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Strategic Evaluation of Funding WFP's Work

Evaluation Report: Volume I

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WFP Office of Evaluation



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Disclaimer

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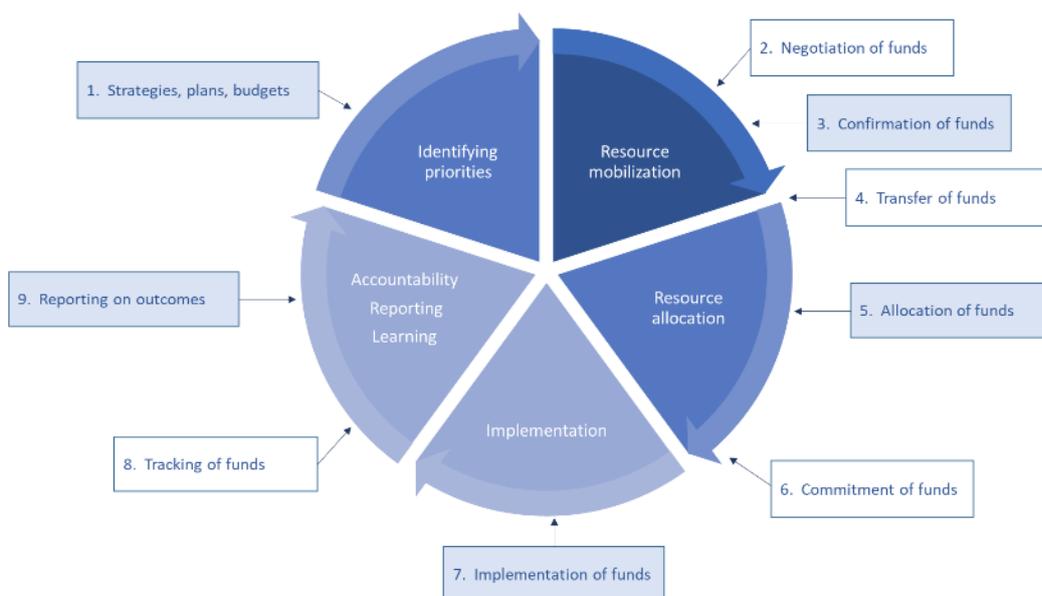
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Executive summary

INTRODUCTION AND EVALUATION FEATURES

1. This strategic evaluation was commissioned by the WFP Office of Evaluation. It assessed the quality and results of the efforts made by WFP between 2014 and 2019 to secure adequate and appropriate funding for its work towards achieving zero hunger, and it sought to determine why WFP has or has not been able to fund its work in order to draw lessons for the future.
2. The evaluation serves the dual purposes of learning and accountability. The evaluation covered all types of WFP funding and resourcing for all areas of its work.¹ It set out to answer four main evaluation questions:
 - Has WFP developed a comprehensive, coherent and effective policy framework, strategy and organizational structure to ensure adequate and appropriate funding for its work?
 - Has WFP successfully implemented the tools, approaches, incentives and individual capacities to attract adequate and appropriate funding for its work, including from private sources?
 - Has the move to the Integrated Road Map (IRM) helped or hindered the mobilization of adequate and appropriate resources, and what opportunities are there for the future?
 - Have WFP's internal resource allocation mechanisms helped it to meet its priority needs on time?
3. A conceptual framework (see summary in figure 1) was designed to guide the evaluation. It was used alongside the evaluation questions to focus on the most important processes, activities, actors and expected outcomes involved in funding the work of WFP.

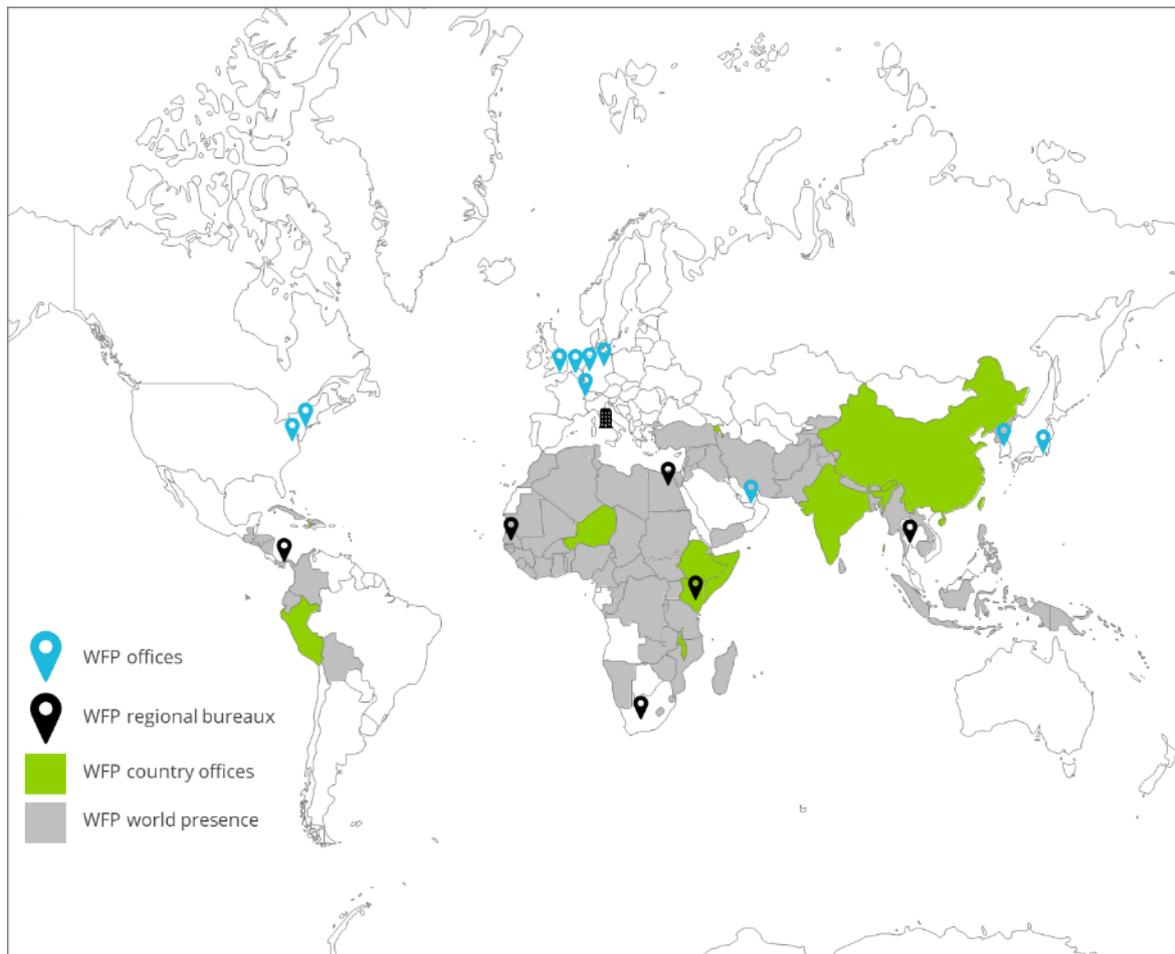
Figure 1: Summary of evaluation conceptual framework



¹ For the purposes of the evaluation, WFP's work is broadly defined as its programme of work and its support functions, as the latter directly enable and support the quality of programming.

- The evaluation was conducted between May 2019 and March 2020. An inception phase was followed by data and document reviews. Nearly 400 stakeholder interviews were conducted at headquarters and in eight country offices, all six regional bureaux and ten donor capitals (figure 2). A comparative study covered nine other organizations, drawing on publicly available quantitative data, documents and interviews. Evaluation data was triangulated across methods and sources, analysed and validated during a global debrief and a one-day consultative workshop.

Figure 2 : Map of data collection locations



- The primary intended users of the evaluation are the WFP Executive Board; senior management; staff in headquarters, global offices, regional bureaux and country offices; donor partners; government partners; private sector partners; and other interested parties.

CONTEXT

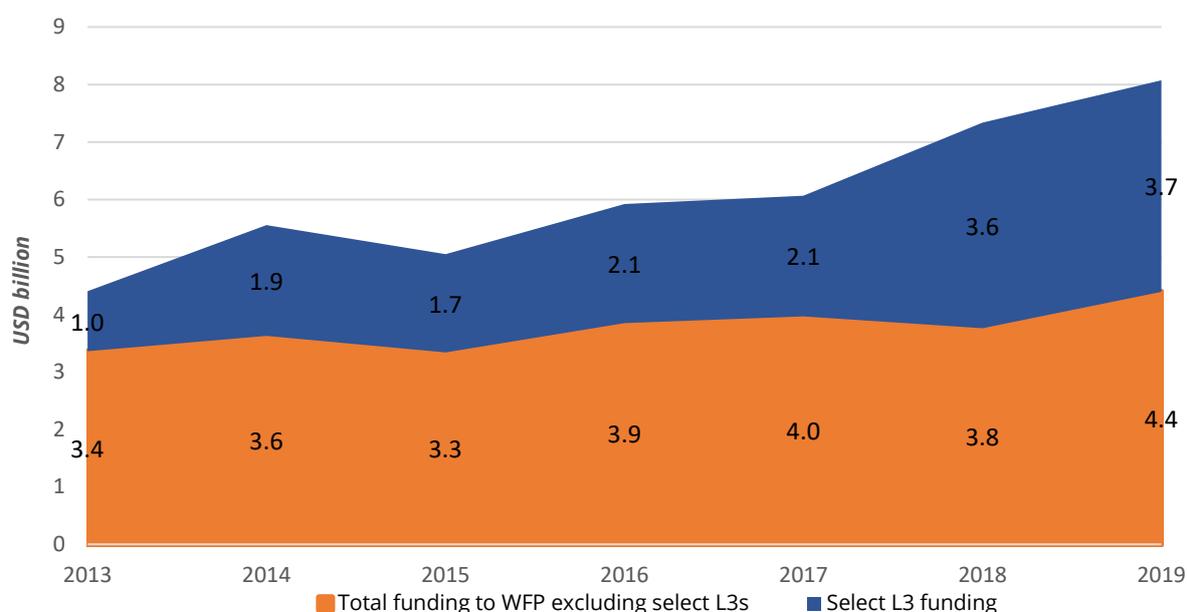
- Following decades of steady decline, world hunger increased in 2018 for the third consecutive year, with more than 821 million people chronically undernourished² and

² Food and Agriculture Organization of the United Nations, International Fund for Agricultural Development, United Nations Children's Fund, WFP and World Health Organization. 2019. *The State of Food Security and Nutrition in the World 2019. Safeguarding against economic slowdowns and downturns*. <https://www.wfp.org/publications/2019-state-food-security-and-nutrition-world-sofi-safeguarding-against-economic>.

over 113 million people in 53 countries experiencing acute hunger, with around two thirds of the latter living in areas affected by conflict or insecurity.³

7. The United Nations Secretary-General's Strategy for Financing the 2030 Agenda for Sustainable Development (2018–2021) estimates that between USD 5 and USD 7 trillion will be needed⁴ and concludes that raising that amount will require broader partnerships, new financing models and additional funding from the public and private sectors.
8. In response to development challenges, official development assistance from members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development rose to a high of USD 152.8 billion in 2019, although the pace of growth in official development assistance in recent years has slowed. International humanitarian assistance increased by USD 28.9 billion in 2018; while that was the fifth consecutive annual increase, the rate of increase was lower, than in previous years.⁵
9. Funding for WFP's work has increased dramatically over the course of the last two decades in response to increasing humanitarian needs, driven by contributions to responses to large-scale and high-profile emergencies (figure 3). Nonetheless, a large funding gap remains.

Figure 3: Volume of contributions to WFP and selected Level 3 emergencies



Source: WINGS data as of 31 January 2020

Notes: The selected L3 emergencies are Syria +5 (2013–present, noting that the +5 countries lost L3 status in March 2019); Yemen (2015–present, noting that L3 emergency was only declared on 3 July 2015); and South Sudan (2014–present).

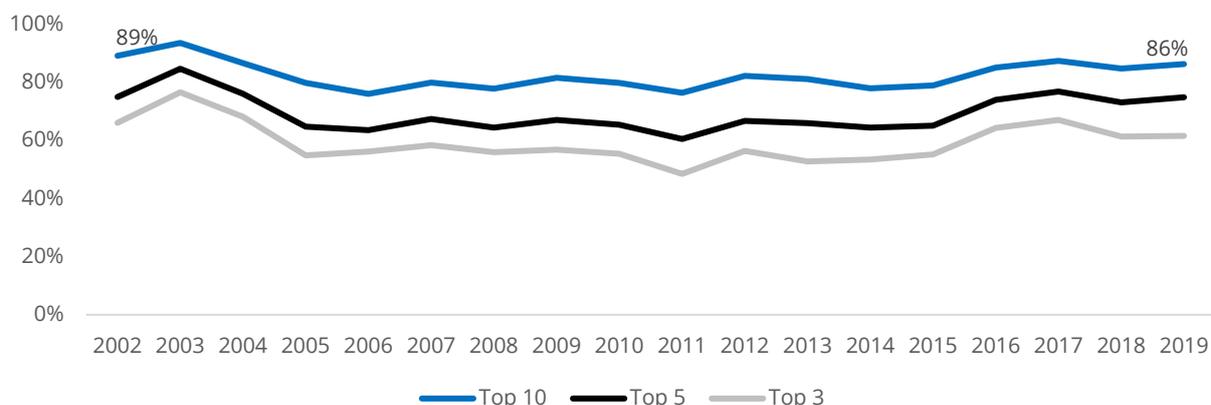
³ WFP. 2019. *WFP Management Plan (2020–2022)* (WFP/EB.2/2019/5-A/1). <https://docs.wfp.org/api/documents/WFP-0000108558/download/>.

⁴ United Nations Conference on Trade and Development. 2014. *World Investment Report 2014*. https://unctad.org/en/PublicationsLibrary/wir2014_en.pdf. A more recent report estimates a funding gap of USD 400 billion per year for low-income developing countries: see United Nations Sustainable Development Solutions Network. 2019. *SDG Costing & Financing for Low-Income Developing Countries*. https://irp-cdn.multiscreensite.com/be6d1d56/files/uploaded/FINAL_SDG%20Costing%20%26%20Finance%20for%20LIDCS%2028%20Oct.pdf.

⁵ Development Initiatives. 2019. *Global Humanitarian Assistance Report 2019*. <https://devinit.org/publications/global-humanitarian-assistance-report-2019/#downloads>.

10. Much of WFP’s funding comes from a relatively small pool of government donors (figure 4), and private sector contributions have declined in the last decade. This is in contrast to a number of comparable United Nations organizations that have seen a growth in their private income, particularly from individuals.

