countries where the risk is identified as significant.</p>

ANNEX I

Strategy for partnership and engagement: investment requirements

1. This annex provides additional information on WFP's plans for investment to support private sector and foundation partnerships and fundraising activities and the growth of individual giving income.

A. Summary of costs related to the partnership and engagement strategy

2. The incremental investments required to launch the strategy in 2020 with regard to the private sector, foundations and individuals will total USD 18.1 million, which includes the amount required to provide overarching global services and country office support. By 2025 this incremental amount will grow to USD 30.4 million. In any given year, approximately 80 percent of the costs will go towards non-staff investments needed to execute the strategy to increase donations from individuals, i.e. costs associated with attracting new supporters and retaining and increasing the amount given by existing supporters. These investments will include paid marketing and fundraising activities, such as advertisements on platforms like Google and Facebook. The data underpinning these cost assumptions are informed by WFP's actual results and have been validated by comparing them to data from other United Nations and other organizations, as well as input based on extensive experience in international non-governmental fundraising with organizations including Save the Children International and Oxfam.

Figure 1: Summary of costs related to the strategy

		2019	2020	2021	2022	2023	2024	2025
Gross <i>(existing + new costs)</i>	Total	8.2	24.5	37.8	43.8	50.7	43.0	37.0
	Staff costs	7.1	9.1	10.3	10.8	11.6	12.1	12.6
	Non-staff costs	1.1	15.4	27.5	33.0	39.1	30.9	24.4
Existing costs	Total	8.2	6.3	6.4	6.4	6.5	6.6	6.6
	Staff costs	7.1	6.0	6.1	6.1	6.2	6.2	6.3
	Non-staff costs	1.1	0.3	0.3	0.3	0.3	0.3	0.3
New costs	Total	-	18.1	31.4	37.4	44.2	36.4	30.4
	Staff costs	-	3.0	4.3	4.7	5.4	5.9	6.3
	Non-staff costs	-	15.1	27.2	32.7	38.8	30.5	24.1

Note: 2019 transition plan costs not shown; staffing costs include posts and consultants

Figure 2: Cost breakdown for the strategy**Detailed cost breakdown
(USD millions)**

		2019	2020	2021	2022	2023	2024	2025
Grand total staff + non-staff		8.2	24.5	37.8	43.8	50.7	43.0	37.0
Staff costs	Total existing + incremental staff costs	7.1	9.1	10.3	10.8	11.6	12.1	12.6
	• Individual giving	2.8	3.7	4.6	4.7	5.0	5.2	5.5
	• Business sector	3.3	3.9	4.1	4.4	4.8	5.1	5.3
	• Foundations	0.2	0.3	0.3	0.3	0.3	0.3	0.3
	• Global services & country office support	0.8	1.3	1.4	1.5	1.5	1.5	1.5
Non-staff costs	Individual giving	1.1	15.4	27.5	33.0	39.1	30.9	24.4
All existing staff + non-staff		8.2	6.3	6.4	6.4	6.5	6.6	6.6
Staff costs	Total existing staff costs	7.1	6.0	6.1	6.1	6.2	6.2	6.3
	• Individual giving	2.8	1.7	1.7	1.7	1.8	1.8	1.8
	• Business sector	3.3	3.4	3.4	3.4	3.5	3.5	3.5
	• Foundations	0.2	0.2	0.2	0.2	0.2	0.2	0.2
	• Global services & country office support	0.8	0.8	0.8	0.8	0.8	0.8	0.8
All other costs	Individual giving	1.1	0.3	0.3	0.3	0.3	0.3	0.3
All new staff + non-staff		-	18.1	31.4	37.4	44.2	36.4	30.4
Staff costs	Total incremental staff costs	-	3.0	4.3	4.7	5.4	5.9	6.3
	• Individual giving	-	2.0	2.9	3.0	3.2	3.4	3.8
	• Business sector	-	0.5	0.7	0.9	1.4	1.6	1.7
	• Foundations	-	0.1	0.1	0.1	0.1	0.1	0.1
	• Global services & country office support	-	0.5	0.6	0.7	0.7	0.7	0.7
All other costs	Individual giving	-	15.1	27.2	32.7	38.8	30.5	24.1

Note: 2019 transition plan costs not shown; staffing costs include posts and consultants

B. Investment in the private sector, foundations and global services and country office support

- The strategy is designed to deliver bold but achievable growth in private sector partnerships. Through pillar 1, Impact, it aims to achieve a significant increase in country office engagement aimed at meeting country strategic plan (CSP) needs and achieving efficiencies and cost savings of at least USD 60 million and a 25 percent increase in global, large-scale technical partnership activity over the strategy period. In addition to the individual giving targets set out in pillar 2, Income, the strategy also targets a doubling of cash-only private sector donations to USD 50 million per year and seeks to increase revenue from private foundations to USD 25 million per year by 2025. Execution of this strategy will require a gradual increase in capacity and upgrading of skills and capabilities from 2020 to 2025. In 2020, incremental expenditure of USD 1.1 million will be needed for the activities aimed at the private sector and foundations and for global services and country office support to ensure that key capabilities for implementing the strategy are in place.
- Additional resources will be needed as strategy goals are met over the six-year period. By 2025, an incremental USD 2.6 million in additional annual costs will be incurred relative to 2019 for activities aimed at the private sector and foundations and for global services and country office support.

Figure 3: Incremental costs for private sector and foundation-related activities, global services and country office support

**Summary of incremental costs across private sector, foundations and global services and country office support
(USD millions)**

Costs	2019	2020	2021	2022	2023	2024	By 2025
Business sector total	3.3	3.9	4.1	4.4	4.8	5.1	5.3
Incremental vs. 2019		0.5	0.7	0.9	1.4	1.6	1.7
Foundations total	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Incremental vs. 2019		0.1	0.1	0.1	0.1	0.1	0.1
Global services and country office support total	0.8	1.3	1.4	1.5	1.5	1.5	1.5
Incremental vs. 2019		0.5	0.6	0.7	0.7	0.7	0.7
Total	4.3	5.4	5.8	6.1	6.6	6.9	7.1
Incremental vs. 2019		1.1	1.4	1.8	2.2	2.4	2.6

Note: 2019 is existing budget; figures have been rounded to nearest 0.1

5. The focus of investments in 2020 will be to ensure that the teams working on the private sector, foundations and global services and country office support are sufficiently skilled to execute a more focused and specialized approach. This will include establishing new posts in regional bureaux that do not currently have dedicated resources for engaging with non-governmental entities, securing the right leadership to establish the global services and country office support team and upgrading existing posts to encompass specialized capabilities. In aggregate, the Private Partnerships and Fundraising Division (PPF) team investments in 2020 will include two new regular staff posts and eight additional consultants. From there, team growth will be gradual and commensurate with what is required to meet strategy thresholds, as detailed below:
- Technical partnerships team: one new PPF post and one new consultant will be recruited for every three new technical partnerships
 - Private sector fundraising: each fundraising manager will be responsible for managing a minimum of USD 5 million in annual private sector donations and each new business generator should raise a minimum of USD 2 million in new business. Additional capacity will be considered for each role once these targets are exceeded
 - Foundations: the current post will be augmented by two supporting consultants to work on doubling foundation funds by 2025

Figure 4: Project resourcing plan: private sector and foundations teams, global services and country office support

		2019	2020	2021	2022	2023	2024	2025	Δ 2019
Business sector	Global								
	# Posts	11	10	11	11	13	14	14	+3
	# Consultants	9	12	12	13	14	14	15	+6
	Regional bureaux								
Foundations	# Posts	1	1	1	1	1	1	1	--
	# Consultants	0	2	2	2	2	2	2	+2
Global services & country support	# Posts	3	4	5	5	5	5	5	+2
	# Consultants	4	7	7	8	8	8	8	+4
Total	# Posts	18	20	22	23	25	26	26	+8
	# Consultants	15	23	23	25	26	26	27	+12

ANNEX II

Individual giving: detailed information on planned revenue growth

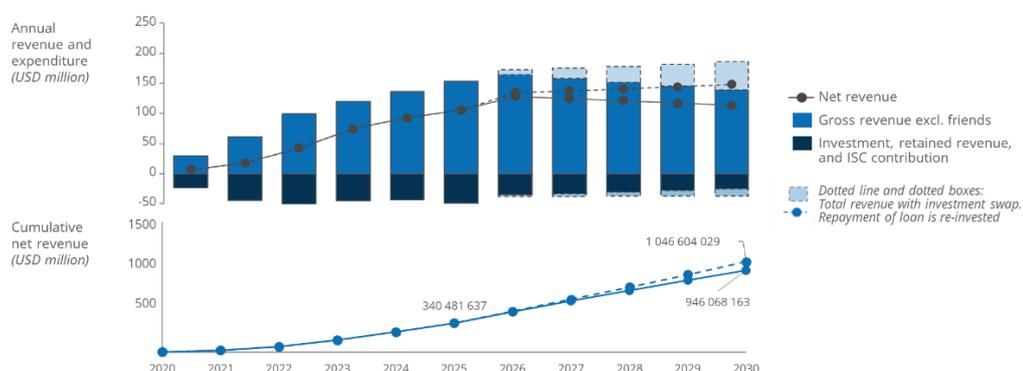
1. This annex provides additional information on the individual giving investment model and the assumptions underpinning it in order to ensure full transparency and confidence in the planned investment in and growth of individual giving. The information is presented to explain WFP's high-level goals and approach as well as the sources of investment and key decision points. It also describes the global individual giving market and situates WFP's plans in comparison to the experience and performance of other United Nations agencies. The areas covered in this annex are as follows:

- A. Why invest in individual giving? Getting to zero hunger faster
- B. WFP's overall approach to individual giving
- C. WFP's investment: sources of funds and the approval process
- D. Key success factors in developing an individual giving programme
- E. Details of WFP's investment model for individual giving
- F. The market for individual giving around the world
- G. Lessons learned from peer United Nations agencies

A. Why invest in individual giving? Getting to zero hunger faster

2. WFP faces a growing funding gap as more people in the world go hungry. Reversing this trend and getting to zero hunger requires new additional funding. WFP is proposing to invest in raising income from individual giving to create a significant new stream of flexible funding (USD 170 million annual income by 2025) that will help WFP reach more beneficiaries. The investment model that is proposed will generate a self-sustaining fundraising programme by the end of the strategy period. This means that while the fundraising programme will require no additional funding from WFP, it will continue to generate significant annual income for WFP's programmes from 2026 onwards. By 2025, the investment model forecasts cumulative gross income of USD 684 million and cumulative net income for WFP programmes of over USD 340 million. By 2030, the investment will generate nearly USD 1 billion in net income. See figure 1.