Figure 4: Concentration of funding by top donors

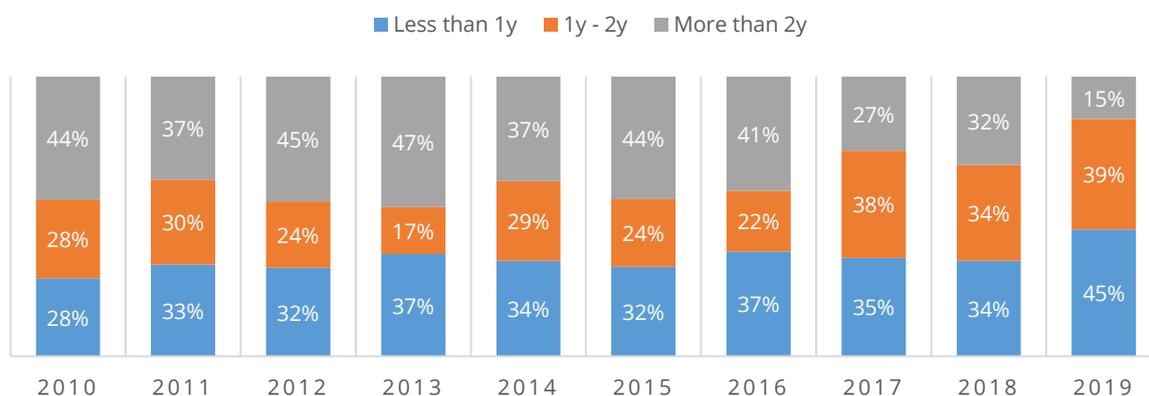


Source: WINGS database as of 10 September 2019.

Notes: Data is in constant prices.

11. While the volume of funding received as part of multi-year commitments from donors has increased over recent years, the percentage of short-term contracts has also increased (figure 5).⁶

Figure 5: Volume of contributions to WFP by expenditure timeframe, 2010–2019



Source: WINGS data as of 31 January 2020

12. The vast majority of WFP funding is earmarked: 94 percent in 2018 was directed (as opposed to flexible, multilateral), and 84 percent of directed contributions were earmarked to the activity level, although this share fell to 71 percent in 2019.
13. The past three WFP strategic plans have provided direction related to the funding of the organization’s work, including by identifying challenges in the funding environment and underscoring the importance of flexible and long-term funding. The WFP Strategic Plan

⁶ WFP’s definition of multi-year commitments are funds committed on a certain date which WFP can predictably count on in the following years. They are registered within WFP’s systems as separate grants – one for each year of the agreement.

(2017–2021)⁷ aligns WFP priorities with the Sustainable Development Goals (SDGs), particularly SDGs 2 and 17, and reaffirms the dual mandate of WFP organized around three focus areas: crisis response, building resilience and root causes. A number of WFP strategies and policies also provide a foundation for WFP’s approach to funding.

14. Regional bureaux, country offices and global offices have clear responsibilities to support fundraising. In addition, various units at WFP headquarters are responsible for the oversight and coordination of resource mobilization. The Strategic Resource Allocation Committee (SRAC) serves as the lead in the formulation of recommendations to the Executive Director regarding the allocation of flexible funding received by WFP.⁸
15. Trust funds serve as vehicles for attracting donor funding for specific initiatives; special accounts enable WFP to finance corporate and business services and support activities that do not fall within the scope of country strategic plans (CSPs). Given WFP’s dependence on somewhat unpredictable voluntary contributions, the organization has established advance financing mechanisms, including the Immediate Response Account and the Internal Project Lending Facility.

FINDINGS

Evaluation question 1: To what extent has WFP developed a comprehensive, coherent and effective policy framework, strategy and organizational structure to ensure adequate and appropriate funding for its work?

16. WFP’s budget has grown significantly in line with the increase in humanitarian need and the resulting large contributions to major emergency responses. The continuity of that funding is highly uncertain, however, because of volatility in the funding environment and overdependence on a small pool of donors. The organization has taken several measures to minimize risks, including efforts to diversify the funding base and the cautious management of the programme support and administrative (PSA) budget. The true running costs of WFP are not reported in a consolidated way that captures operational costs both within and outside the PSA budget; this complicates the task of understanding the scale of the risk and instituting appropriate risk mitigation measures.
17. ‘Adequate’ and ‘appropriate’ are relative terms when applied to funding, and the scale of the funding gap is debated within WFP. What is clear is the impact of funding shortages on operations, particularly for smaller and less visible crises and for resilience and development activities. Donor reactions to the funding gap are mixed, and some are sceptical about the role of WFP beyond emergency response. Internal stakeholders have various perspectives on priorities within WFP’s dual mandate.
18. WFP has no overarching funding strategy, but this is not perceived by stakeholders to have had a negative impact on resource mobilization. While WFP’s success in private fundraising has been limited to date, the recently adopted private sector strategy is an important addition.⁹ This new strategy and investment commitments seem likely to generate results in line with the timeline and targets approved by the Executive Board.

⁷ WFP/EB.2/2016/4-A/1/Rev.2* <https://docs.wfp.org/api/documents/WFP-0000037196/download/>.

⁸ Two types of revenue provide flexibility for WFP’s internal resource allocation: the income captured by applying the indirect support cost rate to contributions; and multilateral (unearmarked or lightly earmarked) contributions. Indirect support cost income is used to fund the PSA budget.

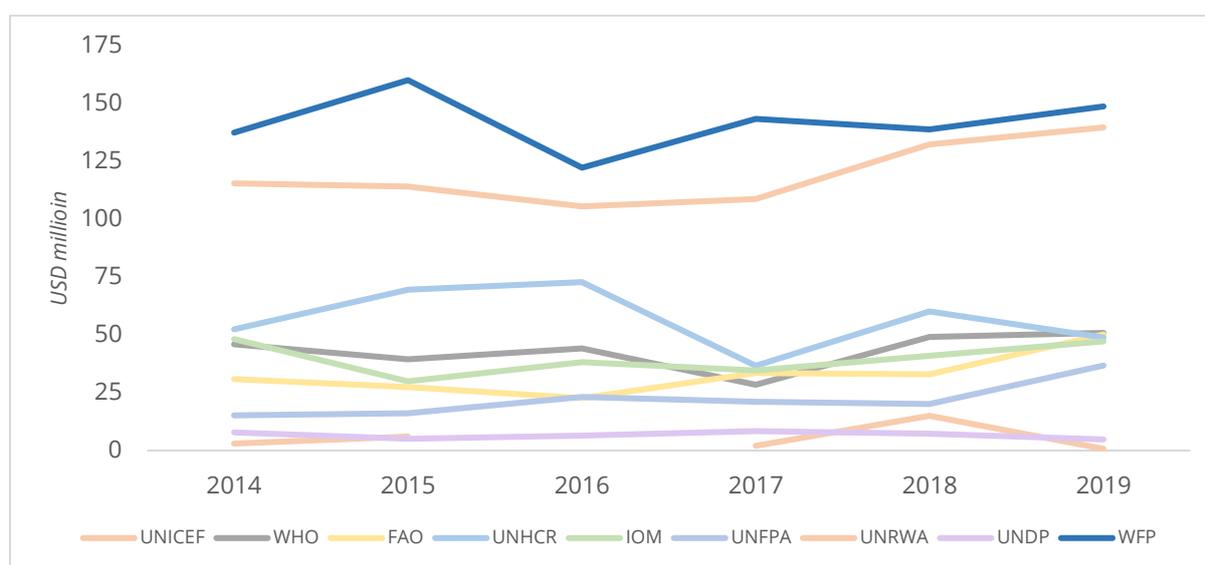
⁹ The WFP “Private-sector partnerships and fundraising strategy (2020–2025)” (WFP/EB.2/2019/4-A/Rev.1) distinguishes between strengthening technical partnerships with businesses for their expertise, capability and advocacy support;

19. The architecture, legal framework and governance arrangements of WFP have enabled the organization to take multiple, largely successful, approaches to resource mobilization. Greater impact could be achieved through better use of different WFP offices and structures, including global offices and friends of WFP associations. Some country offices have struggled to raise adequate funding and a competitive environment for resources exists at headquarters due to a lack of internal coherence and prioritization.

Evaluation question 2: To what extent has WFP successfully implemented the tools, approaches, incentives and individual capacities to attract adequate and appropriate funding for WFP’s work, including from private sources?

20. WFP has made good use of humanitarian funding mechanisms, including pooled funds (figure 6), but has not yet been successful in tapping into development financing at scale, partly due to challenges to effective communication with regard to WFP’s dual mandate. There is potential for more progress in this area, particularly if success is measured through strengthened partnerships and the leveraging of funding rather than solely through development contributions secured for WFP’s own programmes.

Figure 6: Top recipients of funding from the Central Emergency Response Fund



Source: Central Emergency Response Fund

21. The WFP brand is relatively unknown among the general public, an issue that will need to be addressed if contributions from individuals are to increase as foreseen in the private sector strategy. Communications and marketing efforts have also focused primarily on emergency response activities rather than resilience and development work.
22. WFP’s approach to innovative financing has generated some successes, particularly in forecast-based funding, but it is difficult to estimate the potential value of such opportunities. Approaches have been piecemeal and WFP risks falling behind its peers in other areas such as Islamic social finance.¹⁰ A clear strategy, strong leadership, specialist

increased efforts to generate funding from individuals; and more engagement with foundations to leverage both funding and expertise.

¹⁰ Islamic social finance is not new, but it is a relatively untapped source of funding for the international humanitarian community, particularly for United Nations agencies. It is covered here under the heading of innovative finance.

expertise, resources, patience and an acceptance of possible failure are all required if WFP is to take a more proactive leadership role in exploring and accessing innovative financing.

23. WFP's participation in joint programming and resource mobilization, as well as its willingness to engage in United Nations reform processes, are in evidence but have not yet generated significant funding. More significant impact can be expected as the reforms gather speed, which shows the need for sustained WFP engagement in the processes.
24. WFP has taken considerable steps to improve how it works, introducing innovations for addressing food insecurity and malnutrition, improving efficiency and partnering more effectively with local and national actors. These efforts have generally been appreciated by external stakeholders but have not yet resulted in more or different funding.
25. Investments in the development and use of tools has given WFP good visibility with regard to incoming contributions, forthcoming funding and predicted gaps. New fundraising tools, including digital platforms for individual giving, have the potential to help WFP to achieve its private fundraising ambitions.
26. Capacity gaps exist within WFP that prevent it from attracting more adequate and appropriate funding. Country offices are stretched, particularly smaller ones, and require additional support from regional bureaux and headquarters, especially when it comes to strengthening partnerships and accessing development and private sector funding. Approaches that seek to clarify how WFP's existing financing contributes to change in areas such as gender and climate change, such as the gender-responsive budgeting exercise, are positive. However, a lack of capacity related to specific themes and cross-cutting issues has hampered WFP's ability to attract specialized funding.

Evaluation question 3: To what extent has the move to the IRM helped or hindered the mobilization of adequate and appropriate resources and what opportunities are there for the future?

27. The IRM has helped WFP to better articulate its ambitions from activity to outcome level and has brought more cohesion to the narrative regarding WFP's dual mandate. While donors were generally positive about CSPs, the plans have not sparked funding changes because of other contributing factors. Expectations among some at WFP that the IRM would result in more comprehensive donor support for the organization's work in emergencies, resilience and development have not been realized, and the resulting mismatch with donor expectations may be unhelpful to the way WFP partners with donors.
28. WFP has not yet experienced the expected increases in unearmarked and multi-year funding and their related benefits in terms of flexibility, continuity and predictability. Such changes take time and are influenced by different factors, many beyond the control of WFP. Country offices have taken various steps to attract additional resources and create flexibility within existing budgets.
29. The WFP Strategic Plan (2017–2021) sets the direction for the organization and provides a line of sight for the preparation and implementation of CSPs. Improvements in WFP's ability to report on results and the impact of its work, as well as greater willingness on the part of donors to reduce ad hoc and specific reporting requirements, would help WFP demonstrate what it can contribute in different contexts, making the case for more and better funding in the future.
30. Securing financing on behalf of governments in support of national development priorities has not been a major focus of WFP's work and such efforts are largely undocumented. Looking ahead, clearer targets and indicators for leveraging funding to contribute to the SDGs on behalf of recipient governments will provide more direction for the organization.

Evaluation question 4: To what extent do WFP's internal resource allocation mechanisms help meet the organization's priority needs on time?

31. WFP's internal resource allocation mechanisms are intended to ensure funding for core functions and strategic initiatives and to limit the negative effects of temporary funding shortfalls on operations and programmes. Allocation decisions also help inform resource mobilization actions. The funding needs of WFP are broadly aligned with its strategies and plans but there is a lack of strategic guidance on what to prioritize within those needs when communicating with donors. Evidence of urgent humanitarian need, combined with limited resources and donor restrictions, has ensured funding for large-scale emergencies, whereas smaller and less visible crises and resilience and development activities face significant funding shortfalls. Gaps have been somewhat alleviated by internal allocation mechanisms but not on the scale necessary to address imbalances in funding. Coupled with dependence on government donors, the funding model by its nature has allowed donor preferences to influence prioritization, with funding driving strategy rather than the other way around.
32. Adjustments in the PSA budget have resulted in moderately more funding going to country offices and a proportional decrease in headquarters allocations, in line with agreed priorities (figure 7). Where funding for particular headquarters departments has increased, it has generally reflected corporate priorities. Where gaps have emerged, they have been filled by short-term and unsustainable critical corporate initiatives funded from the PSA Equalization Account or earmarked contributions from donors.

Figure 7: Nominal programme support and administrative budget allocations by organizational level

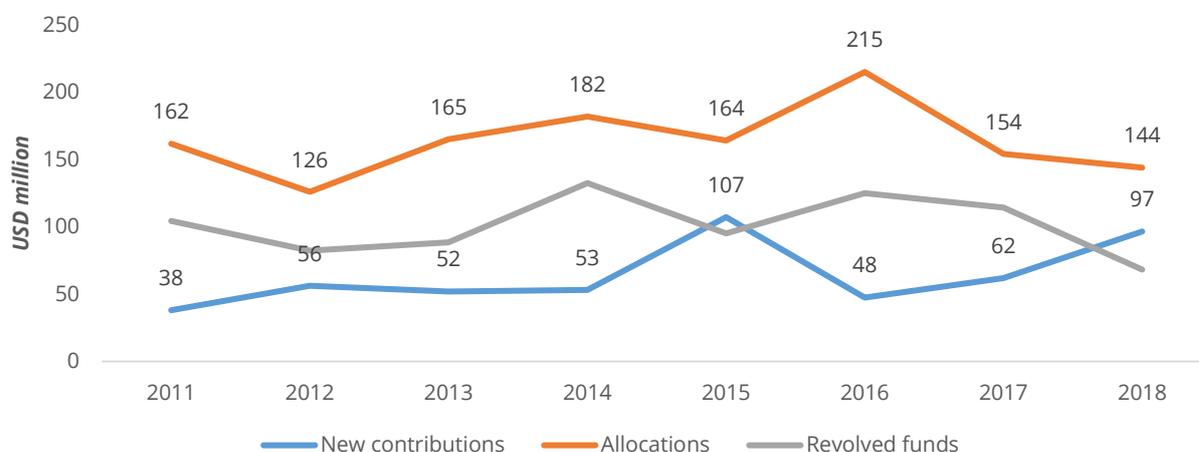


Source: WFP management plans

33. The inability of WFP to apply flexible indirect support cost rates has made it less competitive than other organizations, including when attempting to access innovative financing. This is likely to become increasingly relevant as discussions on value for money within the funding chain continue and affect donor decision making.
34. WFP's advance financing mechanisms have facilitated more timely and effective responses and enhanced the operational effectiveness of the organization. Advance financing has worked more effectively for large and highly visible emergencies with clear life-saving imperatives, and less so for small-scale crises and resilience and development activities. The Immediate Response Account has faced liquidity challenges (figure 8), and its scope does not adequately cover the preparedness and anticipatory action elements of WFP's

emergency work or mandated common services. The Global Commodity Management Facility enables efficiency gains through the supply chain (for example by reducing lead time). Clearer communication from the SRAC and more transparent decision making criteria are required to increase accountability for advance financing and allocation decisions.¹¹

Figure 8: Contributions, allocations and revolved funds for the Immediate Response Account



Source: WFP. 2019. Report on the utilization of WFP's advance financing mechanisms during the period 1 January–31 December 2018 (WFP/EB.A/2019/6-H/1).

35. The forthcoming bottom-up strategic budgeting exercise is an opportunity for WFP to fundamentally reassess how it allocates its internal resources, ensuring adequate and appropriate levels of funding for recalibrated roles and responsibilities across the organization.

CONCLUSIONS

36. **Conclusion 1:** WFP has performed well within a constrained funding environment in terms of the volume of funding that it has raised. However, the trend in total funding masks disparities between large, well-funded emergencies and other crisis-affected situations, as well as WFP's portfolio of resilience and development work. Donor commitments to provide more predictable and flexible funding have not yet had an impact on WFP's funding, which still operates on short-term funding cycles with little room for internal prioritization. The organization's ability to access long-term development financing at scale is hampered by a lack of expertise and strong competition, coupled with more stringent, time-consuming and unfamiliar application processes.
37. **Conclusion 2:** WFP's funding model is risky and not fully suited to the changing funding environment in which it operates. Total dependence on voluntary contributions (predominantly provided by a small number of government donors) means that WFP is particularly vulnerable to donor perceptions of priorities within its mandate, short-term donor funding cycles and shifts in donor budgets and priorities. An emphasis on funding from government sources rather than private donors has further limited WFP's flexibility, and future ambitions for growing private sector contributions are constrained by the level of investment that the organization (in particular the Executive Board) is prepared to make. For innovative financing, it will be important for WFP to engage in a structured way – at the policy and technical levels – to fully capitalize on opportunities to fill the funding gap. The

¹¹ Work is under way to revise the SRAC criteria and processes to ensure a more standardized and transparent approach.

architecture of WFP is largely appropriate for ensuring adequate funding, but various WFP offices have developed organically rather than by design, and some funding efforts have been highly dependent on specific individuals.

38. **Conclusion 3:** The IRM has heralded a shift in WFP's ambitions, changing the way that it describes its role and improving transparency. Funding, however, has not yet fully followed suit. Differing internal and external views on relative funding priorities persist, particularly between funding for large-scale emergencies and WFP's other work. Communication and marketing efforts predominantly centre around WFP's better-known role in large-scale emergency response. The perception among some that promises about flexible and predictable funding for the humanitarian-development-peacebuilding nexus have been broken, as well as increasing donor expectations for detailed and specific reporting, have contributed to an unrealistic set of expectations on the part of both WFP and donors. Some unexpected problems require attention, including through efforts to link resources to results and investments in evidence generation. Internal resource allocation decisions also need to be more timely and transparent.
39. **Conclusion 4:** WFP's funding ambitions are not entirely realistic and are often not backed up by commensurate efforts to achieve them. The funding gap dominates communications with donors and emphasizes dollars over people. The ambition to reach 80 or 100 percent of WFP's needs-based funding target is somewhat balanced by efforts to determine budgets based on forecasted contributions at the country level, but this has not yet translated into a more realistic prioritization of top-line, strategic objectives. The rhetoric regarding flexible funding has alienated some donors by failing to acknowledge the value of earmarked contributions. Finally, there is no clear consensus within WFP on the financial requirements for the organization's development work, and conflicting messages are communicated regarding the funding gap that it seeks to fill, including whether it does so solely for its own development-oriented ambitions or also to stimulate broader financing for national actors.
40. **Conclusion 5:** Internal capacity for partnerships, resource mobilization and related functions is limited, particularly at the country office level. Fundraising falls within the responsibilities of many WFP staff, an approach that has largely been effective but has required a coordinated and coherent approach. More oversight, leadership and clarity on relative priorities is required in order to maximize efforts and minimize the risk of WFP competing against itself for the same funding sources. Professionalization of the partnerships and resource mobilization function would help to build a stronger cadre of experts within the organization. A shortage of expertise on specific topics, such as gender and climate change, and on innovative financing has prevented WFP from developing new partnerships, tapping into dedicated resources on particular themes and accessing new funding sources at scale. Strong systems are in place within WFP to track, analyse and manage available resources and gaps, with more potential for them to be used strategically to identify and capitalize on emerging funding opportunities.
41. **Conclusion 6:** Because WFP has limited opportunities to allocate resources internally, its ambition to have strategic priorities drive funding decisions is frustrated. The relative hierarchy of corporate priorities is not always clear, increasing the likelihood that funding will drive strategy rather than the other way around. Advance financing mechanisms have been critical in allowing WFP some control over its resource priorities, but large-scale emergencies have been prioritized. In addition, challenges related to funding for the Immediate Response Account, and limited scope of the account, mean that it does not provide the full amount of advance financing needed for WFP's emergency work. Core function resource requirements deserve to be reviewed in the light of WFP's growth and

organizational changes, as is planned for 2020, along with a reconsideration of the flexibility of the indirect support cost rate.

RECOMMENDATIONS

Recommendation 1	Responsibility	Implementation deadline
<p>WFP should take a collaborative approach to developing its next strategic plan that allows the organization to clearly articulate with one voice its full mandate and priorities for ending hunger and improving nutrition and act accordingly.</p> <p>a) The process of developing the next strategic plan, as well as the next plan itself, should provide direction on the link between what WFP wants to achieve and the funding ambitions, priorities and approaches of the organization.</p> <p>b) The next strategic plan should:</p> <ul style="list-style-type: none"> • stress the importance of maintaining WFP's capacity to respond to all types of emergencies and increasing related funding, with objectives for funding preparedness, anticipatory action and response, including in contexts that receive less attention. • elaborate new approaches to working in partnership in protracted crises and for resilience building, including with international financial institutions in middle-income countries, to highlight the operational and funding requirements of WFP's work at the nexus of humanitarian, peacebuilding and development. • include a coherent and holistic narrative regarding WFP's contributions to sustainable development and related funding ambitions that integrate advancements in various programming approaches. 	<p>Assistant Executive Director, Programme and Policy Development Department, with the collaboration of the Office of the Deputy Executive Director and the Oversight and Policy Committee</p>	<p>November 2020</p>
<p>Rationale: Cultural changes at WFP that began with the shift from food aid to food assistance are still incomplete. WFP needs to present a unified narrative and act in a unified way in support of its full mandate to better secure funding for all components of its work. The development of the next strategic plan is an opportunity to reinforce why and how WFP can contribute to crisis response, resilience building and work to address root causes. Establishing clear relative funding priorities can provide direction for resource mobilization and enhance coherence and coordination.</p> <p>Linked to conclusions 3 and 4</p>		

Recommendation 2	Responsibility	Implementation deadline
<p>WFP should strengthen the foundation for financing its work in changing lives and for financing national efforts to achieve the SDGs. To that end it should:</p> <ul style="list-style-type: none"> a) develop a consolidated plan for and approach to accessing development financing, including clarity on potential sources and requirements, and investigate options for substantially different financing models. b) invest in the organizational capacity needed to better position itself and enhance partnerships with development funders and engage in development forums globally and at the regional and country levels, including through greater investment in policy advice, evidence generation and capacity strengthening. c) clarify its ambition for brokering direct development financing for national partners aligned with WFP Strategic Result 7 and SDG 17.3 and for institutionalizing the approach, including through methods for documenting its contributions to the indirect results of such partnerships, funding this element of its work and tracking forecasted and actual funding. 	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of the Programme and Policy Development Department, regional bureaux and country offices</p>	<p>February 2021</p>
<p>Rationale: WFP's culture and systems are largely oriented towards short-term humanitarian funding, not the long-term perspectives and patience required to access development funds. WFP needs to redouble its efforts to access development financing to support its work to change lives. This will require training and support for country office teams on how to position and communicate WFP's holistic CSP approach and more robust evidence on how WFP approaches in resilience and development contribute to positive outcomes. Better understanding and capacity in country offices and other parts of WFP is also needed for partnering with host government development actors and key ministries (e.g. finance and planning), international financial institutions and other development donors to fund WFP's work and to broker access to financing for national partners.</p> <p>Linked to conclusions 1, 3, 4 and 5</p>		

Recommendation 3	Responsibility	Implementation deadline
<p>WFP should continue to fully explore, implement and invest in strategies for diversifying its sources of funding, including by:</p> <ul style="list-style-type: none"> a) ensuring full and sustained leadership and governance support for the implementation of the new private sector strategy, including by aligning marketing efforts with detailed management implementation plans and by considering more ambitious targets based on demonstrated performance. b) developing a strategy and structure and allocating resources for more proactive efforts to access innovative financing. c) stepping up engagement with other United Nations organizations to capitalize on opportunities for joint programming and resource mobilization, including through joint applications for humanitarian and development-oriented pooled funding. 	<p>Assistant Executive Director, Partnerships and Advocacy Department, supported by the Director of Private Partnership and Fundraising Division with the collaboration of WFP global offices, regional</p>	<p>September 2020</p>

	bureaux and country offices	
<p>Rationale: Diversifying WFP’s funding sources is critical to securing more flexible funding and improving the ability of leadership to ensure that resource allocation is better balanced against the organization’s strategic priorities. To successfully diversify its funding, WFP will need to be more proactive. Sustained investments are needed to ensure the success of WFP’s efforts to increase individual giving, access to innovative financing and joint resource mobilization.</p> <p>Linked to conclusions 2 and 5</p>		

Recommendation 4	Responsibility	Implementation deadline
<p>WFP should increase and sustain organizational investments in critical resource mobilization and communications, marketing and advocacy personnel to maximize its ability to maintain existing funding and secure more diverse, adequate, flexible and predictable funding. To that end it should:</p> <ol style="list-style-type: none"> develop human resource strategies and funding arrangements for partnerships, reporting, communications, advocacy and marketing functions at all levels of the organization. invest in national staff in partnership functions and specialized staff with expertise in innovative financing, marketing and advocacy, thematic and cross-cutting issues and proposal development. 	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of the Resource Management Department and especially the Human Resources Division, the Office of the Deputy Executive Director and the Programme and Policy Development Department</p>	<p>June 2021</p>
<p>Rationale: Investment in staff with roles in raising funds is necessary to diversify the sources and increase the amount of funding. Capacity for resource mobilization, communications, advocacy, marketing and reporting is currently under-resourced in many country offices. Double-hatting, frequent rotation and the use of generalists have had negative effects on the continuity of relationship management and on WFP’s ability to access specialized and thematic funding.</p> <p>Linked to conclusions 1 and 5</p>		

Recommendation 5	Responsibility	Implementation deadline
<p>WFP should strengthen its organizational capacity by investing in the necessary tools, products, processes and protocols for better services related to funding. To that end it should:</p> <ol style="list-style-type: none"> institute coordination processes and protocols for engaging with donors and for capturing intelligence on donors and opportunities in Salesforce, with clear roles and responsibilities, to ensure a disciplined approach to presenting organizational priorities for funding. 	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of global offices,</p>	<p>December 2020</p>

Recommendation 5	Responsibility	Implementation deadline
<ul style="list-style-type: none"> b) develop communication, advocacy and marketing tools and initiatives based on evidence of programme effectiveness, including more effective communication of the added value of WFP work beyond emergency response. c) strengthen management oversight of grant compliance requirements by country offices, with support from headquarters, regional bureaux and global offices. d) maintain high levels of engagement in global humanitarian and development processes and forums to represent WFP contributions and commitments and continue work with donors to advocate adequate, predictable and flexible funding with reasonable reporting and other compliance requirements. 	regional bureaux and country offices	
<p>Rationale: Further investments in organizational capacity and processes are needed to ensure a disciplined approach to presenting organizational priorities for funding and to prevent internal competition. As WFP seeks to diversify funding sources and access development financing it will need to improve how it presents evidence of its effectiveness and ensure compliance with grant requirements while continuing to engage with donors on ways to improve the flexibility of funding and reduce the burdens of donor requirements. Linked to conclusions 3 and 5</p>		

Recommendation 6	Responsibility	Implementation deadline
<p>WFP should redouble efforts to achieve the planning, accountability, transparency and resource management ambitions envisioned in various components of the IRM. To that end it should:</p> <ul style="list-style-type: none"> a) continue the process of aligning CSP planning cycles with United Nations sustainable development cooperation framework (UNSDCF) processes and supporting the design of next-generation CSPs to ensure that they are coherent, evidence-based and aligned with national development goals and financing priorities and that they incorporate resource mobilization and partnership considerations. b) identify how the resilience and development targets in CSPs are reflected in global resource mobilization targets, ambitions and communications. c) continue work on tools and guidance to demonstrate the connection between resources and results by better defining corporate indicators, measuring cross-cutting results (particularly with regard to gender equality and resilience) and minimizing the opaque effects of bundling activities. d) review the challenges to country office resource management flexibility posed by activity-level earmarking based on lessons learned from first-generation CSPs and provide guidance for the next generation of CSPs. e) review guidance and practice regarding specialized donor reporting, including related budgeting approaches, and incorporate information in Salesforce to ensure monitoring and reporting costs are included in budgets. 	Assistant Executive Director, Programme and Policy Development Department, with the cooperation of the Budget and Programming Division, the Performance Management and Reporting Division, the United Nations System and Multilateral Engagement Division, regional bureaux and country offices	June 2021