Figure 1: Net income for WFP programmes by 2025



Source: WFP Investment Model v36/Boston Consulting Group analysis

B. WFP's overall approach to individual giving

3. Individual giving represents the largest source of donations for non-governmental organizations in the global fundraising market, and it continues to grow. Increasing WFP's income from individuals will allow WFP to reach many more people around the world. WFP's unique assets – its mission and proven ability to save and change lives, its ShareTheMeal mobile fundraising application and its global footprint – can be leveraged to attract new individual supporters and communicate with them to show how their donations are put to effective use by the organization. The goal is to create a model that becomes self-financing within five years and delivers a significant level of flexible income to WFP.
4. WFP's proposed new approach to individual fundraising is composed of three elements:
 - **Digital-led strategy** – WFP can raise more money at a higher return on investment by using high-performing digital channels (here, “channels” denotes a form of communication or marketing activity) and sophisticated digital marketing tools to target its appeals. Building on recent successes such as ShareTheMeal, WFP can capitalize on its unique role and in-country presence to provide a best-in-class supporter experience with high quality and dynamic content.
 - **Global approach** – A multi-country digital approach allows for easy reallocation of investment, implementation of best practices and programme optimization across markets and channels. WFP will need to manage tax advantages where possible and respect relevant national legal frameworks.
 - **Rapid iteration** – The global digital approach will allow WFP to engage with supporters in an agile way, with rapid testing, learning and optimization of activities. This will facilitate quick iteration cycles; continuous improvement of content, targeting approaches, platforms and tools; and the ability to quickly scale up what is working to optimize the overall programme.
5. While WFP is investing in growing its income from individuals around the world, it is also focused on building its brand strength. These areas are mutually supportive, as a strong brand will support fundraising activities and effective fundraising appeals will help to build brand awareness and familiarity. PPF and the Communications, Advocacy and Marketing Division (CAM) are working together closely to develop joint activities and plans and to define clear roles and responsibilities in areas such as digital engagement, content creation and community management (see annex III).

C. WFP's investment: sources of funds and the approval process

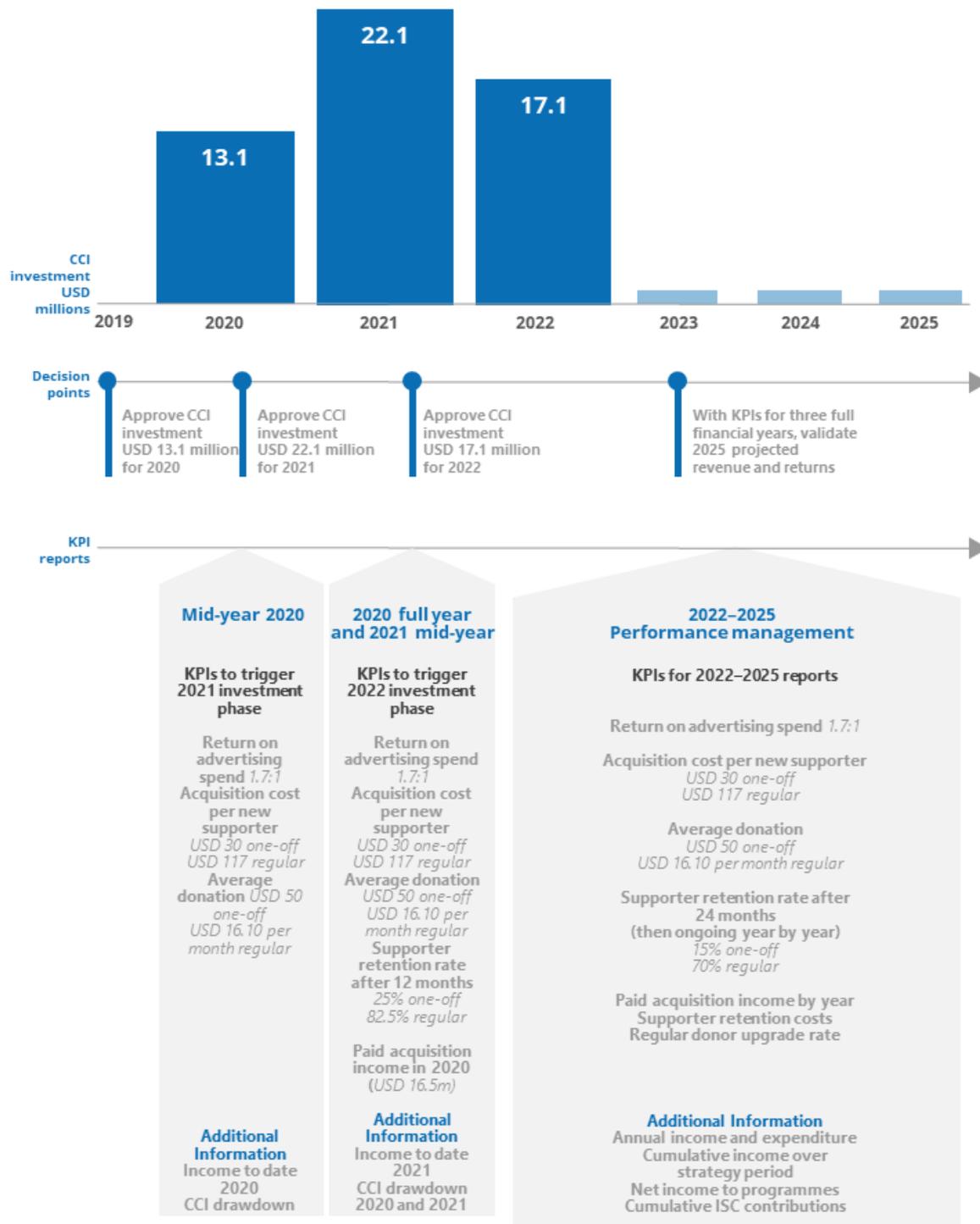
6. Four sources of funds are proposed for the investment in the growth in individual giving over the period of the strategy. These sources and the total amounts from each are:
 - Critical corporate initiative (CCI)-type investments to provide initial start-up funds for fundraising: USD 52.3 million;
 - A loan from the Capital Budgeting Facility, which will be repaid from retained income between 2026 and 2030: USD 31.4 million;
 - Retained income from donations generated by the investment in paid fundraising activities: USD 103.8 million; and
 - The element of the PPF programme support and administrative (PSA) budget that is allocated to individual giving: USD 12.4 million.

7. Since the draft strategy was presented at the third informal consultation with Member States, in April 2019, the retained income assumptions have changed. This reduces the total investment requirement from USD 100 million to USD 83.7 million, of which USD 31.4 million will be funded through an internal loan. Therefore, start-up capital has been reduced to just over USD 52 million.
8. Revenue generated from individual giving fundraising activities, as with all revenue from non-governmental entities, is subject to indirect support costs. These are levied on all contributions at a rate of 6.5 percent.
9. The investment and loans will be released gradually, and there will be key decision points when senior management and the Executive Board receive reports based on agreed key performance indicators (KPIs) to inform decision making regarding the approval of further investment (figure 2).

Critical corporate initiative

10. It is proposed to kick start the growth in individual giving through CCI-type investments over three years. In keeping with CCI restrictions, funding from this source would only be used for non-recurring costs such as the one-time purchase of digital media advertising and one-off technical expenditure such as on technological improvements.
11. This investment will be staged over the first three years of the strategy period (2020–2022). The first investment will need to be approved as part of the management plan for 2020–2021. This first phase will be for USD 13.1 million, and the second part, for 2021, will increase to USD 22.2 million. The final CCI-type investment for 2022 will be USD 17.1 million. This gradual phasing of the investment allows for close monitoring of performance and careful risk management. Each phase of investment will only be dispersed following a detailed review of results and agreed KPIs being achieved at 80 percent or more. This is illustrated in figure 2 below.

Figure 2: Summary of critical corporate initiative (CCI) investments, reports and decision points



Loan from the Capital Budgeting Facility

12. Given that several areas of the individual giving growth activity cannot be funded through a CCI-type investment (e.g. recurring costs such as staff costs) and in the early years of the strategy retained funds will be limited, a loan is requested to enable WFP to cover these costs. This is particularly relevant for the ongoing costs associated with ShareTheMeal, which has been entirely funded by extra-budgetary (non-PSA) resources to date. Bringing ShareTheMeal into the overall funding model for WFP's growth in individual giving will enable a cohesive and coherent approach to engaging with all potential WFP supporters.
13. As with the CCI-type investment, it is proposed that the loan be broken into a number of parts. The first part, USD 9 million, would cover costs in 2020 and 2021, including USD 3.8 million for ShareTheMeal costs. The second part, up to USD 22.2 million, would be needed from the start of 2022. The need for and size of this loan would be reviewed in 2021 based on the level of retained income, as described above. The loan would be repaid over five years, from 2026 to 2030, with annual repayments of USD 6.2 million funded from retained income.
14. The loan repayments will slow income growth between 2026 and 2030 because a proportion of the retained income will be used to repay the loan and cannot be used for further investment. From 2031, however, there will be significant growth as all retained income is directed to investment.

Retained income

15. Retaining a proportion of donations for reinvestment in fundraising activities is an established principle followed by NGOs around the world, including by WFP's sister United Nations agencies that have well-established non-governmental fundraising operations. It is proposed that as part of funding the growth in individual giving, a proportion of each donation be retained to cover future fundraising costs.
16. In many countries self-regulatory bodies define acceptable levels of fundraising expenditure as a proportion of total income. In the United States of America there are several such bodies, including Guide Star, Charity Navigator and the Better Business Bureau Wise Giving Alliance (WGA). Charity Navigator and WGA both recommend that a minimum of 65 percent of donations received go to programme activity. In Europe, similar self-regulatory organizations set benchmarks, and some issue seals of approval to NGOs for meeting criteria, which often include a maximum proportion of donations reinvested in fundraising. On average these schemes require organizations to limit their fundraising and overhead expenditures to 25–30 percent of total income.
17. There is limited research on how much the general public thinks should be spent by non-profit organizations on fundraising activities. Research in the United Kingdom has found that the public believes that 57 percent of donations should go to programme activities and 27 percent should be spent on fundraising and administration costs.¹ In the United States, one study reported that the public thought that up to 23 percent of donations could be spent on overhead costs; although people interviewed believed the actual figure was over 36 percent.²

¹ nfpSynergy. 2017. *Who cares about admin? Ten nuggets on how the public thinks their ideal charity should spend its money.* <https://nfpsynergy.net/blog/ideal-charity-spending-blog>.

² Grey Matter Research & Consulting. 2012. *Americans' Perceptions on the Financial Efficiency of Non-profit Organizations.* https://www.greymatterresearch.com/index_files/Nonprofit_Overhead.htm.

18. While retaining a proportion of a donation constitutes an established practice, individual supporters who give to WFP have a reasonable expectation that most of their donation will go to support programmes and help feed hungry people. It is therefore proposed that a limit on the level of retention spending be set so that WFP fundraising is seen to be ethical and transparent.
19. The investment model covers the period 2020–2030. Over this period total income from individuals (excluding WFP's "friends" organizations) is estimated at over USD 1.36 billion. It is proposed that WFP retain no more than 20 percent of this total amount to reinvest in individual giving fundraising activities, and no more than 29 percent in any one year. This limit will ensure that WFP is operating in line with the expectations of potential supporters who want their donations to be used to fund WFP's programmatic activities. The Executive Director will set the retention percentage, within the 29 percent ceiling, from time to time throughout the duration of the strategy and will report to the Board annually, through the management plan, on the percentages in effect throughout the duration of the strategy. The initial retention percentage will be 29 percent.
20. Importantly, the model assumes that retained income for reinvestment only comes from income generated from paid fundraising activities, because these can be planned, controlled and forecast. None of the retained income in the model is assumed to come from any organic revenue (e.g. voluntary donations via ShareTheMeal or WFP.org that are not driven by paid marketing) that WFP might receive during this period.
21. While organic revenue is expected to grow as paid activity increases, it is less predictable than income generated through paid fundraising activities. Therefore, to mitigate risk and as part of a cautious approach in the investment plan, no retained funds from organic income have been assumed in the investment forecasts. In practice, organic revenue will be treated in the same way as income generated by paid activity – as a result, higher levels of retained income may be generated. This could reduce the need for funding from other sources, such as the loan, but this will not be known until the investments have begun.

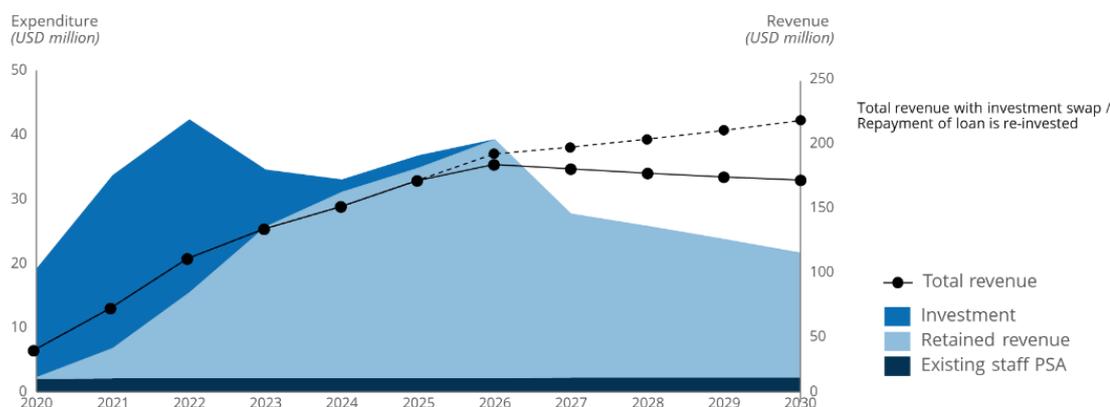
PSA budget

22. The PSA component of the investment is not described in detail in this document as it is a continuation of an existing budget and will be included in future management plans, including the management plan for 2020–2021. It is also the smallest of the four funding sources, and it is not expected to increase beyond adjustments for inflation.

Achieving self-sustainability

23. Figure 3 below illustrates the various investment sources and shows that by the end of the strategy period the programme will have become self-sustaining (i.e. the retained revenue from donations will be sufficient to cover the annual costs of the programme).³ For the sake of clarity, the investment portion in the chart includes both CCI-type investment and the loan from the Capital Budgeting Facility.

³ Figure 3 shows the initial investment (dark blue area) over the period 2020–2024. In parallel with this start-up investment, a retention mechanism will be put in place so that approximately 29 percent of donations will be retained (see section D) for investment in the subsequent year (light blue). As income grows, the amount available from the retention of funds increases; by 2025, this retained income will be sufficient to cover ongoing costs and the investment required to sustain modest continued growth in income (approximately 4 percent per year for paid activities). Lastly, there is ongoing funding from the programme support and administrative (PSA) budget (black area), which is roughly constant. This is the amount currently allocated to PPF in the PSA budget for individual giving.

Figure 3: Achieving self-sustainability by 2025**Expenditure in 2020 and 2021**

24. Table 1 presents a breakdown of investment expenditure in the critical first two years of the strategy, showing the balance of spending on variable costs (e.g. media investment) and fixed costs (e.g. staffing). The table shows total expenditure from all investment sources. It should be noted that in 2020 all of the CCI investment is allocated to media investment to attract new supporters.

TABLE 1: BREAKDOWN OF INVESTMENT EXPENDITURE FOR 2020 and 2021

Item	Description	2020 USD investment	% of total spending	2021 USD investment	% of total spending
Media investment	<ul style="list-style-type: none"> ➤ Over 90% of media investment will go towards recruiting new supporters, primarily through online media such as Facebook and Google. There will also be smaller investments in acquiring supporters through television and face-to-face contact ➤ A small percentage each year will go towards media activities aimed at retaining existing supporters (mainly through email, post and telephone) 	13.1 million	68	26.7 million	79
Technology investment	<ul style="list-style-type: none"> ➤ To optimize the media investment, WFP will need to upgrade technology (such as the supporter database, online donation pages and online payment solutions) every year 	105 000	0.5	110 000	0.5
Staffing	<ul style="list-style-type: none"> ➤ This budget covers current personnel as well as the additional expertise and employees (primarily consultants) needed to deliver on the investment model 	4.1 million	21	5 million	15

Item	Description	2020 USD investment	% of total spending	2021 USD investment	% of total spending
	<ul style="list-style-type: none"> ➤ Part of this investment will also be used to contract external agencies to provide outsourced solutions for customer care for supporters, creative development of certain assets and in-depth results analysis ➤ Between five and seven additional roles will be required on supporting teams such as CAM and the Legal Office 				
Sharethe Meal	Includes existing fixed costs for 22 consultants, office rental and associated office costs	1.9 million	10	1.9 million	6
Total		19.2 million		33.7 million	

25. Table 2 details the media investment, which is by far the greatest portion of total investment. This also illustrates the expected number of new supporters recruited, by investment type, and the return on investment for the initial 2020 investment by the end of the strategy period.

Media	Fiscal year 2020 USD investment	Fiscal year 2020 number of new supporters	Fiscal year 2021 USD investment	Fiscal year 2021 number of new supporters	Projected 5-year return on 2020 investment
Digital media (such as advertisements on Facebook and Google)	9.6 million	213 000 (53 000 new regular supporters and 160 000 one-off supporters)	19.4 million	422 000 (106 000 new regular supporters and 317 000 one-off supporters)	6.31:1
Direct response television advertisements (DRTV, or TV advertising that explicitly asks someone to donate to WFP)	2.7 million	14 000 (all regular supporters)	5.4 million	27 000 (all regular supporters)	3.06:1
Face-to-face contact	530 000	2 000 (all regular supporters)	1.3 million	5 700 (all regular supporters)	2.48:1
Testing	266 000	1 000 (all regular supporters)	540 000	2 300 (all regular supporters)	1.5:1

D. Key success factors in developing an individual giving programme

26. The model's assumptions stem from three key considerations, which vary by channel and together define the performance of any fundraising activity:
- **Cost:** How much does it cost to attract a new supporter?
 - **Value:** How much does a supporter donate each year? This is linked closely to whether the new supporter makes a single donation ("one-off" donation) or automated, regular donations (usually monthly).
 - **Continuity:** For how many years do supporters donate?
 - **Infrastructure:** What systems are required for successful fundraising?

Cost: How much does it cost to attract a new supporter to WFP?

27. To increase the level of income it receives from individuals, WFP needs more supporters. New supporters can be attracted through a range of channels, but in almost all cases WFP will need to invest in paid marketing and fundraising activities (i.e. advertising) to reach the desired number of new supporters. The cost of fundraising activity to attract a new supporter is called the "acquisition cost." It can also be referred to as the "ROAS" or "return on advertising spend". This varies by channel and mode of giving, i.e., a single donation or a regular, automated donation (usually monthly).
28. To attract new supporters, WFP intends to focus on digital advertising, such as an advertisement on a platform such as Google or Facebook or on a specified website that asks for donations directly. It may also include an activity that seeks to trigger an initial interaction with WFP, such as an advertisement that offers information or invites the target audience to sign up to an email newsletter or download the ShareTheMeal mobile application. These prospective supporters can then be provided with further information either directly or through further digital advertising aimed at converting them into regular financial supporters
29. WFP is currently testing additional activities to assess the most effective way to recruit new supporters; this will continue throughout the period of the strategy.

Value: How much do one-off and regular supporters give each year?

30. The amount that each supporter gives is the next critical consideration in assessing the value of fundraising activities. For one-off supporters, to be conservative WFP's model assumes that they will make one donation per year. In reality, many of them will make more than one donation; for example they may respond to appeals for specific humanitarian emergencies or during holidays and giving times throughout the year.
31. WFP's proposed investment model assumes that all new one-off supporters will be attracted through digital channels. This reflects the fact that other channels such as direct response television advertising (i.e. advertising that explicitly asks someone to donate to WFP) are typically designed to generate regular supporters rather than one-off supporters. The model forecasts that each one-off supporter will donate USD 50 in their first year of giving, and this amount is their annual value to WFP. In the case of regular supporters, their average donation is calculated as an average monthly donation. The model assumes that those reached by digital fundraising will donate a monthly average of USD 16.10, generating an annual value to WFP of USD 193.