Recommendation 6	Responsibility	Implementation deadline
<p>Rationale: The development of the next generation of CSPs provides WFP with an opportunity to further align its planning with that of other actors. Integrating CSP formulation with positioning and partnership efforts will be pivotal in strengthening the basis for improved funding. Work under the IRM to demonstrate transparency and accountability has shown results but needs to remain an area of focus along with adequate budgeting for donor requirements on reporting to avoid problems with such reporting becoming an under-funded mandate.</p> <p>Linked to conclusions 1 and 3</p>		

Recommendation 7	Responsibility	Implementation deadline
<p>WFP should improve the effectiveness of its corporate resource allocation processes and decisions in order to facilitate continuous, transparent and timely prioritization to meet its strategic needs. To that end it should:</p> <ol style="list-style-type: none"> invest in the thorough implementation of the bottom-up strategic budgeting exercise, which should include consideration of all headquarters and regional bureau functions and costs, including special accounts and trust funds. develop a mechanism for articulating the relationship between the hierarchy of corporate priorities and resource allocation from all funding sources as part of developing the annual management plan. provide staff and governance with transparent and timely information on the allocation decisions of the SRAC and the rationale for prioritization. continue timely decision making on investment case proposals (as initiated in 2020) to allow adequate time for implementation. develop a system for tracking and reporting on the use of resources allocated to critical corporate initiatives and other investment cases and ensure that this performance information is used in future funding decisions. provide the Executive Board with a detailed analysis of the implications of an inflexible indirect support cost rate, taking into account system-wide discussions on aligning practices, competition and partnership considerations, to facilitate more formal Executive Board feedback on indirect support cost flexibility proposals. 	<p>Assistant Executive Director, Resource Management Department, with the collaboration of the Chief of Staff and the Deputy Executive Director</p>	<p>September 2021</p>
<p>Rationale: Corporate resource allocation processes are a critical means of demonstrating support for strategic priorities, funding core functions of the organization and investing in change initiatives to improve efficiency and effectiveness. At present the core requirements of the organization exceed the funding for the PSA budget, leading to ad hoc approaches to donors and a lack of a consolidated presentation of all core costs. SRAC decisions have not always been communicated and investments have not been systematically monitored. The indirect support cost rate has been fixed, posing some challenges with regard to accessing and competing for certain funding.</p> <p>Linked to conclusion 6</p>		

Recommendation 8	Responsibility	Implementation deadline
<p>WFP should strengthen its advance financing mechanisms so that they ensure predictable and timely resourcing for the full scope of WFP's work, including emergency (preparedness, anticipatory action and response), resilience and development activities. To that end it should:</p> <ul style="list-style-type: none"> a) ensure the availability of internal resources for the start-up of resilience and development activities until additional external funding can be catalysed and sustained, recognizing the longer period required for accessing external financing for development-related work. b) complete the review of the Immediate Response Account and consider establishing one consolidated and regularly replenished emergency advance financing facility that covers the full scope of WFP's work related to preparedness, anticipatory action and emergency response, as well as the advance financing needs of mandated common services. c) develop options for providing advance financing for launching common mandated services. 	<p>Assistant Executive Director, Resource Management, with the collaboration of the Office of the Deputy Executive Director and the Programme and Policy Development Department</p>	<p>February 2021</p>
<p>Rationale: WFP's advance financing mechanisms are a critical tool for enabling the timely implementation of programmes and operations. Addressing current gaps in these mechanisms related to resilience and development activities, preparedness, anticipatory action and response, and common mandated services would further ensure that WFP's work is not interrupted by temporary funding gaps. Linked to conclusion 6</p>		

1. Introduction

1.1 EVALUATION FEATURES

Rationale

1. This strategic evaluation was commissioned by the World Food Programme (WFP) Office of Evaluation (OEV). As described in the evaluation terms of reference (ToR) (see Annex 1), the topic was chosen based on its relevance to the strategic direction and management of WFP following a series of leadership consultations and analysis of themes conducted by the Office of Evaluation to determine the issues of greatest importance for coverage by strategic evaluations.
2. Increasing humanitarian needs, a continued collaborative effort to achieve the Sustainable Development Goals (SDGs), and sustained efforts to secure financing have resulted in a dramatic growth in the WFP annual budget, with contributions reaching over United States Dollars (USD) 7 billion in 2017 and 2018. However, a significant gap remains and funding shortages impede the ability of the organization to fully implement its planned programme of work. Some country strategic plans (CSP) and areas of work within country strategic plans receive considerably less funding than others, most notably those addressing the “root causes” of hunger and malnutrition. Funding shortages and inconsistencies in the availability of funds across different priority areas restrict the ability of WFP to deliver against its planned programme of work, limit innovation and constrain collective efforts to achieve zero hunger.
3. The type of funding that WFP receives also affects its ability to deliver against its objectives. Much of WFP funding comes from a limited pool of government donors and there is a need to understand how the organization can encourage a more diverse set of donors – both government and private – to increase their contributions. Earmarking of contributions can make it difficult for WFP to flexibly respond to identified priorities within the organization. A lack of multi-year funding also hinders the ability of WFP to predictably respond to protracted and recurrent needs and effectively shrink humanitarian needs over time. Within WFP, there is a high degree of interest in understanding how to improve both the quantity and the quality of funding to allow the organization to respond more effectively to priority needs.
4. WFP systems and processes for establishing priorities, allocating resources and reporting on resources and results for accountability have undergone significant changes since the adoption of the Integrated Road Map (IRM) in 2016.¹² WFP manages a number of critical funds and advance financing mechanisms to enable it to respond quickly to emergency situations and/or to enhance emergency preparedness, early action and response capabilities. The effectiveness of these strategies, policies and systems, particularly those that have undergone recent changes, merit review from a funding perspective; as does the impact of the ongoing United Nations reform process on system-wide planning, resource mobilization and allocation.

Objectives and scope

5. WFP evaluations serve a dual purpose of accountability and learning. As such, this evaluation:
 - Assesses and reports on the quality and results of the direct and indirect efforts of WFP to support appropriate funding of initiatives contributing to zero hunger, taking into account relevant risks and opportunities (accountability)
 - Determines the reasons why WFP has or has not been able to fund its work in order to draw lessons to strengthen efforts aimed at progress towards zero hunger (learning).
6. The evaluation set out to answer four main evaluation questions, under which fall a number of more detailed sub-questions (see the evaluation matrix at Annex 7 for the full set of questions and sub-questions). The four overarching evaluation questions asked to what extent:
 - Has WFP developed a comprehensive, coherent and effective policy framework, strategy and

¹² The IRM has resulted in a WFP Policy on Country Strategic Plans, a new country strategic plan framework and changes stemming from the Financial Framework Review and a new Corporate Results Framework. See Section 1.4 for further details.

organizational structure to ensure adequate and appropriate funding for WFP work?¹³

- Has WFP successfully implemented the tools, approaches, incentives and individual capacities to attract adequate and appropriate funding for its work, including from private sources?
 - Has the move to the Integrated Road Map helped or hindered mobilization of adequate and appropriate resources and what opportunities are there for the future?
 - Have the internal resource allocation mechanisms in WFP helped meet the organization's priority needs on time?
7. The timeframe for the evaluation is 2014-2019. However, funding-related data from the past ten years (and occasionally prior) have been examined for the purpose of identifying longer-term patterns and trends. All types of funding have been considered within the evaluation, including funding from private sources; and the scope of the evaluation covers resourcing for all aspects of WFP work.

Stakeholders and users

8. Primary users of the evaluation include members of the WFP Executive Board, WFP senior management and WFP staff and partners at regional and country levels. All headquarters level units are expected to use the evaluation findings and recommendations, but particularly individuals within the Partnership and Advocacy Department and the Resource Management Department. Beyond headquarters, key users will include WFP staff working on fundraising and resource allocation within regional bureaux and country offices. The results of the evaluation are expected to feed into the development of the new WFP strategic plan to be presented to the Executive Board in 2021.
9. There are a number of other stakeholder groups expected to have an interest in the evaluation findings and recommendations, including external actors. They include national governments in countries in which WFP works; other United Nations organizations; WFP cooperating partners, including national actors; government and private sector donors and partners; "Friends of WFP" organizations; international financial institutions such as the World Bank and regional development banks like the African Development Bank; and academia.

Methodology and limitations

10. The evaluation followed the Office of Evaluation's Centralized Evaluation Quality Assurance System (CEQAS) guidelines for strategic evaluations. In addition, the evaluation took into consideration the Organization for Economic Cooperation and Development's Development Assistance Committee (OECD-DAC) and the Active Learning Network for Accountability and Performance (ALNAP) evaluation criteria – including coherence, effectiveness, efficiency, relevance and sustainability. A mixed methods approach was employed to gather and analyse available quantitative evidence and collect new qualitative data. Data were triangulated across different methods and sources to increase confidence in the findings, minimize bias and ensure impartiality. Data were then organized and analysed for each evaluation question and sub-question to ensure full coverage of the evaluation objectives.
11. Given the broad scope of the evaluation, it was agreed that a single overarching theory of change to guide the evaluation was not feasible. Instead, the evaluation team designed a conceptual framework set out in the form of a work cycle or process covering the following set of activities: identification of priorities, resource mobilization, resource allocation, implementation, and accountability, reporting and learning. The conceptual framework was used alongside the evaluation questions to focus on the most important processes, activities, actors and expected outcomes involved in funding WFP work. The conceptual framework is included at Annex 5.
12. The primary data sources used for internal WFP data on contributions and expenditure were WINGS and Salesforce.¹⁴ External data were used for the purposes of situating WFP funding in the context of broader

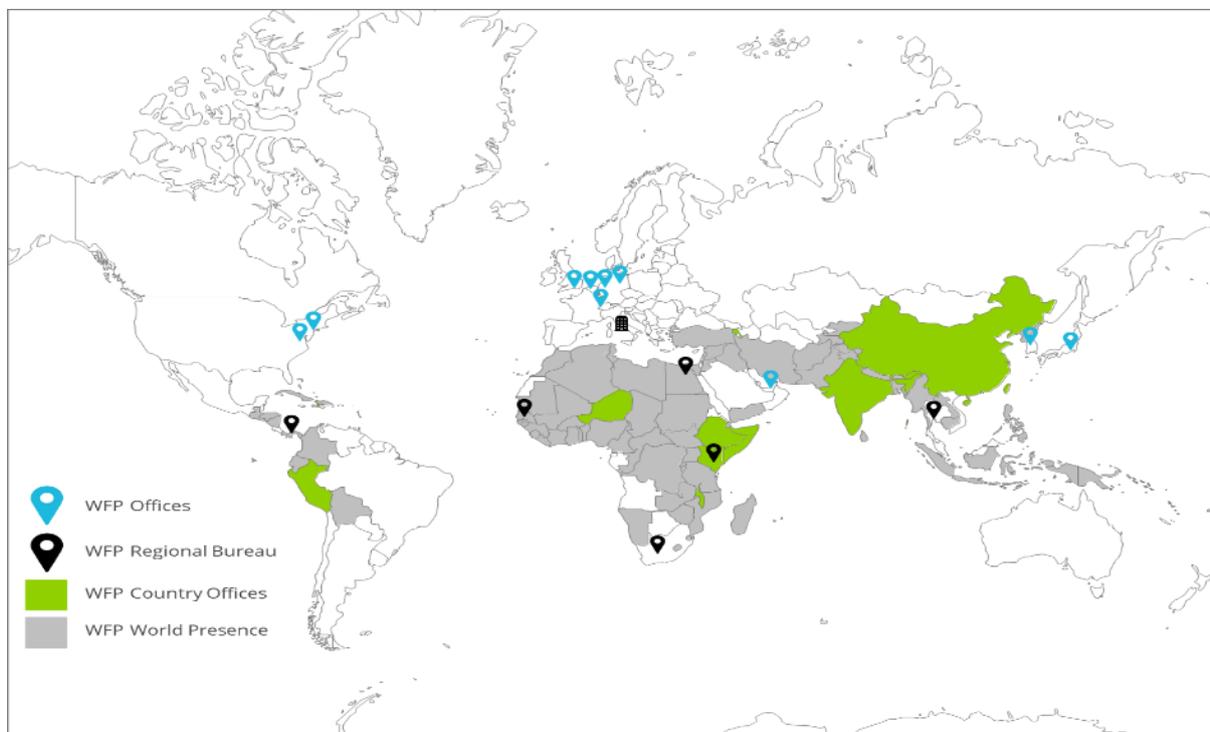
¹³ For the purposes of the evaluation, the work of WFP is broadly defined as both its programme of work and support functions as they directly enable and support the quality of programming.

¹⁴ WFP Information Network and Global System (WINGS) is the WFP corporate system for organizing data on actual contributions and expenditure within the organization. Salesforce is used for synthesizing and analysing data on forecasted contributions to WFP. See Box 2 in Section 2.2.1 for a further explanation of the difference between the two systems and how they are used within the organization.

humanitarian and development funding patterns. Analysis of WFP data is presented in current prices unless stated otherwise. Analysis on global trends was primarily drawn from the Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service and the databases maintained by the Development Assistance Committee of the OECD (OECD -DAC). Other publicly available sources of information were used for comparator organizations.

13. The evaluation team collected and reviewed over 1,000 documents and files, but made more substantive use out of a smaller set of 188 documents. These included WFP strategies, policies, guidance, systems and tools as well as past evaluations, audits and other lessons learned. Extensive external documentation on humanitarian and development financing, United Nations reform and other related subjects was also gathered and analysed. A bibliography is contained in Annex 3.
14. Field research was conducted for eight country offices, all six regional bureaux and ten additional cities (see Figure 1).¹⁵ Through a combination of field visits and remote calls, the evaluation team spoke to 394 individuals during key informant interviews: 256 WFP employees, 15 host government representatives, 53 donor government representatives, 43 staff members of other United Nations agencies, and 27 people representing other relevant entities. The full list of people met is included in Annex 2.