32. The higher average annual value of regular supporters means that they are critical to the success of the individual giving model. Looking again at the humanitarian and development organizations in the IFL Forum study, it may be seen that 66 percent of their individual income comes from regular supporters.⁴

Continuity: For how many years do one-off and regular supporters donate?

33. Assuming that WFP attracts more supporters and that they donate predictable amounts each year, a key issue is how long they will keep donating, or their “retention level.” The model factors in the difference between year 1 retention and retention in subsequent years in order to reflect changing supporter behaviour over time.
34. For example, the model assumes that if WFP attracts 100 new one-off supporters via digital advertising in year 1, only 25 of them will make a second donation in year 2, that 15 of the 25 will donate again in year 3 and that 9 of the 15 will donate again in year 4. By contrast, it is assumed that 80 percent of regular supporters who donate through automated payment mechanisms such as direct debit or credit card will continue to donate by the end of year 1 and that for each subsequent year 80 percent of the previous year’s supporters will be retained. This translates into 80 regular supporters in year 2, 64 in year 3, 51 in year 4 and so on.
35. As donations are spread out over any given year, a discount must be applied to allow for the fact that supporters do not all start giving in January and that sometimes regular supporters miss scheduled payments. The model therefore assumes that each new regular supporter only makes 60 percent of his or her expected annual donation in the first year and 90 percent in each subsequent year.

Infrastructure: What systems are required for successful fundraising?

36. A successful fundraising programme depends on key infrastructure, in particular a robust customer relationship management system (CRM). Successful online fundraising requires a multi-currency payment platform, enabling people to make donations easily from anywhere in the world. During 2019, WFP put into place a new CRM system and online payment platform, with plans for further development as the strategy is implemented. This new CRM system will deliver efficiencies in capturing supporters’ data and increase WFP’s ability to engage with supporters. It enables sophisticated segmentation of supporter groups and tailoring of appeals to individual supporters based on their expressed interests and past behaviour. One goal of the strategy is for WFP to deliver a best-in-class supporter experience, and with the new CRM and payment platform the capability to do so is now in place.
37. The implementation of this new infrastructure will ensure that WFP’s approach to data capture and consent is fully compliant with the globally recognized standards for data protection set out in the European Union’s General Data Protection Regulation. It will also deepen the level of performance monitoring and reporting to facilitate the optimization of the programme on a regular basis, as well as to inform decision making with regard to future investments.

⁴ International Fundraising Leadership (IFL) Forum. Presentation on peer review key findings delivered at the International Fundraising Conference (IFC) on 18 October 2018. Data for the Red Cross are not available.

E. Detail on WFP's investment model for individual giving

38. The investment model for increasing income from individual giving was developed jointly by PPF and ShareTheMeal teams, with technical support from the Boston Consulting Group. The model takes into account the following data and experience from WFP and other agencies and organizations:
- **Current WFP results:** WFP's initial digital advertising testing is delivering results that exceed peer organization benchmarks, with sample sizes growing as WFP invests more in testing (over USD 700,000 of investment since mid-2018) (see table 3);
 - **Investment data from United Nations agencies:** Benchmarks from the United Nations Children's Fund (UNICEF) and United Nations High Commissioner for Refugees (UNHCR) were used for a number of key markets and fundraising channels such as paid digital advertising (more information is available in section G below); and
 - **Expertise and lessons learned from other international fundraising organizations:** This included 2018 global benchmarks from an international NGO peer (based on a dataset of 2.5 million supporters in more than 30 countries) as well as the recommendations of Think Consulting, a well-respected NGO management consultancy firm that was hired to secure anonymized averages from peers in prioritized markets (more information is available in section G below).
39. Table 3 shows the top ten countries ranked by return on advertising spend for Facebook advertising, based on testing conducted by the Individual Giving team in PPF. The table shows the broad range of countries in which testing was undertaken, as well as very favourable results, which in several instances exceed the targets set in the investment model.

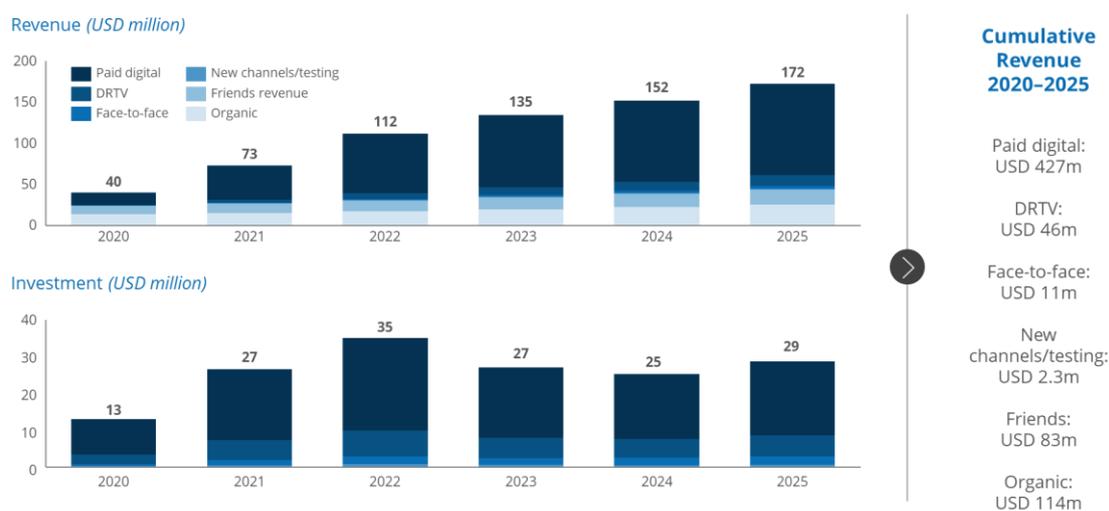
Country	Return on advertising spend	Country (cont'd)	Return on advertising spend
1. United Arab Emirates	3.18	6. Canada	2.25
2. Ireland	2.89	7. Austria	1.84
3. Netherlands	2.69	8. United Kingdom	1.74
4. Australia	2.47	9. Germany	1.73
5. Switzerland	2.35	10. Saudi Arabia	1.41

40. The analysis provided in this section examines long-term measures based on a detailed investment model that includes assumptions regarding cost, donation levels and supporter behaviour. These assumptions are informed by best current knowledge and are likely to change over the period of the strategy. The overarching objective is to increase income from individual supporters from USD 18 million in 2018 to USD 170 million in 2025.

Overall revenue and investment

41. Figure 4 shows the forecast revenue by individual giving channel for 2020–2025, along with the required investment by channel.⁵ Paid digital activities (e.g. digital advertising) account for 70–75 percent of the investment and have the highest rate of return (starting at 75 percent of investment in 2020 and decreasing by 1 percent a year as other channels are developed). This channel therefore accounts for the bulk of the forecast revenue. This revenue forecast also includes growth in “organic” income, i.e. income from supporters who make donations (via ShareTheMeal or wfp.org) that are not directly attributable to paid marketing activity. Organic income is forecast to increase by 10–15 percent per year. In addition, income from friends organizations is forecast to grow thanks to increased technical support from WFP’s individual giving team.

Figure 4: Channel breakdown of revenue and investment 2020–2025

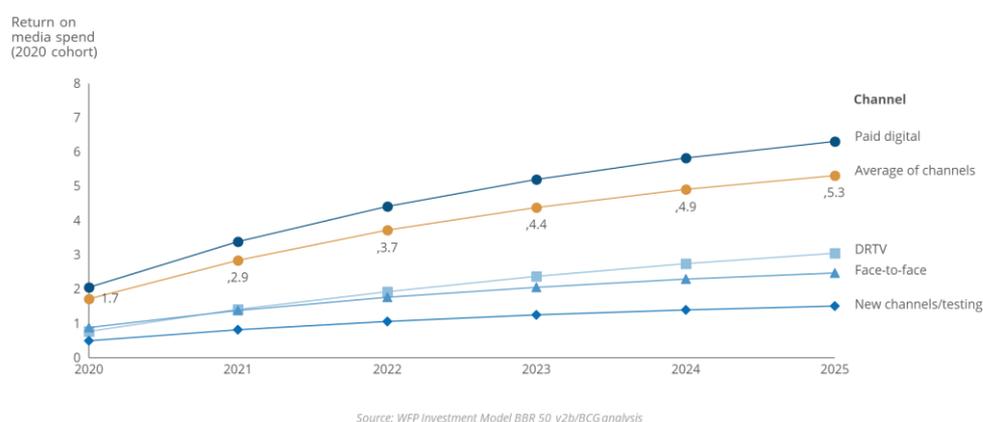


Comparative return on advertising spending by channel for 2020–2025

42. Figure 5 also shows the forecast cumulative return on advertising spending for each channel between 2020 and 2025. This shows that every USD 1 spent in 2020 is, on average for all paid activities, forecast to generate USD 5.30 by 2025. The plan is to invest in a range of channels, with 70–75 percent of investment going to paid digital activity. This portfolio approach enables risks to be managed more effectively and activities to be further developed. Non-digital channels are typically very reliable for acquiring regular supporters, who themselves have higher long-term supporter value. The data in figure 5 reflect the costs of media and other channels (e.g. creative development). It should be noted that fixed costs (i.e. staffing and technology), are not allocated across channels.

⁵ It should be noted that the revenue and investment graphs in the figure 4 have different vertical scales.