Figure 1: Map of evaluation data collection locations



15. A comparative study was included in the evaluation design covering nine other organizations purposely selected. Quantitative data for each organization were compiled from publicly available records for analysis and interviews were conducted with representatives of most organizations. Summary outputs of the comparative study are presented in Annex 9.
16. The main factors that limited the evaluation were:
 - Changes in organizational structures and responsibilities during the period covered by the

¹⁵ The eight country offices visited were Armenia, China, Ethiopia, India, Kenya, Malawi, Niger and Somalia (in Nairobi). A visit to the Haiti country office was cancelled due to security constraints. Remote calls with the Haiti and Peru country offices were conducted in lieu of visits. The evaluation team visited all of the six WFP regional bureaux: Bangkok, Cairo, Dakar, Johannesburg, Nairobi and Panama. The key cities visited were Beijing, Berlin, Brussels, Dubai, Geneva, London, New York, Seoul, Tokyo and Washington. These cities were selected based on the importance of donor relationships and key partner organizations represented there, as well as the presence of WFP offices, national WFP fundraising entities, and humanitarian and development coordination offices.

evaluation (in relation to some time series comparisons for resource allocation)

- Difficulties in accessing comparable data and key information from other organizations for comparison of the strategies, policies, systems, structures and investments of other organizations to generate resources with those of WFP.
17. The lack of a comprehensive strategy for funding WFP work created challenges for the evaluation design. In the absence of one overarching funding strategy, the evaluation team drew on a number of other relevant strategies and policies approved by the Executive Board, including annual management plans, strategies/policies on partnerships, cash-based transfers, school feeding, gender and climate change. These documents all include elements of a vision for funding of WFP work and collectively provided a sense of direction and an indication of the level of ambition for WFP funding. Changes in the organizational architecture and staff rotation during the period under evaluation necessitated talking to a broader spectrum of key informants and analysing a greater number of key documents than initially anticipated. The evaluation team made efforts to filter the most pertinent data as far as possible and limit the scope of interviews in order to focus on the most relevant aspects of people's experiences and opinions.
 18. According to the WFP Gender Policy, gender equality is a priority for WFP.¹⁶ The evaluation carefully considered the extent to which gender has been a driving factor in mobilizing funding for the organization and how WFP has used its resources to translate corporate commitments on gender into action. This involved analysis of gender-related policies and guidance materials, as well as interviews with key staff within the organization specifically on the topic of gender and funding. The evaluation matrix did not include a dedicated question on gender. However, the evaluation team included gender as a key topic within broader evaluation questions. As such, gender features in several places within the evaluation report – most notably in Sections 2.1.1, 2.2.1 and 2.3.2.
 19. A full description of the evaluation methodology is included at Annex 8.

Quality assurance

20. This evaluation was carried out in strict compliance with the Centralized Evaluation Quality Assurance System (CEQAS) developed by WFP. The evaluation team leader, and all members of the evaluation team, took full responsibility for applying commonly accepted normative evaluation standards throughout the evaluation process and coming up with quality evaluation findings and clear and actionable recommendations. A number of expert and quality advisors provided internal quality assurance and acted as a sounding board on various aspects of the evaluation and its key findings.
21. In terms of external quality assurance, the Office of Evaluation acted as a constant source of advice during the evaluation process and monitored progress through regular reports, meetings and presentations. It also reviewed and provided feedback for each deliverable. The Internal Reference Group and External Advisory Group provided advice and feedback at crucial stages of the evaluation. Finally, the WFP Director of Evaluation was responsible for approving all final deliverables – the inception, evaluation and summary evaluation reports.

1.2 GLOBAL FUNDING CONTEXT

22. Funding for WFP work should be situated in the context of broader reforms, discussions and trends affecting development and humanitarian financing. This section considers some of the main changes and patterns within which WFP is seeking to mobilize and manage resources for its work.

International discussions and trends

23. The sustainable development goals set out a collective vision to address the global challenges of poverty, inequality, climate change, environmental degradation and peace and justice.¹⁷ The United Nations Secretary-General's Strategy for Financing the 2030 Agenda for Sustainable Development (2018-2021) (the 2030 Agenda) was developed in order to help mobilize the necessary finance to achieve the

¹⁶WFP (2015) Gender Policy (2015-2020), Executive Board Annual Session, May 2015, WFP/EB.A/2015/5-A.

¹⁷ See: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Sustainable Development Goals and leave no one behind. The strategy builds on the Addis Ababa Action Agenda as the global framework agreed by Member States for financing sustainable development, and sets out the role of the United Nations in supporting and accelerating financing towards the Sustainable Development Goals.¹⁸ The strategy describes the financing needs as “vast and urgent” – estimated at between USD 5 and USD 7 trillion¹⁹ – and calls for transformatory ways of working: shifting the emphasis from funding of individual projects to leveraging a range of different resource streams in support of financing national priorities for achieving the Sustainable Development Goals and the 2030 Agenda.²⁰

24. Since the publication of the Secretary General’s Strategy, a “Funding Compact” has been agreed to improve the quantity and quality of resources for United Nations development activities.²¹ The Funding Compact calls on the United Nations Development System: to be more transparent and accountable in its spending; to use limited resources more effectively and efficiently; and to work towards collective results in partnership with other actors. On the part of United Nations Member States, the Funding Compact stresses the need for: more predictable, multi-year contributions; an increase in core resources combined with looser earmarking of contributions for specific activities; and a doubling of resources channeled through development-oriented inter-agency pooled funds and single-agency trust funds.²²
25. Changes in the way that Member States finance the United Nations Development System is predicated on a shift in the way that United Nations organizations collaborate. The Funding Compact calls for the United Nations Sustainable Development Group to “do more and deliver more together”.²³ Indeed, recent strategies and discussions for financing sustainable development are built on the foundation of the ongoing United Nations reform process, the latest phase of which was initiated by the Secretary General in 2017. The reforms lay out a new approach to the way in which the United Nations approaches its role in sustainable development, including a modified approach to United Nations system-wide programming that links country action and funding with the overall Sustainable Development Goals approach and resource requirements – the United Nations Sustainable Development Cooperation Framework (UNSDCF).²⁴ In addition, a more empowered and impartial Resident Coordinator system is being established to ensure coherence of development action within each United Nations Sustainable Development Cooperation Framework in each country; as well as a strategy to establish common back offices for all United Nations Country Teams and a number of United Nations service centres, with potential implications for the way that funds are allocated and managed.²⁵
26. Within the United Nations reform process is the notion of joint United Nations programming.²⁶ Joint programming should be underpinned by a shared analysis of needs, ideally accompanied by a joint resource-mobilization strategy. Funding may be managed through different modalities – including pass-through, pooled funding and parallel financing – or a combination of different modalities.²⁷ In cases where funding for participating organizations is managed separately through parallel funding, close coordination and information sharing is required.²⁸
27. Climate change is a major driver of increased poverty and humanitarian need, with an increase in the

¹⁸ The Secretary-General’s Strategy for Financing the 2030 Agenda for Sustainable Development (2018-2021).

¹⁹ UNCTAD (2014) World Investment Report 2014. Investing in the SDGs: An Action Plan. A more recent report on costing and financing of the Sustainable Development Goals estimates a funding gap of USD 400 billion per year for low-income developing countries – United Nations Sustainable Development Solutions Network (2019) SDG Costing & Financing for Low-Income Developing Countries.

²⁰ Ibid.

²¹ United Nations Economic and Social Council (ECOSOC) resolution E/RES/2019/15 declared that the Member States of the United Nations welcome the Funding Compact.

²² Ibid.

²³ A/74/73/Add.1 -E/2019/4/Add.1.

²⁴ To replace the former United Nations Development Assistance Frameworks (UNDAF).

²⁵ United Nations General Assembly (2017) Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet. Report of the Secretary-General.

²⁶ A joint programme is defined as “a set of activities contained in a joint workplan and related Funding Framework, involving two or more UN entities contributing to the same Cooperation Framework output”. United Nations Sustainable Development Cooperation Framework. Internal Guidance, 3 June 2019. United Nations Sustainable Development Group.

²⁷ United Nations Development Group (2014) Guidance Note on Joint Programmes. New York: United Nations Development Operations Coordination Office.

²⁸ Ibid.

frequency and severity of natural hazards threatening food systems, leading to increased displacement and aggravating conflicts. Again, the 2030 Agenda calls for collective action to help build the resilience of marginalized people living in places that are particularly vulnerable to the effects of climate change. In order to resource the necessary climate adaptation and mitigation work, a number of specific funding mechanisms have been established. Among the most notable is the Green Climate Fund, which supports the efforts of developing countries to respond to the climate change challenge;²⁹ and the Adaptation Fund, designed to support communities affected by the impact of climate change.³⁰

28. The 2030 Agenda recognizes that people living in crisis situations, whether conflict-related or disasters associated with natural hazards, are more likely to be living in poverty; and vice-versa, poverty is known to make people more vulnerable to the impact of crises and shocks. The search for ways to overcome the divide between humanitarian and development responses stimulated efforts to work better together, including the “New Way of Working”. A Joint Steering Committee for the New Way of Working aimed to define and work towards “collective outcomes” that humanitarian, development and other actors can jointly achieve.³¹ This was followed by recommendations from the Organization for Economic Cooperation and Development’s Development Assistance Committee in early 2019 on the “humanitarian-development-peace nexus” (or “triple nexus”), with an accompanying set of principles for Development Assistance Committee members.³² Adequate and appropriate financing is essential for operationalization of the triple nexus and can act as an enabler and incentivizer of more collaborate and cohesive ways of working.³³ A recent publication commissioned by the Inter-Agency Standing Committee (IASC) documents the availability of predictable, multi-year flexible financing in the nexus, and seeks to understand how funding matches collective outcomes within humanitarian and development plans.³⁴
29. A number of other recent initiatives are underway to improve the way that international actors cooperate and respond to the needs of people affected by crisis situations. Among these is the “Grand Bargain”,³⁵ which proposed a series of changes in the working practices of donors and aid organizations, including additional emphasis on cash programming, greater funding for national and local responders and more harmonized reporting. The Grand Bargain contains several other key commitments that are directly relevant to the funding landscape facing WFP, such as committing donors and aid organizations to providing 25 percent of global humanitarian funding to local and national responders by 2020, together with more un-earmarked contributions and an increase in multi-year funding.
30. Commitments to cross-cutting issues have also affected the funding landscape and had an impact on funding decisions made by WFP. In 2001, the report of Secretary-General on financing for gender equality and the empowerment of women concluded that global commitments on gender equality had not yet been implemented and, linked to that, adequate resources had not been systematically allocated.³⁶ Since then, commitments to gender equality enshrined in the Sustainable Development Goals and elsewhere led to the publication, by UN Women, of guidelines for the financing of gender equality.³⁷ Inter-Agency Standing Committee guidelines on the inclusion of persons with disabilities in humanitarian action also make reference to the need for deliberate actions within resource-mobilization efforts that apply to a

²⁹ See: <https://www.greenclimate.fund/home>

³⁰ See: <https://www.adaptation-fund.org/>.

³¹ OCHA (2018) Collective Outcomes. Operationalizing the New Way of Working. New York: OCHA.

³² OECD (2019). DAC Recommendation on the Humanitarian-Development-Peace Nexus. Available at: <https://legalinstruments.oecd.org/public/doc/643/643.en.pdf>.

³³ Development Initiatives (2019) Key questions and considerations for donors at the triple nexus: lessons from UK and Sweden. Bristol: Development Initiatives.

³⁴ Poole, L. & Cuthbert, V. (2019) *Financing the Nexus: Gaps and Opportunities from a Field Perspective*. Commissioned by FAO, NRC and UNDP.

³⁵ The Grand Bargain was launched during the World Humanitarian Summit in May 2016. It is an agreement between the largest donors and humanitarian agencies, which have committed to improving the effectiveness and efficiency of humanitarian action. At the time of writing, there were 61 signatories to the Grand Bargain (24 states, 11 United Nations agencies, 5 inter-governmental organizations and Red Cross Movements and 21 non-governmental organizations (NGOs)), representing 73 percent of all humanitarian contributions donated in 2018 and 70 percent of aid received by agencies. For more information, see: <https://interagencystandingcommittee.org/grand-bargain>.

³⁶ United Nations Economic and Social Council (2007) financing for gender equality and the empowerment of women, Report of the Secretary-General. E/CN.6/2008/2.

³⁷ UN Women (2016) Financing for Gender Equality in the Context of the Sustainable Development Goals, Discussion Paper No.11, March 2016.

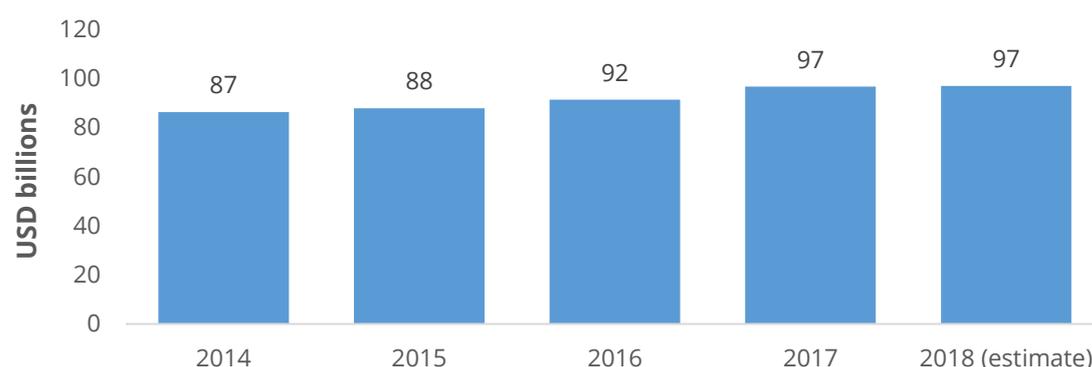
range of actors.³⁸ Other commitments, such as on ensuring accountability to affected populations and protection from sexual exploitation and abuse within humanitarian action, have also resulted in clearer standards and norms that should affect the way WFP plans its work and allocates its funding.³⁹

31. Achieving the Sustainable Development Goals will require broader efforts beyond partnerships between national governments and the United Nations system. There is recognition that new models, and additional funding from both the public and private sector, are needed to realize the ambitious funding strategy that accompanies the Sustainable Development Goals. Social impact investment – mobilizing private financing (including philanthropic support) to link investments with measureable impact – is an important aspect of this new way of working; as is blended finance (mobilizing additional commercial finance) and green finance (sustainable investments for positive environmental gain).⁴⁰

The development and humanitarian financing landscape

32. Overall official development assistance (ODA) from members of the Organization for Economic Cooperation and Development’s Development Assistance Committee rose 30 percent between 2006 and 2016, reaching a high of USD 145 billion. Official development assistance rose again in 2017 (the last year for which reliable data are available), but only marginally, up to USD 146.6 billion. Combined with official development assistance from non-Development Assistance Committee countries – which experienced greater growth, including from countries such as Turkey and the United Arab Emirates – the global volume of development financing reached an estimated total of USD 161 billion in 2017.⁴¹
33. Spending on non-humanitarian official development assistance (ODA) by Development Assistance Committee member countries rose by 12 percent over the period 2014-2017 (see Figure 2).

Figure 2: Non-humanitarian official development assistance, 2014-2018



Source: OECD-DAC.