Figure 5: Comparative return on advertising spend (ROAS) by channel 2020–2025



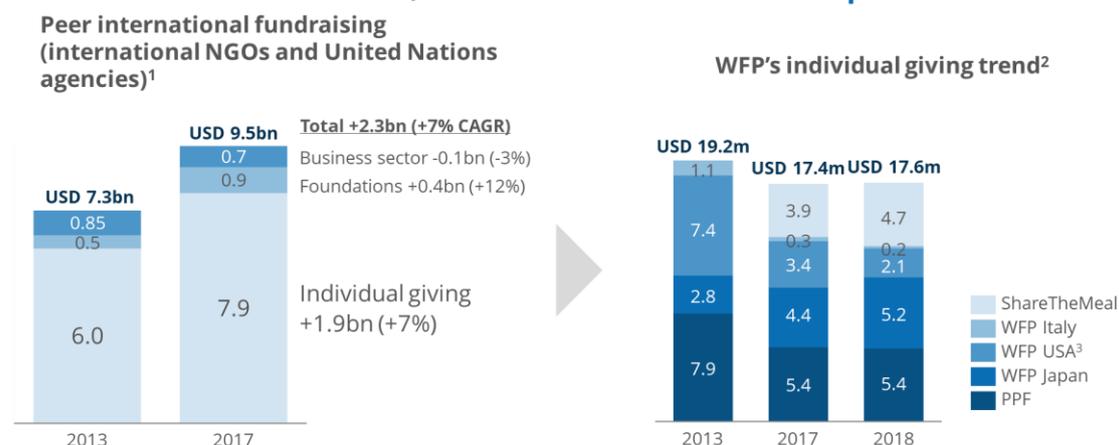
43. Table 4 shows the targets that will be achieved by the end of the strategy period.

Gross cumulative return on investment by 2025 (i.e. income from investment + all organic investment + retained income + ongoing staffing)	3.1
Cumulative return on investment by 2025 (i.e. income from investment + incremental organic investment + ongoing staffing)	4.8
Cumulative gross income by 2025 (<i>USD millions</i>)	683.9
Cumulative net income for WFP programmes by 2025 (<i>USD millions</i>)	340.5
Cumulative net unrestricted income for WFP programmes by 2025 (<i>USD millions</i>)	230.2
Cumulative indirect support costs by 2025 (<i>USD millions</i>)	43.1

F. The market for individual giving around the world

44. There is a concern that increasing WFP's fundraising from individuals might reduce income for other United Nations agencies and non-governmental partners. This is based on a belief that the overall individual giving market is limited. However, analysis conducted by a number of peer organizations with large individual fundraising operations shows that the market is both large and continuing to grow significantly – increasing the opportunities for all organizations (see figure 6). These data come from the International Fundraising Leadership Forum (IFL Forum), a voluntary group of the 15 largest global fundraising organizations who raise funds from the private sector in various countries. This study showed that between 2013 and 2017 individual giving to these organizations grew by nearly USD 2 billion, a 30 percent increase. This contrasts with WFP's falling income performance over the same period – although notably its income from ShareTheMeal increased.

Figure 6: Individual giving by peers up USD 2bn over 5 years due to focus and investment; WFP down USD 2m in same period



1. Peer data from 13 leading international organizations (Red Cross excluded); data unavailable for Care (2013–2014), Greenpeace (Corp, 2014–2016), World Vision (Foundation, 2014–2016)
 2. As reported by WFP headquarters; 2018 figures preliminary
 3. WFP USA includes ~USD 1m revenue not yet recognized by headquarters due to change in accounting practices.
 Source: IFL Forum Peer Review 2013–2017; PPF January 2019; Boston Consulting Group analysis

45. In 2017, the humanitarian and development organizations with annual incomes of over USD 250 million in the IFL Forum study⁶ generated an estimated USD 12.3 billion in income from individuals, businesses and foundations.⁷ Even if WFP raises USD 260 million in 2025, this would be only 2.1 percent of the total currently raised by these organizations. If the income for these organizations were to grow in line with the trends of the past 5–10 years, their total income from individuals, businesses and foundations would exceed USD 20 billion by 2025, making WFP's income approximately 1.2 percent of the collective total. This calculation excludes national organizations that focus on humanitarian relief and international development, which if included would further reduce WFP's expected market share. For all organizations participating in the IFL Forum, donations from individuals make up 83 percent of non-governmental income, with 8 percent from private sector partners and 9 percent from foundations.

The drivers of growth in individual giving

46. Around the world individual giving makes up the bulk of non-governmental income for non-profit organizations, which have experienced long-term, consistent growth. The reason for the growth varies across countries, and trends respond to many factors, from a country's economic growth to emergencies that capture global attention. Overall, donations to both domestic and international causes have grown significantly in recent years. This is likely to continue due to three key factors:
- The average value of donations is growing in mature fundraising markets;
 - The number of supporters is growing in non-mature fundraising markets; and
 - People in the growing global middle class are becoming supporters.
47. In mature fundraising markets, the proportion of people who donate remains relatively consistent, at about two thirds of the population, but total fundraising income continues to climb as individual supporters become more generous. Figure 7 shows long-term data on

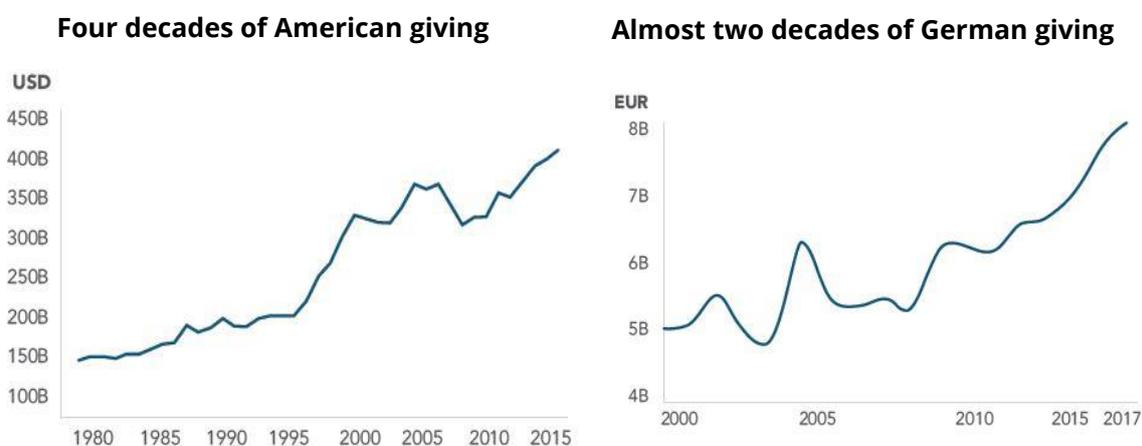
⁶ UNICEF, UNHCR, Oxfam, Médecins sans frontières, the Red Cross, World Vision, SOS Children's Villages and Save the Children.

⁷ International Fundraising Leadership (IFL) Forum. 2018. Presentation on peer review key findings delivered at the International Fundraising Conference (IFC) on 18 October 2018.

giving in the United States and Germany. The data show levels of giving for all sectors but it should be noted that these are the two largest markets in the world in terms of individual donations to international causes.

48. In recent years the United States has seen inflation-adjusted annual growth in individual fundraising of 3 percent, while the percentage of people who donate has remained relatively steady at around 61 percent. On average, supporters in the United States give to over four organizations.
49. Likewise, Germany has experienced steady growth in the value of private donations since 2000, while the percentage of people donating has remained consistent at about 55 percent. In mature markets such as these, fundraising growth largely matches that of stock markets and GDP.

Figure 7: Growth in the annual value of American and German individual giving



50. In other affluent markets with less established traditions of non-governmental fundraising (i.e. non-mature markets), growth is coming more from an expansion of the supporter base than the amount of the average per-supporter donation. Engagement in these markets is driving behavioural shifts that are leading more people to become supporters of various causes over time. The countries that have seen this trend over the past decade include France, Spain and Italy.
51. A report from the European Fundraising Association reveals that the majority of European countries saw an increase in voluntary donations between 2012 and 2017, noting that “increasing use of social media, technological developments, growing national economies and innovation are all cited as positive influencing factors for fundraising, together with growing professionalism.”⁸ For example, in the Netherlands between 2016 and 2017 total income to NGOs increased by over 7 percent, driven particularly by increases in giving by individuals and charitable lotteries. In contrast to other mature fundraising markets, international aid and development is one of the most popular causes in the Netherlands. This sector also saw one of the largest percentage increases in income in the most recent research.⁹

⁸ European Fundraising Association. 2017. *Fundraising in Europe*. <https://efa-net.eu/resources>.

⁹ Centre for Philanthropic Studies, *Order now: de jubileum-editie Geven in Nederland 2017*, 29 May 2017. <http://www.giving.nl/2017/05/order-now-de-jubileum-editie-geven-in-nederland-2017/>.

52. Global growth in individual giving is also being driven by the rapid expansion of the global middle class, which is expected to grow from 3.6 billion people in 2018 to 5.3 billion in 2030.¹⁰ The number of individuals making donations has increased dramatically in recent years as they gain disposable income (income available for spending or saving, after accounting for taxes). A recent report forecasts that the rising global middle class has the potential to generate USD 319 billion in additional funds for non-profit organizations each year.¹¹
53. A much-anticipated challenge to giving in mature fundraising markets has been the generational shift from baby boomers to Generation X and millennials. There has long been an assumption that the younger age cohorts will not give at the same level as their parents. Although they behave differently and are much more digitally engaged, there is now evidence from 2018 that these generations will provide a boost to giving rather than the reverse. A recent study from the United Kingdom shows that supporters from the younger generations (Generation X, millennials and Generation Z) already outnumber the number of supporters from older generations (baby boomers and mature).¹² The research also shows that the younger generations on average donate more and to more causes, and that they plan to increase their donations. Similar trends are being seen in Australia and New Zealand, although in North America the older generations are still dominant.
54. Finally, there are changes in giving around the world that have been made possible by digital engagement and online giving technology. Giving Tuesday, which launched in the United States in 2012, is now a global day of giving with community involvement across 150 countries and raising hundreds of millions of dollars each year.¹³ Also, since 2012 there has been a rapid rise in online giving in China, with the value of giving growing by close to 200 percent.¹⁴ However, donations in China as a proportion of GDP are still a fraction of donations in mature fundraising markets, demonstrating the potential for further rapid expansion.

G. Lessons learned from peer United Nations agencies

55. This section presents a comparative analysis of the forecast performance of the WFP investment plan and the performance of the two United Nations agencies with the most developed non-governmental fundraising operations – UNICEF and UNHCR. The analysis demonstrates that WFP's proposed digital-led strategy with limited investment in national fundraising teams is an efficient approach that offers higher returns on each USD 1 invested in fundraising activities than the approaches used by UNICEF and UNHCR.
56. Tables 5 and 6 compare UNHCR and UNICEF in terms of income, expenditure and annual rate of return between 2015 and 2017, drawing on published information and showing an average annual return on investment, i.e., the number of dollars raised for each

¹⁰ Growth estimates from the World Bank and World Data Lab, 2018.

¹¹ Charities Aid Foundation. 2017. *Laying the groundwork for growing giving*. <https://www.cafonline.org/docs/default-source/about-us-policy-and-campaigns/laying-the-groundwork-for-growing-giving.pdf>. Projections by the Brookings Institution show that up to 2.4 billion people could enter the middle classes globally by 2030 and that their spending could almost double from USD 34 trillion to USD 64 trillion over this period. The report notes that “if this new aspirant middle class were to dedicate just 0.5 percent of their spending – about the same as people in the Republic of Korea and just over a third of what people in the USA give on average – to charitable causes it would generate an astonishing USD 319 billion a year in funds.”

¹² Blackbaud Institute, *Next Generation of Giving*, 2018. <https://institute.blackbaud.com/nextgen/>.

¹³ Giving Tuesday <https://www.givingtuesday.org/about>.

¹⁴ Bain & Company, *Digital Philanthropy in China: Activating the Individual Donor Base*, 2018.

dollar invested, ranging from 2.95 to 3.47. The forecast average annual return for WFP's individual giving programme over the strategy period is 3.42 for every USD 1 invested.

UNHCR comparative financing

57. The UNHCR *Global Report 2017*¹⁵ states that “just over 1.92 million individuals donated to UNHCR [in 2017]. Such broad-based support from individuals and companies is an encouraging example of the “whole-of-society” approach that UNHCR advocates....” The report also notes that income from non-governmental entities constitutes UNHCR's largest single source of unrestricted funding.

	2015	2016	2017
Gross income (USD millions)	284	352	400
Expenditure (USD millions)	96	112	127
Net income (USD millions)	188	240	273
Annual return on investment	2.95	3.14	3.15

Source: UNHCR. *Private sector fundraising and partnerships (EC/69/SC/CRP.22)* (paper prepared for the 73rd meeting of the Standing Committee of the Executive Committee of the High Commissioner's Programme).

58. At its seventy-third meeting, the UNHCR Standing Committee considered a report on the growth of UNHCR's income from non-governmental entities – particularly from individual giving – since 2006, when the agency began a programme of sustained investment in private sector fundraising and partnerships. The report, available online,¹⁶ identifies seven factors that can explain UNHCR's success in this area:

- a focus on ambitious long-term income targets;
- a substantial and growing investment fund, accompanied by strong systems, oversight and performance monitoring mechanisms;
- a clear investment strategy focusing on countries expected to deliver maximum, long-term net income;
- resources that can be allocated and re-allocated across the organization's fundraising network throughout the year based on performance and new opportunities to ensure flexibility and agility;
- a culture of innovation, creativity and sharing of best practices across the network;
- recruitment of external fundraising experts from NGOs; and

¹⁵ United Nations High Commissioner for Refugees. 2018. *Global Report 2017*. <https://www.unhcr.org/uk/the-global-report.html>.

¹⁶ United Nations High Commissioner for Refugees. 2018. *Private sector fundraising and partnerships (EC/69/SC/CRP.22)*. <https://www.unhcr.org/excom/excomrep/5ba354764/private-sector-fundraising-ec69sccrp22.html>.

- the empowering of colleagues working in operations to develop context-specific strategies with the provision of resources, guidance and support from the Private Sector Partnerships Service at UNHCR headquarters.

UNICEF comparative financing

59. The gross income reported in UNICEF's *Private Fundraising and Partnerships 2017 Annual Report*¹⁷ is calculated based on net income figures and an average retention rate (i.e. the percentage of supporters who continue to make donations) of 75 percent for UNICEF national committees. For the purposes of the comparison reported here an estimate of funds retained by the national committees has been added to the expenditure reported by UNICEF.
60. Between 2015 and 2017 the UNICEF global investment fund grew from an annual amount of USD 58 million to USD 70 million. The fund is largely used to finance fundraising activities rather than staffing.
61. UNICEF's top 20 non-governmental resource partners (18 national committees and 2 fundraising operations in country offices) contributed 47 percent of its unrestricted income in 2017.

TABLE 6: UNICEF FINANCING 2015–2017			
	2015	2016	2017
Gross income (<i>USD billions</i>)	1.7	1.8	1.9
Expenditure (<i>USD millions</i>)	490	560	590
Figures include:			
<ul style="list-style-type: none"> • National committee cost estimates • Country office costs • Headquarters division • Investment funds 			
Net income (<i>USD billions</i>)	1.2	1.2	1.3
Annual return on investment	3.47	3.21	3.22

Sources: UNICEF *Private Fundraising and Partnerships: 2017 workplan and proposed budget*¹⁸ and UNICEF *Private Fundraising and Partnerships 2017 Annual Report*.¹⁹

62. Consideration of all these factors has informed the development of WFP's plans for income growth, especially from individual giving. Strong collaboration between United Nations agencies in the area of diversifying income streams and increasing income from non-governmental entities demonstrates the collective commitment to meeting the 2030 Agenda for Sustainable Development.

¹⁷ United Nations Children's Fund. 2018. *Private Fundraising and Partnerships 2017 Annual Report*. https://www.unicef.org/about/annualreport/files/PFP_2017_AR.pdf.

¹⁸ United Nations Children's Fund. 2017. *Private Fundraising and Partnerships: 2017 workplan and proposed budget* (E/ICEF/2017/AB/L.1). https://www.unicef.org/about/execboard/files/2017-ABL1-Workplan_and_budget-12Dec2016-FINAL-Advance.pdf.

¹⁹ United Nations Children's Fund. 2018. *Private Fundraising and Partnerships 2017 Annual Report*. https://www.unicef.org/about/annualreport/files/PFP_2017_AR.pdf.

ANNEX III

Brand awareness

1. Telling WFP's story and conveying the importance and urgency of achieving zero hunger is critical to WFP's core work. CAM works at the global, regional and country levels, supporting WFP's activities with governments, political stakeholders, thought-leaders, media, the private sector and the general public. As previously noted, WFP will achieve greater success in partnerships and fundraising if it is well-known, perceived favourably and trusted by current and potential donors and supporters. These include government partners, businesses, foundations and individuals.
2. With the adoption of the strategy, there is a need for enhanced efforts to build WFP's reputation with individuals and the private sector. There is also an anticipated benefit for government donors, whose taxpayers will more fully understand the impact of their support for WFP if WFP's brand is more widely recognized. Starting with the issue of hunger, the branding strategy will communicate the actions that WFP is taking with partners to achieve zero hunger. Providing donor visibility will remain a cornerstone of WFP's communication efforts.
3. CAM's portfolio encompasses traditional, digital and social media (including wfp.org, all long-form narrative and WFP's more than 100 global, regional and language social media channels), multimedia (TV, photographs and publications), content gathering and creation, internal communications and staff empowerment, external exhibitions and events, donor and supporter visibility and – as was in the spotlight in the past year – reputational risk management (including for private sector partnerships).
4. In 2018, with an initial investment case and the anticipation of a new strategy with a stronger focus on individuals, WFP established the Brand-Building and Public Engagement Unit with the goal of testing and producing data that could be used to establish KPIs for WFP's brand, evaluate strategies for improving brand reputation and trust (including integrated marketing campaigns and goodwill ambassadors) and create plans for scaling up successful pilot projects. To this end, the unit benchmarked WFP's investment, strategies and structure against those of UNHCR, UNICEF and the World Bank and commissioned the first extensive brand market research study for WFP in over a decade, carried out in 11 key supporter markets selected¹ by the PPF and ShareTheMeal teams.
5. A strong brand amplifies the efforts of a strategic fundraising programme, optimizing return on investment. The key measurement is brand familiarity – rather than brand awareness – which conveys how well WFP has established its unique brand identity in the minds of prospective supporters. WFP will aim to increase its brand familiarity by an average 12 percent in five markets by 2025, with specific audience segments targeted in each market. This goal is based on the gap between WFP's brand familiarity and that of UNHCR, which is used in this strategy as a point of comparison regarding individual fundraising. It should be noted that the rate of increase in brand familiarity will depend on a number of variables, including most importantly the level of funding devoted to it. It should also be noted that the rate of increase can be expected to be lower in the early pilot phases of the strategy, when audience targeting and segmentation is likely to shift.

¹ Australia, Canada, France, Germany, Italy, Japan, the Netherlands, the Republic of Korea, United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

6. With the initial investment case from 2018, CAM tested the potential impact of leveraging partnerships to strengthen WFP's brand, with excellent results. In addition, CAM brought together a group of high-level marketing professionals from the private sector to form the WFP Global Impact Council. The council has already begun supporting WFP's marketing, branding and fundraising efforts with expertise, strategic development and network outreach. Several of the members have also contributed significant resources that are helping WFP to develop and establish its humanitarian and development narrative, with an emphasis on the innovation and technology used in WFP's work.
7. For example, through a Global Impact Council member representing SAWA, the global association for cinema advertising, WFP received USD 25 million in advertising space in 34 countries around the world for the launch of the "Feed Our Future" cinema campaign. Nielsen research recorded a 40 percent increase in awareness of WFP among cinema-goers in North America, and WFP saw a 38 percent increase in ShareTheMeal downloads in just one week of the campaign. The partnership has been renewed for an additional two years, so there is an opportunity to make it work even harder to improve WFP's brand familiarity.
8. Through the Global Impact Council, WFP piloted an integrated partnership with Facebook around the "Feed Our Future" cinema campaign. During the first three days of the campaign, this partnership led to a 25 percent engagement rate with content on our platforms (192 times higher than the non-profit average rate). In support of "Feed Our Future," Facebook also provided WFP with significant advertising credits that have enabled the testing and optimization of fundraising for WFP on the Facebook platform and have informed the analysis presented in this strategy document.