Notes: 2018 data are preliminary. Data are in the form of gross disbursements. Constant 2017 prices. Non-transfer ODA – such as in-donor refugee costs, debt relief and donor admin costs – is excluded as it does not reach aid organizations operating in aid-recipient countries. Other forms of non-transfer ODA (development awareness and scholarships and student costs in donor countries) do not yet have available data for 2018; these two forms of non-transfer ODA from non-DAC donors stood at USD 3.5 billion in 2017.

34. The World Bank estimates that of the global population of seven billion people, five billion live in middle-income countries, representing 73 percent of the world’s poorest people.⁴² Hunger is also on the rise in middle-income country contexts where economies have slowed down or contracted. Out of 65 countries experiencing economic slow down or decline, 44 are classified as middle-income.⁴³ At the same time, analysis of spending to fulfill the Sustainable Development Goals shows that the most significant funding

³⁸ IASC (2019) Guidelines: Inclusion of Persons with Disabilities in Humanitarian Action. IASC Task Team on Inclusion of Persons with Disabilities in Humanitarian Action, July 2019 (endorsed by IASC October 2019).

³⁹ See for example: IASC (2017) Strategy: Commitments on Accountability to Affected Populations and Protection from Sexual Exploitation and Abuse. November 2017. Task Team on Accountability to Affected Populations and Protection from Sexual Exploitation and Abuse.

⁴⁰ OECD (2019) Social Impact Investment: The Impact Imperative for Sustainable Development. Paris: OECD.

⁴¹ OECD (2018) Development Cooperation Report 2018. Paris: OECD.

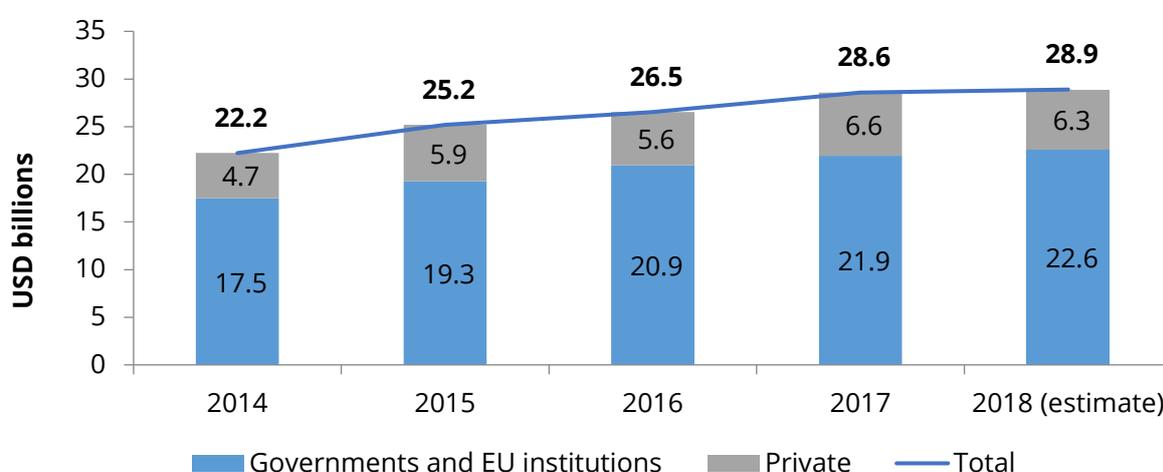
⁴² World Bank (2017) The World Bank in Middle-Income Countries, online Middle-Income Countries overview.

⁴³ FAO (2019) The State of Food Security and Nutrition in the World 2019. Rome: FAO.

gap is for countries classified as middle-income countries, particularly those falling into the lower middle-income group.⁴⁴

35. On average, Development Assistance Committee donors spend around 33 percent of their bilateral official development assistance in fragile and conflict-affected states (more than half of which are middle-income countries).^{45,46} Much of this official development assistance is delivered as international humanitarian aid. Between 2010 and 2017, the volume of humanitarian aid from Development Assistance Committee countries increased by 66 percent.⁴⁷ The proportion of bilateral official development assistance as humanitarian aid also increased – from an average of 16 percent between 2010 and 2014 to an average of 28 percent between 2015 and 2017.⁴⁸ Indeed, the Global Humanitarian Assistance Report 2019 stated that 2018 saw the fifth consecutive annual increase in international humanitarian assistance, albeit at a slower growth rate than in previous years (a growth rate of just 1 percent on the amount given in 2017). Between 2014 and 2018, humanitarian funding rose by USD 6.7 billion, or 30 percent, from USD 22.2 billion to USD 28.9 billion (see Figure 3).⁴⁹

Figure 3: International humanitarian assistance, 2014-2018



Source: Development initiatives based on Organization for Economic Cooperation and Development’s Development Assistance Committee, United Nations Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service, United Nations Central Emergency Response Fund (CERF) and Development Initiative’s unique dataset for private contributions.

Notes: This chart is reproduced from the Global Humanitarian Assistance Report 2019. Figures for 2018 are preliminary estimates. Data are in constant 2017 prices.

36. Following decades of steady decline, 2018 saw an increase in world hunger for the third consecutive year, with more than 821 million people chronically undernourished (compared with 811 million in 2017). Moreover, more than 2 billion people are estimated to experience moderate to severe food insecurity, primarily concentrated in low- and middle-income countries and with a higher prevalence among women than men.⁵⁰ Within that population, over 113 million people in 53 countries experienced acute hunger and required urgent food, nutrition and livelihood assistance, around two thirds of whom lived in areas affected by conflict or insecurity.⁵¹ In response, the amount of humanitarian aid spent on food has risen

⁴⁴ Analysis by The Brookings Institution estimates that lower middle-income countries have a funding gap of USD 549 billion, compared with USD 223 billion for upper middle-income countries and USD 150 billion for low-income countries. Kharas, H. & McArthur, J. (2019) Building the SDG economy: Needs, spending, and financing for universal achievement of the Sustainable Development Goals, Working Paper 131, October 2019, The Brookings Institution.

⁴⁵ OECD (2016) States of fragility 2016: Understanding violence, Paris: OECD publishing.

⁴⁶ OECD (2018) Development Cooperation Report 2018. Paris: OECD.

⁴⁷ OECD (2018) Development Cooperation Report 2018. Paris: OECD.

⁴⁸ OECD (2018) Development Cooperation Report 2018. Paris: OECD.

⁴⁹ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

⁵⁰ FAO (2019) 2019 The State of Food Insecurity and Nutrition in the World. Safeguarding Against Economic Slowdowns and Downturns. Rome: FAO.

⁵¹ WFP (2019) WFP Management Plan (2020-2022).

faster than overall assistance in recent years. Emergency food aid rose to USD 5.3 billion in 2017, or 26 percent of total humanitarian funding. This compares to USD 4.8 billion, or 26 percent of the total, in 2016.⁵²

37. There have been increases in the amount of aid from Development Assistance Committee donors targeting gender equality and women's empowerment, which reached an all-time high in 2015-2016 of USD 41.4 billion (though only just over 10 percent of that amount – approximately USD 4.6 billion – was intended to address gender issues as its main objective).⁵³ Despite increased funding, many organizations focused on gender equality, including women's organizations, continue to struggle to raise adequate resources.⁵⁴ Official development assistance from Development Assistance Committee members in support of the environment (including climate mitigation and climate adaptation funding) also increased, reaching a total of USD 38 billion in 2016. Again though, the amounts mobilized have continued to fall short of requirements.
38. Despite increased international development and humanitarian spending overall (see Figures 2 and 3), large gaps still remain. The total amount requested through United Nations-coordinated appeals reached a record high of USD 29.7 billion in 2019.⁵⁵ However, donor funding to these appeals in 2019 totaled just USD 16 billion (54 percent of total requirements).⁵⁶ This is in line with the funding gap for United Nations-coordinated appeals in recent years, which has fluctuated between 54 and 61 percent of requirements between 2014 and 2018.⁵⁷
39. Stagnation in the growth of international humanitarian assistance in 2018 was largely due to a decrease in contributions from private donors. Private humanitarian contributions fell by around USD 378 million (minus 6 per cent) from USD 6.6 billion in 2017 to an estimated USD 6.3 billion.⁵⁸ Donations from individuals accounted for just under 70 percent of private humanitarian funding between 2013 and 2017, and contributions from trusts and foundations represented around 7 percent (a decrease from 9 percent in the previous year).⁵⁹
40. Conversely, humanitarian funding from government donors has increased over the past five years – from USD 17.5 billion in 2014 to an estimated USD 22.6 billion in 2018. Government funding continued to be dominated by a small group of countries (including the institutions of the European Union (EU)). In 2018, the top 20 donors provided 97 percent of total humanitarian aid from government sources; and funding from the top three – the United States (US), Germany and the United Kingdom (UK) – accounted for 52 percent of the total (down from 59 percent the year before).⁶⁰ The United States remained as the single largest donor, contributing 29 percent (USD 6.6 billion) of all public funding for humanitarian assistance, although this represents a reduction in their share from 32 percent (USD 7 billion) in 2017.⁶¹
41. International humanitarian spending continues to focus on a small number of recipient countries. In 2018, five emergencies accounted for more than half (56 percent) of the international humanitarian assistance disbursed to specific crisis situations: Yemen (23 percent), Syrian Arab Republic (Syria) (18 percent), South Sudan (6 percent), Somalia (5 percent) and Iraq (4 percent). This is an increase in the concentration of funding from 2014 and 2016, when five emergencies received 53 percent of all country-specific humanitarian funding.⁶²
42. Humanitarian funding from governments continues to be predominantly channeled through multilateral organizations, most notably United Nations entities. Governments directed almost 64 percent of their

⁵² Data are drawn from the OECD-DAC data, downloaded 19 December 2019. It includes data reported by DAC donors and multilaterals, excluding non-DAC donors. Data are in constant 2017 prices.

⁵³ OECD (2018) Development Cooperation Report 2018. Paris: OECD.

⁵⁴ The Association for Women's Rights in Development (AWID) (2014) Beyond Investing in Women and Girls: Mobilizing Resources. Toronto: AWID.

⁵⁵ OCHA (2019) Global Humanitarian Overview 2020. New York: OCHA.

⁵⁶ OCHA (2019) Global Humanitarian Overview 2020. New York: OCHA.

⁵⁷ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

⁵⁸ Private donors consist of individuals, trusts and foundations, companies and corporations, and national societies. Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

⁵⁹ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

⁶⁰ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

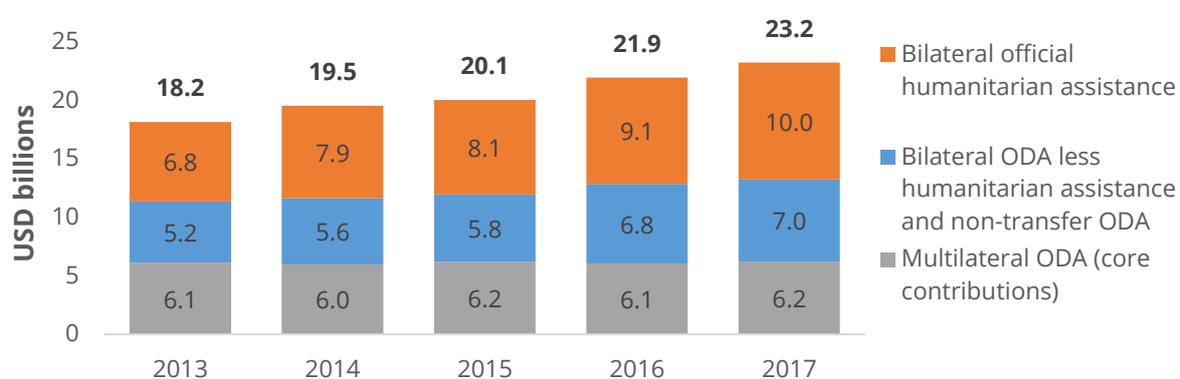
⁶¹ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

⁶² Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

humanitarian contributions (USD 14.0 billion) to multilateral organizations, while 85 percent of funding from private donors (USD 5.7 billion) was channeled through non-governmental organizations (NGOs). Overall official development assistance, including non-humanitarian aid, is also frequently channeled through multilateral organizations. In 2016, 40 percent of official development assistance from Development Assistance Committee countries went to and through multilaterals (up from 37 percent in 2010).⁶³

43. Between 2013 and 2017 (the last year for which data are available), official development assistance to programmes and funds of the United Nations increased by 27 percent – from USD 18.2 billion to USD 23.2 billion (see Figure 4). The most notable increase was in humanitarian assistance channeled through United Nations programmes and funds, which increased by 47 percent in the period, compared with an increase of 35 percent for non-humanitarian official development assistance.

Figure 4: Bilateral and multilateral⁶⁴ official development assistance to United Nations funds and programmes from OECD-DAC donors, 2013-2017



Source: OECD-DAC

Notes: Data are in the form of gross disbursements. Constant 2017 prices. Bilateral official development assistance by DAC member countries excludes in-donor refugee cost, debt relief and donor admin costs.

44. Pooled funds offer an alternative channel for donor funding, providing opportunities for large-scale, inter-agency and multi-stakeholder responses. The Central Emergency Response Fund has grown in scale since it was first established in 2005, with contributions reaching a record-breaking USD 558.6 million in 2018.⁶⁵ Country-based pooled funds have also seen considerable growth – in 2019, contributions reached nearly USD 1 billion (USD 956 million).⁶⁶ Development-oriented, multi-partner pooled funds have similarly increased in number, scope and scale. In 2017, funding channeled through United Nations pooled funds represented approximately 5 percent of all earmarked development contributions.⁶⁷ This includes country-focused funds as well as global vertical funds targeting specific issues and problems, for example, the Global Environment Facility, the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), etc.
45. Only around 3.1 percent of total reported international humanitarian assistance is estimated to have gone directly to local and national actors⁶⁸ – a long way short of the Grand Bargain commitment to provide “at least 25 percent of humanitarian funding to local and national responders as directly as possible to improve outcomes for affected people and reduce transaction costs”.⁶⁹ More funding undoubtedly reaches local and national actors indirectly. However, given that way that data are reported,

⁶³ OECD (2018) Development Cooperation Report 2018. Paris: OECD.

⁶⁴ Multilateral ODA refers to unearmarked contributions by OECD-DAC donors to United Nations funds and programmes.

⁶⁵ UN OCHA (2019) CERF 2018 Annual Report. New York: UN OCHA.

⁶⁶ Country-Based Pooled Fund website, data accessed on 24 January: <https://www.unocha.org/our-work/humanitarian-financing/country-based-pooled-funds-cbpf>.

⁶⁷ Dag Hammarskjöld Foundation and United Nations Multi-Partner Trust Fund Office (MPTFO) (2019) Financing for the United Nations Development System. Time for Hard Choices. New York: Dag Hammarskjöld and United Nations.