Differentiating WFP's brand and building support for the hunger narrative

9. WFP has a reputation as an organization that works on the frontlines and that can be trusted to deliver in some of the most difficult and hard-to-reach locations in the world. CAM aims to firmly cement public awareness of WFP's core mandate and its reputation as the world's largest humanitarian organization, saving lives in emergencies and building a better future for people driven into hunger by conflict and the impact of climate change.
10. In 2017, CAM conducted an exercise during WFP's general management meeting to determine how WFP sees itself as a brand. The results were clear: WFP is a "hero" (one who takes action and delivers results) and a "carer" (one who genuinely cares for and has compassion for others).
11. As previously mentioned, in 2018 WFP conducted a research study of 11 supporter markets. Among other findings, the study identified a set of key brand attributes that differentiate WFP from other United Nations agencies and are seen as donation drivers in WFP's key supporter markets. CAM will take a hard look at these qualities ("successful", "powerful", "brave", "expert", "caring", "efficient" and "proactive") and at WFP's internal narratives and use them as a starting point for building familiarity and for adapting its communications to its audience in key supporter markets.
12. As verified by WFP's brand research, it is important for WFP to be seen as a successful organization in order to gain public trust and create an optimal environment for fundraising. If hunger is not seen as solvable, it can become an impediment to individuals engaging with WFP. WFP's brand-building communications will therefore emphasize its success in combatting hunger and malnutrition and staving off famine, its life-saving responses to emergencies and its affirmation that it is possible to end world hunger. The heroic efforts of WFP staff and the resilience and perseverance of those WFP serves can also be harnessed to work toward this objective. This alignment with important brand attributes and donation

drivers will eventually build trust in the WFP brand and strengthen fundraising narratives that present an urgent need to trigger donations.

13. In order to emphasize the urgency of combatting world hunger, WFP's communications will consistently present the idea of food as an enabler of the other SDGs and ultimately WFP's contribution to shared prosperity. As WFP amplifies its communications and marketing efforts, grows its audience and builds its brand, this consistent theme of providing food will help WFP to own the "hunger space."

Achieving growth in brand familiarity

14. WFP's integrated marketing strategy must look closely at the individual's journey across various types of media, ensuring that appropriate calls to action are included in order to continue to move the individual further towards a long-term relationship with WFP. This truly integrated approach will require alignment of KPIs and incentives across the fundraising, marketing and digital teams, as well as oversight from senior leadership. A common objective will be established for all departments that develop outward-facing communications on shared platforms.
15. While building the WFP brand and amplifying communications, advocacy and marketing efforts, all teams must remain vigilant in the protection and management of WFP's reputation. To this end, the Global Media Team in CAM is establishing a dedicated function to manage the planned increase in private sector partnerships and individual fundraising communication activities.
16. CAM is already carefully crafting content with a distinct and unified look, feel and tone of voice across WFP's public platforms, strengthening the brand and building familiarity with WFP's work and the people it serves. In a world where an enormous volume of information is shared every moment, it is important that WFP stand out from other agencies while remaining true to its core values and identity. CAM carefully considers this in everything it does in order to strategically position WFP in a crowded field. The strategy will provide the opportunity to focus a part of CAM's resources on targeting certain groups in the general public and to see the full impact of WFP's marketing to individuals.
17. Penetrating large audiences with limited resources will require the amplification of WFP's efforts through partnerships. WFP will employ three different types of partnership to achieve its brand goals: media and public relations partnerships with media owners and outlets who can contribute paid or earned media to WFP's efforts; private sector partnerships, amplifying the WFP brand through affiliation; influencer partnerships (goodwill ambassadors) that allow WFP to use influencer voices to gain access to new communications channels, helping WFP to reach audiences where they are rather than spending resources to bring them to WFP-owned platforms.
18. Different types of media lend themselves to building awareness or familiarity and lend themselves to certain types of actions. It is important to distinguish between paid, shared, earned and owned media. For example, earned media (public relations, recommendations by trusted sources) is rated by professionals as the most effective media for building a brand and generating leads² and thus will be a focus of CAM efforts.

² Outsell. 2016. *The Earned Media Opportunity*. https://www.cision.com/content/dam/cision/Resources/white-papers/CIS17044_OutSellPDF_001_03.pdf. The report includes a survey of 1,501 marketers in 2016.

Conclusion

19. CAM unites the many voices of WFP under one brand story by understanding the needs of WFP and of the multiple audiences (donor and host governments, media, private sector stakeholders, internal stakeholders and individual supporters), channelling them through a series of key brand characteristics and narratives and establishing a distinct look and feel for WFP-owned platforms and content. Among other things, sound brand development serves as a way of mitigating and managing reputational risk for WFP. All of these efforts serve the organization's goals of distinguishing WFP and its work in the hearts and minds of audiences and ensuring that the voices of the people WFP serves are heard.
20. In the light of this new strategy, the interdependent, cyclical relationship between branding and partnerships and fundraising supports an increased focus on and resources for strengthening the WFP brand. To accomplish the planned significant increase in brand familiarity in such a relatively short period of time, all of WFP's communications activities must work harder towards supporting WFP's goals. That means:
 - Aligning every single public communication with brand attributes, key narratives and the brand story;
 - Targeting key audience segments with an integrated marketing and disaggregated digital platform strategy that builds the WFP brand;
 - Utilizing testing and data insights to stay agile and optimizing efforts before they are rolled out and continuously during execution; and
 - Carefully mitigating and monitoring risk to WFP's reputation.
21. To ensure the mutually beneficial efforts of fundraising and brand-building described above, CAM and PPF will work together on these and other activities over the proposed strategy period, building and utilizing WFP's brand to help create the best possible conditions for fundraising from non-governmental entities.

ANNEX IV

Principles of cooperation with the private sector and due diligence process overview

Part I: Principles of cooperation with the private sector

1. Following the approval of the strategy, the Office of the Executive Director will issue revised guidelines for private sector partnerships, as may be updated from time to time. Part I of this annex will serve as the basis for the new guidelines.

Background

2. In 2004 WFP's Board adopted "New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base" (WFP/EB.3/2004/4-C), which included as annex II "WFP Private-Donor Selection for Cooperation" and as annex III the WFP Code of Conduct. The annexes set out the criteria that WFP would use in selecting its private partners and provided a set of principles to which private entities would commit themselves. These criteria and principles were based on guidelines on cooperation between the United Nations and the business community issued by the United Nations Secretary-General in July 2000.¹
3. In 2005 the WFP Fundraising and Communications Division issued guidelines on private partnerships and fundraising² based on the above-mentioned WFP and Secretary-General documents. The Secretary-General issued new guidelines in November 2009.³
4. In 2013, the WFP Board adopted the "WFP Private-Sector Partnerships and Fundraising Strategy (2013–2017)",⁴ which included as annex VIII revised "Principles of Cooperation for Private-Sector Partners". In December 2013, WFP issued new guidelines for private sector partnerships through an Executive Director's circular.⁵ The Secretary-General issued new guidance in 2015, entitled "Guidelines on a Principle-Based Approach to the Cooperation between the United Nations and the Business Sector",⁶ which supersede the 2009 guidelines.
5. WFP is proposing that part I of the present annex, "Principles of cooperation for private sector partners and due diligence process overview", replace "Principles of Cooperation for Private-Sector Partners" (approved by the Board in 2004), to accompany the adoption of the new strategy. Any guidelines issued by the Executive Director on the basis of the principles set forth herein may be updated from time to time, as appropriate, to reflect changes to relevant United Nations guidelines.

Private sector engagement criteria

6. WFP's private sector partners must aim to advance and support WFP's mandate and values and must demonstrate a commitment to meeting the principles of the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

¹ *Guidelines on Cooperation between the United Nations and the Business Community*. Available at https://www.undp.org/content/dam/lebanon/docs/Operations/LegalFramework/g_c_business_communities.pdf.

² FD2005/002.

³ *Guidelines on Cooperation between the United Nations and the Business Sector*. Available at <https://www.unhcr.org/admin/sts/4b4af4979/guidelines-cooperation-united-nations-business-sector.html>.

⁴ WFP/EB.A/2013/5-B.

⁵ OED 2013/025.

⁶ Available at <https://business.un.org/en/documents/5292>.

7. WFP will work with the private sector in a manner consistent with the 2015 “Guidelines on a Principle-Based Approach to the Cooperation between the United Nations and the Business Sector” and other guidance for United Nations system entities that may emerge over time. WFP will work primarily through mutually beneficial cooperation with businesses, foundations and individuals in the following ways:
 - a) Businesses can draw on their expertise and resources to provide WFP with expertise and in-kind capacity support. They can help to increase awareness of WFP through communications targeting a variety of audiences;
 - b) Foundations can fund WFP programmes from pilot phase to scale-up, with an appetite for risk and an eye to sustainable initiatives in the humanitarian–development nexus;
 - c) Individuals can provide direct financial support for emergency responses and long-term development.
8. WFP has a rigorous research and due diligence process for determining if and when to engage with private entities. More specifically:
 - a) WFP will not engage with persons or entities that contribute to or are otherwise complicit in human rights abuses, that tolerate forced or compulsory labour or the use of child labour, that are involved in the sale or manufacture of anti-personnel landmines or cluster bombs or that otherwise do not meet relevant obligations or responsibilities required by the United Nations or violate United Nations Security Council sanctions or other similar measures.
 - b) WFP may choose not to engage with, or may terminate an existing engagement with, persons or entities whose public image is compromised by past activity or involvement in any of the categories of activities listed above or whose operations or public statements might undermine WFP’s reputation.
 - c) WFP may decline an engagement with a person or entity if that person or entity could be seen to compromise WFP’s neutrality.
 - d) Private sector persons or entities must disclose any current or past activity in the categories outlined above before concluding an agreement with WFP. They must refrain from any such activity during their relationship with WFP.
9. The following general principles apply to all cooperation with the private sector:
 - a) Cooperation with WFP shall not provide any unfair advantage to any private sector person or entity. WFP does not grant exclusivity to any private sector person or entity. Neither may cooperation with WFP imply an endorsement of or preference for any private sector person or entity, its products or services.
 - b) Private donations are subject to WFP financial rules, including those relating to full-cost recovery.
 - c) Joint activities should avoid compromising or appearing to compromise the integrity and independence of WFP. Cooperation shall not be deemed to establish either party as the agent of the other party or create a legal partnership or joint venture between the parties. Neither party has the power to bind the other party to any specific course of action without that party’s consent, or to contract in the name of the other party, or create a liability against the other in any manner whatsoever.
 - d) Private persons or entities agree to allocate sufficient time, resources and capabilities to carry out agreed activities.