⁶⁸ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

⁶⁹ More on the Grand Bargain commitments can be found here: <https://interagencystandingcommittee.org/grand-bargain>.

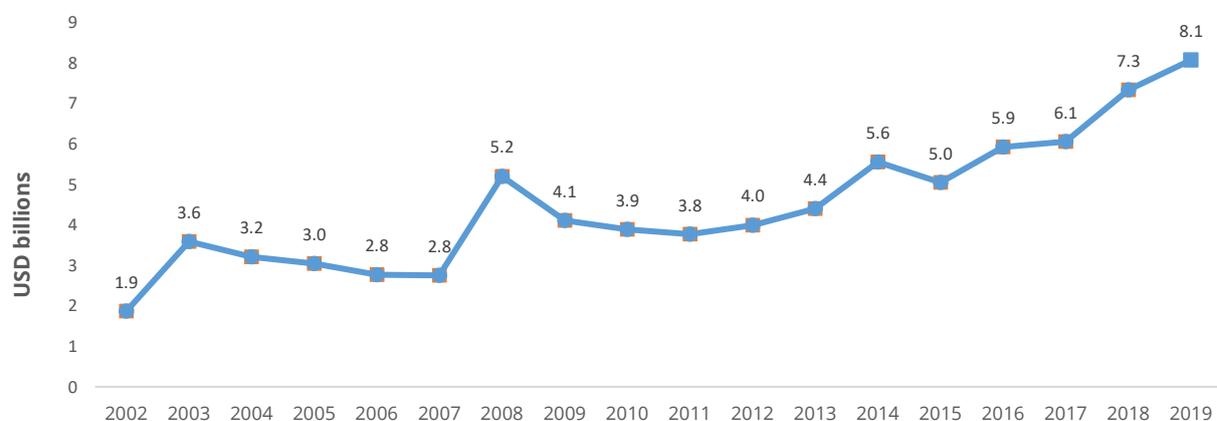
it is not currently possible to know the exact figures.

46. Earmarked funds can also be referred to as “non-core resources” or “directed contributions”.⁷⁰ The majority of donor funding to United Nations development and humanitarian agencies is earmarked to an extent for specific uses. In 2017, an estimated 57 percent of all United Nations funding was earmarked to some degree.⁷¹

1.3 WFP FUNDING CONTEXT

47. In response to increasing humanitarian needs, funding for WFP work has increased dramatically over the course of the last two decades. In 2002, the organization received contributions of around USD 2 billion, rising to USD 8.1 billion in 2019 – an increase of 332 percent (see Figure 5). While there have been some fluctuations in levels of WFP funding, the overall trajectory is positive with particularly significant income growth from 2015 onwards, earning WFP the title of the largest humanitarian organization. However, despite increased contributions, a large funding gap remains. In 2019, the WFP programme of work was calculated at USD 12 billion, with a funding gap of 32 percent (compared to a 27 percent funding gap in 2018).⁷²

Figure 5: Contributions to WFP, 2002-2019



Source: WINGS data as of 31 January 2020.

48. Much of WFP funding comes from a relatively small pool of government donors – USD 7.3 billion in 2018 or 98.8 percent of total WFP revenue that year. In 2018, ten donors accounted for 87 percent of total funding to WFP; and the top three donors – the United States, the European Commission⁷³ and Germany – contributed 62 percent of the total.
49. The funding of WFP from private sources accounts for only a small proportion of its overall funding – ranging between 1.1 and 3.7 percent of total contributions within the last ten years (from 2010 to 2019).⁷⁴ As shown in Figure 6, private sector contributions to WFP have actually declined overall in the last decade.⁷⁵

Figure 6: Volume of private contributions and percentage of total contributions to WFP, 2010-2019

⁷⁰ Various agencies use a wide variety of terms to describe earmarked resources. See: United Nations (2018) Annex to the Secretary General’s 2018 Report on Funding - Technical note on definitions, sources and coverage.

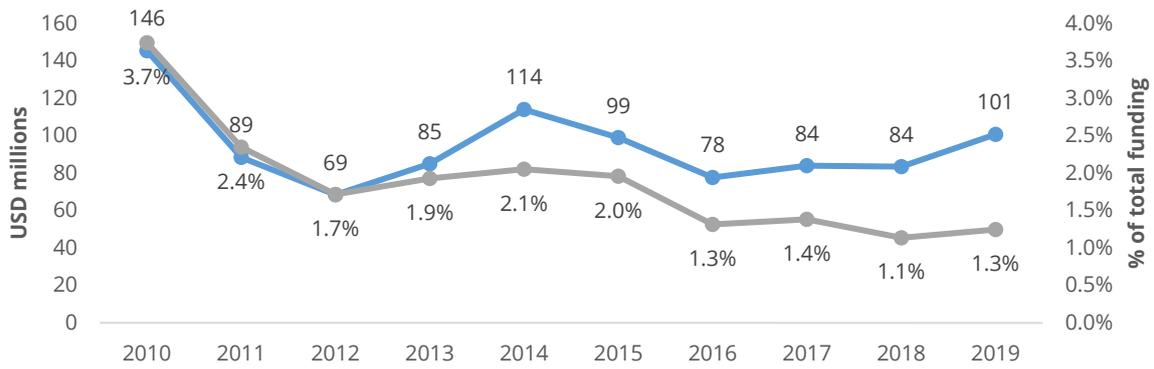
⁷¹ Dag Hammarskjöld Foundation and United Nations MPTF Office (2019) Financing for the United Nations Development System. Time for Hard Choices. New York: Dag Hammarskjöld and United Nations.

⁷² WFP (2019) WFP Management Plan (2020-2022).

⁷³ Counted as a government donor for the purposes of this analysis.

⁷⁴ Private funding includes contributions from individuals, companies, foundations, and funding from non-governmental organizations.

⁷⁵ Data includes private contributions recorded within WINGS. This may exclude some in-kind contributions, particularly those related to the provision of in-kind services. For supply chain contributions, discussions within WFP are ongoing on how to estimate the value of in-kind donations, i.e. based on commercial value or cost for the private sector partner. An agreed system for collecting data on in-kind services as well as a common methodology for establishing the value of in-kind donations are not yet in place.

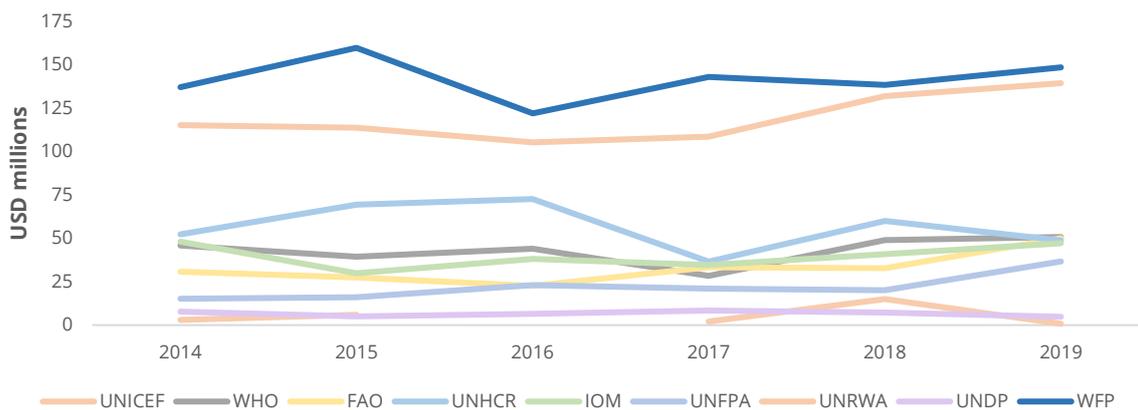


Source: WINGS data as of 31 January 2020.

Notes: Data on private contributions aggregated according to WFP classification of “private donors”. This encompasses contributions from a wide range of actors or individuals, including private donations, NGOs, corporations and more.

50. Between 2010 and 2019, pooled funds accounted for between 2.6 and 4.9 percent of contributions to WFP. The most significant source of pooled funding for WFP by far is the Central Emergency Response Fund, which has appeared in the list of top ten largest WFP donors every year since 2006, contributing a total of over USD 2 billion over the period between 2006 and 2019. Over a six-year period, WFP has consistently been the largest recipient of funding from the Central Emergency Response Fund, with allocations of over USD 120 million every year since 2014 (see Figure 7).

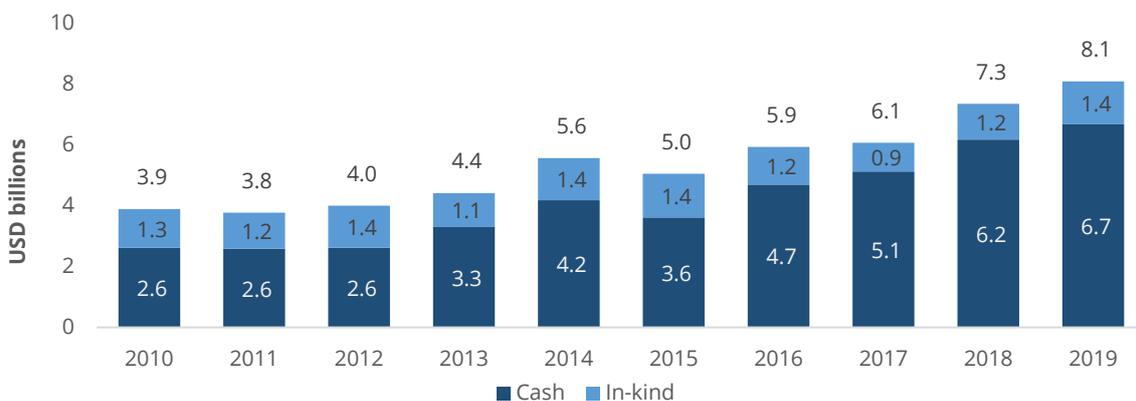
Figure 7: Top recipients of Central Emergency Response Fund funding, 2014-2019



Source: CERF.

51. The proportion of contributions to WFP in cash increased significantly in the last decade – from USD 2.6 billion in 2010 to USD 6.7 billion in 2019 (see Figure 8).

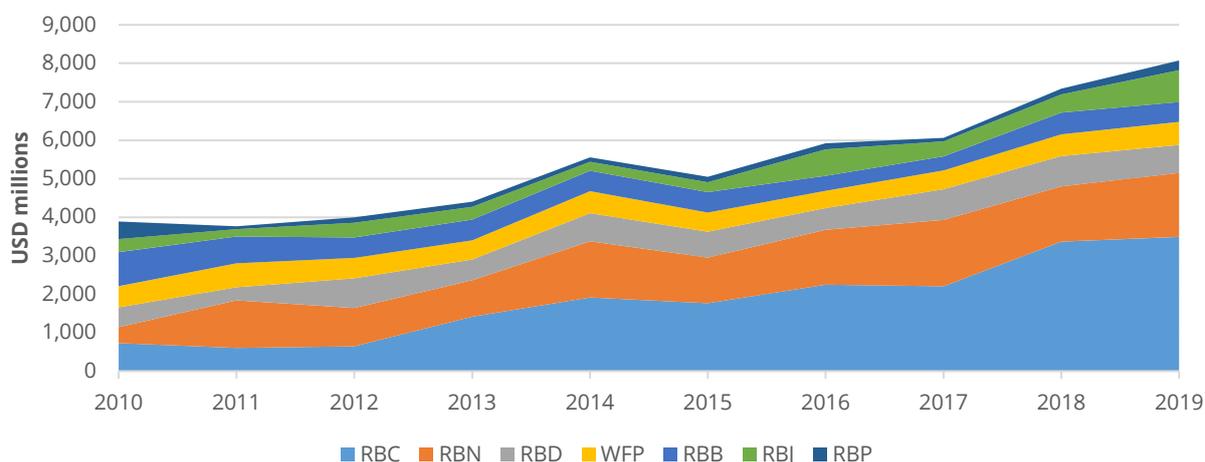
Figure 8: Volume of cash and in-kind contributions, 2010-2019



Source: WINGS data as of 31 January 2020.

52. The regional distribution of WFP funding has changed significantly over time, thereby reflecting the incidence of major humanitarian crises and food insecurity requiring large-scale and often protracted responses from the organization (see Figure 9). As of 2019, 43 percent of WFP funding was directed at the regional bureau in Cairo, covering responses to crises in Syria and the neighboring countries, as well as Yemen. This represents a 352 percent increase in funding for the region from a decade before, in 2010.

Figure 9: Contributions by regional bureau, 2010-2019



Source: WINGS data as of 31 January 2020.

53. Combined with multi-year planning, multi-annual humanitarian contributions can lower running costs, improve procurement practices and support more context-appropriate programming, particularly where humanitarian needs are protracted or recurrent.⁷⁶ For WFP work on resilience and addressing the root causes of hunger and malnutrition, multi-year funding can be particularly valuable – allowing for more predictable and cost-efficient planning both for WFP and its partners (governments as well as implementing partners).⁷⁷

54. WFP defines multi-year funding as contributions that are intended to provide support over more than one year, while the OECD defines it as contributions over two years or more.⁷⁸ While multi-year funding as defined by WFP has increased over recent years, the average duration of contributions has decreased, as shown in Figure 10.⁷⁹ The proportion of funding that can be spent beyond a one-year period (either between one and two years, or two years or more) decreased from 72 percent in 2010 to 54 percent in 2019.⁸⁰ The reduction can be attributed to a marked decrease in the amount of funding available to be spent over two years or more: from 44 percent in 2010 to 15 percent in 2019.

⁷⁶ The Grand Bargain, workstream 7 & 8 to “Increase collaborative humanitarian multi-year planning and funding and reduce the earmarking of donor contributions”. See: <https://interagencystandingcommittee.org/Quality-funding>.

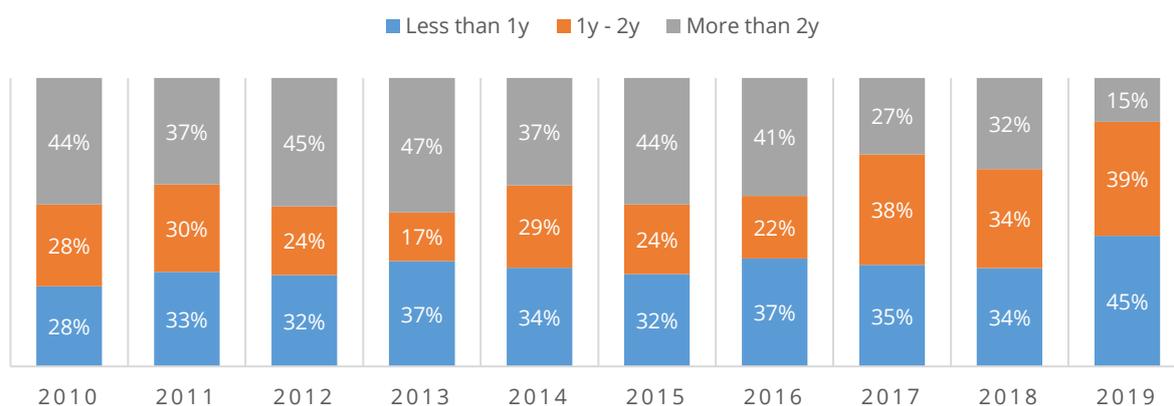
⁷⁷ WFP makes a distinction between multi-year funding and long duration grants. The WFP definition of multi-year contributions are funds committed on a certain date which WFP can predictably count on in the following years. They are intended to provide support over more than one year but are registered within the WFP systems as separate grants – one for each year of the agreement. Long duration contracts are more flexible in that they could theoretically be spent in the first year if needed.