- e) Cooperation with WFP does not mean that the private sector person or entity has a role in WFP's decision making processes or a right to influence its policies
- f) The governance and policy of WFP remains the sole purview of WFP Member States.

Transparency and accountability

- 10. All commercial transactions carried out by WFP remain subject to WFP's procurement policies and financial regulations
- 11. Information on agreed activities will be publicly available, recorded in WFP's financial statements and reported to WFP's Executive Board. A contribution will not be accepted if it would create a conflict of interest. The acceptance of a contribution must not result in de facto standardization of any private person or entity's goods or services within WFP or create a need for further goods and services that can be supplied only by the private sector person or entity and must not give them an undue competitive advantage in a procurement exercise for the supply of further goods or services. A need for additional goods and services of the type offered by the private sector person or entity, or goods or services ancillary thereto, should ordinarily be met through normal procurement processes. As a general rule, the private sector person or entity may participate in such a procurement exercise. Arrangements between WFP and private sector persons or entities will be set out in written agreements and implemented in a manner that ensures clear and agreed responsibilities and accountability by all parties.
- 12. Under no circumstances will a private sector person or entity use confidential or proprietary information pertaining to WFP or its activities for private or commercial gain.

WFP name and emblem and intellectual property

- 13. Under certain circumstances a private sector person or entity may be entitled to use the WFP name and emblem, including to show support for WFP or an entity affiliated with WFP or to assist in raising funds for WFP. In this regard, the use of the WFP name and emblem by a private sector person or entity may exceptionally be authorized so long as the principal purpose of such use is to show support for the purposes and activities of WFP and the generation of profit by the private sector person or entity is only incidental.
- 14. The use of the WFP name or emblem by a private sector person or entity does not imply WFP's endorsement of the private sector person or entity, its products or services. WFP shall not authorize the use of the WFP name or emblem for commercial purposes or in any manner that suggests an endorsement, preference for or promotion of any private sector person or entity or their products or services.
- 15. There will be prior consultation and agreement between WFP and the private sector person or entity regarding the ownership of copyright, patent or other intellectual property rights generated through any proposed activities.
- 16. The use of the WFP name or emblem by a private sector person or entity must be expressly approved in advance in writing upon such terms and conditions as may be specified.
- 17. WFP and any private sector person or entity must also agree in writing prior to undertaking any communications or publicity initiatives concerning their collaboration.

Acknowledgement

- 18. As a privilege of cooperation, private sector persons and entities may be acknowledged for their contributions in a way that shows WFP's appreciation for the support provided.

Part II: WFP due diligence process and governance overview

19. Adhering to general principles established in United Nations system private sector cooperation guidelines, WFP's current due diligence process was formally established with the adoption of the WFP Private Sector Partnerships and Fundraising Strategy (2013–2017).⁷ Responsibility for the due diligence process was transferred from PPF to the Legal Office to eliminate a potential conflict of interest in the approval of funding opportunities.
20. Engagement with private sector persons and entities is reviewed in line with WFP's private donor framework⁸ and United Nations guidelines on cooperation with the private sector, as revised from time to time. Due diligence reports may be requested by PPF as well as other WFP functional units. All account managers are responsible for requesting due diligence reports, when needed, as their conversations with potential partners or celebrities progress to potential engagement.
21. Once a due diligence review is requested, the Legal Office prepares a report and assigns a level of risk to the relevant entity or individual, based on criteria established by the Private Donors and Partnerships Committee (the "Committee"). The Committee comprises senior-level management of WFP, as further detailed below. Depending on the risk level, the due diligence report is then submitted for review and approval by the Committee in accordance with the WFP private donor framework. PPF serves as the secretariat for the Committee and determines which due diligence reports are submitted for consideration.
22. The Committee is responsible for overseeing the WFP due diligence process through:
 - a) considering the results of due diligence reviews conducted by the Legal Office and deciding whether proposed contributions may be accepted or partnerships initiated;
 - b) Providing guidance to PPF on the implementation of the Committee's decisions, for example by approving engagement with a non-governmental entity subject to certain conditions;
 - c) Providing guidance to the Legal Office on the conduct of due diligence reviews, to PPF on implementation of the Committee's decisions and other WFP functional units on the application of due diligence requirements; and
 - d) Considering and advising on other matters relating to private sector contributions or partnerships.
23. The Committee acts by consensus among its voting members, referring any matter on which consensus fails to the Executive Director. Committee members and others who participate in committee meetings are provided with meeting documents in advance, allowing time for the review of proposed opportunities and other matters.
24. The Committee is chaired by WFP's Deputy Executive Director and is composed of the following members: Assistant Executive Director, Operations Services; Assistant Executive Director, Resource Management and Chief Financial Officer; Chief of Staff and Director, Office of the Executive Director; as well as Assistant Executive Director, Partnerships and Governance (non-voting member); Director, PPF (non-voting member); and Director CAM (non-voting member).

⁷ WFP/EB.A/2013/5-B. <https://docs.wfp.org/api/documents/WFP-0000024954/download>.

⁸ This framework includes Executive Director's Circular 2013/025, "Guidelines for Private-Sector Partnerships," the "WFP Code of Conduct" and guidance set out in two Executive Board documents, "New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base" (WFP/EB.3/2004/4-C) and "WFP's Private-Sector Partnership and Fundraising Strategy" (WFP/EB.1/2008/5-B/1).

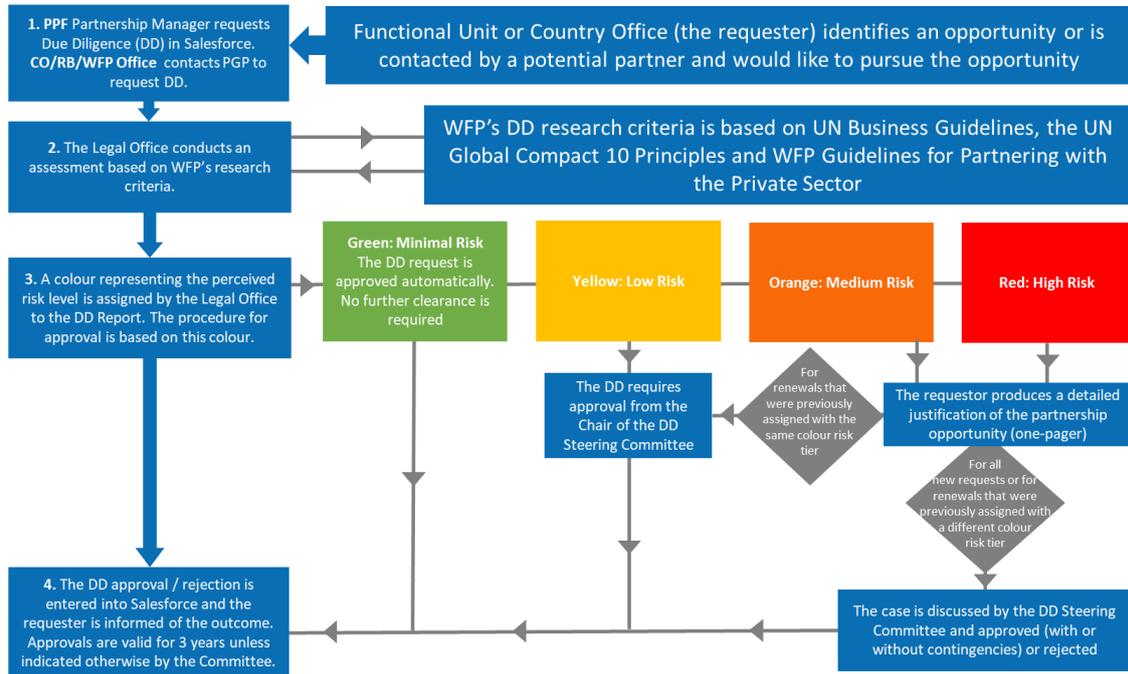
Applicability of the due diligence process

25. Currently WFP carries out due diligence screenings for prospective partners and donors who intend to contribute USD 50,000 or more or to use the WFP name and emblem.
26. WFP's due diligence screening requirement applies to new and ongoing partners alike, including in cases of significant new contractual commitments with ongoing partners. Unless specified otherwise, approved due diligence screenings are valid for three years. Due diligence is also undertaken for WFP goodwill ambassadors, champions, advocates and other celebrity partners, in accordance with United Nations guidelines.
27. WFP may accept contributions in an expedited manner if the donations are for an official L2 or L3 emergency operation or a major emergency as designated by the Assistant Executive Director, Partnerships and Advocacy, that requires especially rapid fundraising.⁹ In such a case, the Director of PPF may request that the Assistant Executive Director, Partnerships and Advocacy, authorize the acceptance of cash contributions from non-governmental entities of USD 50,000 or more. Acceptance is conditional upon a prospective donor providing written representations and warranties in a legally binding agreement of its compliance with WFP criteria and retroactive completion of the due diligence process.
28. As part of this strategy, WFP proposes to increase the due diligence financial threshold to USD 100,000 to facilitate a more streamlined process for country-office-led opportunities, consistent with the focus of this strategy and in line with United Nations development system reform. This financial threshold increase would also apply in the case of emergency contributions, as described above.
29. In addition to this proposed financial threshold increase, WFP intends to develop new ways of working – with the guidance and oversight of the Committee – that will both ensure sound risk management and enable regional bureaux and country offices to more quickly and effectively develop partnerships at the local level. This approach will be taken in line with the recommendations of the strategic partnerships results group of the United Nations Sustainable Development Group, under which a private sector task team has been working on due diligence harmonization.

⁹ WFP Decision Memorandum 4398, 14 January 2016.

Figure 1: Overview of the WFP due diligence process (including approval bodies)

Robust processes put in place to ensure adherence to UN guidelines and limit the risk of conflict of interest



Acronyms used in the document

Amnesty Int'l	Amnesty International
CAM	Communications, Advocacy and Marketing Division
JAWFP	Japan Association for WFP
KPI	key performance indicator
MSF	Médecins Sans Frontières
NGO	non-governmental organization
PPF	Private Partnerships and Fundraising Division
SDG	Sustainable Development Goal
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WWF	World Wide Fund for Nature