⁷⁸ OECD (2017) Multi-Year Humanitarian Funding. Paris: OECD.

⁷⁹ Some of the decrease in the duration of funding is due to migration of data under the IRM framework. However, it was not possible to determine the extent to which this has affected the overall trend.

⁸⁰ This analysis draws on WINGS data and uses the terminal obligation date (TOD) as an indicator of the duration of funding. Where the TOD is unspecified, then the terminal disbursement date (TDD) is used.

Figure 10: Volume of contributions to WFP by timeframe band, 2010-2019



Source: WFP WINGS data as of 31 January 2020.

55. This trend is not unique to WFP. The vast majority of humanitarian funding at country level is short-term. Even in cases where multi-year contributions are received, organizations are often required to do annual budgets and reports,⁸¹ usually because of their own system requirements, thereby limiting the benefits of longer-term funding. There are some signs of progress. For example, the *Grand Bargain Annual Independent Report 2019* highlights multi-year funding as one of the most notable areas of progress, with 78 percent of donor signatories reporting either steady or increased levels of multi-year funding.⁸² Self-reporting by aid organizations was in sharp contrast, however, with the majority reporting no or only minimal progress in this area.
56. Flexible funding is critical for humanitarian organizations such as WFP to retain their ability to allocate resources based on their own assessment and analyses of needs and priorities.⁸³ It also enables faster responses to urgent needs and can result in cost efficiencies by reducing procurement costs and reporting requirements.⁸⁴ Donors have made a series of commitments to increase flexible funding for humanitarian and development assistance: for example, through the Good Humanitarian Donorship principles established in 2003;⁸⁵ more recently, through the Grand Bargain and its workstream to reduce the earmarking of donor contributions;⁸⁶ and, in the context of development, through the new Funding Compact between the United Nations Development System and Member States.⁸⁷
57. Currently, however, flexible funding has not kept pace with the increase in overall WFP funding. The vast majority of funding that WFP receives is earmarked – ranging from very tight and highly customized contributions, to looser earmarking, stipulating the overall strategic results towards which funding

⁸¹ Poole, L. et al (2019) *Financing the Nexus. Gaps and Opportunities from a Field Perspective*. Published by FAO, NRC and UNDP.

⁸² Metcalfe-Hough, V. et al (2019) *Grand Bargain Annual Independent Report 2019*. London: Humanitarian Policy Group, ODI.

⁸³ WFP defines fully flexible funding as funding that is not earmarked to specific countries, operations or activities (WFP (2019) Annual Performance Report 2018, WFP/EB.A/2019/4-A). It is worth noting that not all earmarked funding is detrimental. If aligned with the priorities of the organization, earmarked funding can contribute to common goals and underfunded areas. UN MPTFO and Dag Hammarskjöld Institute (2018) *Financing the United Nations Development System Opening Doors*.

⁸⁴ The Grand Bargain, workstream 7 & 8 to “Increase collaborative humanitarian multi-year planning and funding and reduce the earmarking of donor contributions”. See: <https://interagencystandingcommittee.org/Quality-funding>.

⁸⁵ See: https://ec.europa.eu/echo/sites/echo-site/files/23_principles_and_good_practice_of_humanitarian_donorship.pdf.

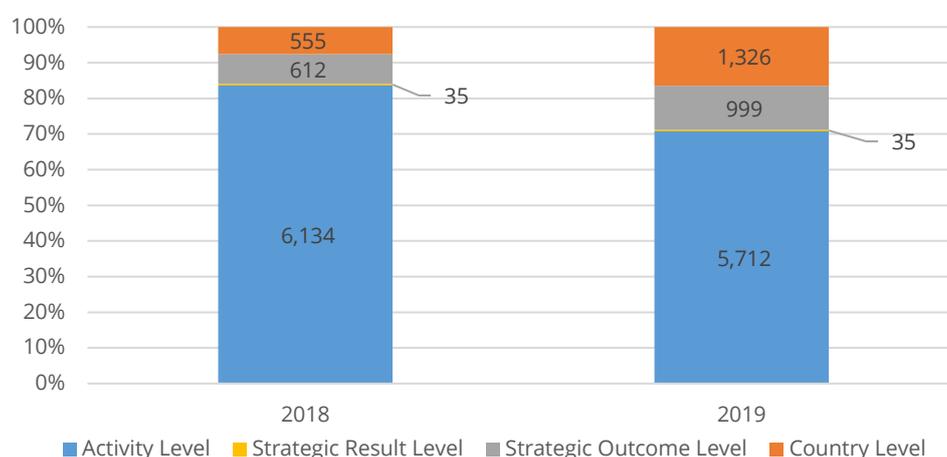
⁸⁶ Earmarking is included within Grand Bargain work streams 7 & 8, which commit signatories to “Increase collaborative humanitarian multi-year planning and funding and reduce the earmarking of donor contributions”. See: <https://interagencystandingcommittee.org/Quality-funding>.

⁸⁷ The United Nations Economic and Social Council (ECOSOC) resolution E/RES/2019/15 (July 2019) declares that the Member States of the United Nations welcome the Funding Compact and encourages all Member States and entities of the United Nations development system to contribute to its implementation. The Funding Compact includes targets to improve the flexibility and delivery of the United Nations entities. However, it refers to development-related funding only and excludes humanitarian funding. See: <https://www.un.org/ecosoc/en/documents/resolutions?page=1>.

should contribute. In 2018, 94 percent of contributions to WFP were directed (as oppose to flexible, multilateral contributions), compared with 91 percent in 2010.

58. Other United Nations agencies are experiencing the same long-term trend of declining flexible funding and more directed or earmarked contributions. More than half of all United Nations revenue was earmarked to a certain degree in 2017 – an increase of 3 percent from the previous year.⁸⁸ There are many factors contributing to this: pressure for greater accountability, for example, from parliaments and taxpayers; dissatisfaction with the ability of United Nations agencies to report on core funding; and an increased focus on value for money and results-based management of United Nations expenditure.⁸⁹ Legislative and budgeting processes also make it difficult for some donors to increase levels of flexible funding. WFP systems and tools can also encourage greater earmarking of funding, as described in Section 2.2.1 in relation to the Project Pipeline Management Tool, as can tendencies across WFP for staff to put forward proposals for specific activities related to their own areas of responsibility.
59. While directed contributions to WFP have increased, a closer look at the data show that the level of earmarking became marginally less strict in 2019. As shown in Figure 11, in 2018, USD 6.1 billion (84 percent of contributions) was earmarked to the activity level, decreasing to USD 5.7 billion (71 percent) in 2019.

Figure 11: Volume and percent of contributions to WFP by level of earmarking, 2018-2019



Source: WFP WINGS data as of 31 January 2020.

Notes: Data in current prices. Only includes contributions to country strategic plans by level of earmarking; contributions outside country strategic plans are excluded.

60. Increases in earmarked contributions to country level have been primarily driven by funding from the governments of the Kingdom of Saudi Arabia and the United Arab Emirates. Both donors earmarked their funding for the Yemen Country Strategic Plan at country level in 2019, compared with 2018, when their contributions were exclusively earmarked at activity level. The Government of the Republic of Korea also made a shift in 2019 from activity level earmarking to country level earmarking. The increase in earmarking at strategic outcome level was largely driven by funding from Germany, which more than tripled its earmarked contributions to strategic outcome level from USD 183 million in 2018 to USD 601 million in 2019. Similarly, Japan also directed more of its contributions towards strategic outcomes in 2019.
61. Other donors remained largely the same as in previous years. Canada and Australia, for example, have provided loosely earmarked funding across years. There are also examples of donors that have earmarked their funding more tightly in 2019 compared with previous years. The United States, for example, earmarked 99 percent of its country strategic plan contributions to the activity level in 2019,

⁸⁸ UN MPTFO and Dag Hammarskjöld Institute (2018) Financing the UN Development System Opening Doors.

⁸⁹ United Nations Joint Inspection Unit (2014) An Analysis of the Resource Mobilization Function within the United Nations System.

compared with 95 percent in 2018.

1.4 WFP STRATEGIC DIRECTIONS IN THE AREA UNDER EVALUATION

62. The terms of reference (see Annex 1) and the inception report for the evaluation assessed how resource mobilization and allocation topics are covered in WFP strategic plans, policies and planning frameworks. This section summarizes and updates that information.

WFP General Regulations and General Rules

63. The WFP General Regulations and General Rules⁹⁰ establish the legal basis and governance system for the organization as well as its purpose and key functions. The WFP dual mandate is clearly articulated in the document, expressed as supporting development and providing emergency assistance while promoting world food security. The document also calls on WFP to collaborate and cooperate with other United Nations agencies and non-governmental organizations. General Rule VI.1 and Article VII embody the Executive Director with primary responsibilities for resource mobilization, allocation and accountability for funds.
64. Article XIII establishes the framework for contributions. It clearly states that “all contributions to WFP shall be on a voluntary basis”, rather than establishing a system of assessed contributions to fund part of the organization’s work as is the case for some United Nations entities with normative roles. This article also establishes the principle of full-cost recovery, whereby each donor is expected to “provide cash contributions sufficient to cover the full operational and support costs of its contributions”.⁹¹
65. Article XIV establishes financial arrangements, including the broad outlines of the WFP Fund. It requires the Executive Director to submit annual and supplementary budgets, annual financial statements, the report of the External Auditor and other financial reports for Executive Board approval. The financial regulations are attached to the general regulations and rules and include a set of relevant definitions, as well as parameters and instructions for the WFP Fund, management responsibilities and arrangements for audits and other financial requirements.

Strategic plans and the Integrated Road Map

66. The past three strategic plans have provided direction related to funding WFP work, including the challenges in the current funding environment and the importance of flexible and longer-term funding. The development of funding priorities, budgets and resource-mobilization targets was dependent during this time on country level project documents and budgets.
67. In November 2016, the WFP Executive Board approved the Integrated Road Map – a package of actions intended to realign organizational strategy, programme structure, financial management and reporting in order to transform the organization’s ability to help countries achieve the Sustainable Development Goals. The new architecture of the Integrated Road Map links four interrelated components – the Strategic Plan (2017-2021), the Policy on Country Strategic Plans, the Financial Framework Review and the Corporate Results Framework.
68. **The WFP Strategic Plan (2017-2021)**⁹² clearly aligns WFP priorities with the Sustainable Development Goals, particularly Sustainable Development Goals 2 (Zero Hunger) and 17 (Partnership for the Sustainable Development Goals) and reaffirms the dual mandate of WFP in development and humanitarian assistance – organized around three focus areas of crisis, resilience and root causes. This strategic plan notes that its purpose is to provide strategic direction but assigns the function of articulating resourcing projections, funding and shortfalls to country strategic plans as the “vehicle for resource mobilization, fund management, spending authority and for delivering on WFP’s commitment to guidelines and procedures regarding the allocation of multilateral contributions for development

⁹⁰ WFP, General Regulations, General Rules, Financial Regulations, Rules of Procedure of the Executive Board, March 2019.

⁹¹ The corporate Indirect Support Cost recovery rate is set at 6.5 percent. However, a rate of 4 percent is applied to government contributions to programmes in their own country. This is justified because such activities require minimal headquarters support and the reduced rate encourages engagement from host governments and national ownership of activities.

⁹² WFP, WFP Strategic Plan (2017-2021), July 2017.

assistance.” Country strategic plans are structured in accordance with the WFP Strategic Plan (2017-2021); and budgets, donor funding and actual spending are aligned to activities, strategic outcomes and strategic results.

69. **The Country Strategic Plan Policy**⁹³ establishes the new planning framework for the WFP programme of work in each country where it operates. Country strategic plans are differentiated from the previous operation- and project-based planning systems in that they look holistically at the food security and nutrition needs within a country based on a consultative National Zero Hunger Strategic Review involving national and international partners. Country strategic plans establish WFP priorities and programme areas for up to a five-year period.
70. **The Financial Framework Review**⁹⁴ resulted in an overhaul of the project budget structure. The multiple programme and project budget categories that existed at country level were replaced by the country portfolio budget structure encompassing all operations that previously existed within a country, including emergency operations (EMOPs), protracted relief and recovery operations (PRROs), development operations (DEVs) and special operations (SOs), which are now no longer used as programme categories. As a single structure for managing the flow of resources in a country office, the country portfolio budget includes all the resources, outcomes and activities in the country strategic plan, including planned spending on gender equality priorities.
71. **The Corporate Results Framework**⁹⁵ establishes the framework for measuring WFP performance. It merges the former Strategic and Management Results Frameworks and includes output and outcome indicators for WFP activities with links to the Sustainable Development Goals as well as key performance indicators for management functions. Activity categories identified in the Corporate Results Framework are linked in a results chain to each country strategic plan result and strategic outcomes. Budget planning and expenditure recording are associated with these activity categories to enhance the ability of WFP to demonstrate the results achieved against specific resources invested.

WFP strategies and policies

72. Previous strategies and policies approved by the Executive Board established a foundation for WFP funding approaches including a Resource Mobilization Strategy for the World Food Programme (2000), New Partnerships to Meet Rising Needs (2004), Funding for Effectiveness (2005) and Resourcing for a Changing Environment (2010).
73. **The WFP Corporate Partnership Strategy (2014-2017)**⁹⁶ sought to establish a “sound basis for excellence in partnering to guide the future development of WFP partnerships”. The strategy differentiates partnerships from transactional relationships and distinguishes between different types of partners. Under the category of “resources partners” – those that provide human, financial and technical resources - are host governments, donor governments, non-governmental organizations, the private sector, United Nations entities and international financial institutions. With regard to donor governments the strategy states that WFP will seek to create transparent dialogue and consult on how to ensure increased flexibility and predictability of resources and broaden its donor base. While the strategy was not revised or officially renewed after 2017, its principles were incorporated in the partnership pillar of the WFP Strategic Plan (2017-2021) and continue to guide partnership implementation, including through country strategic plans and the Integrated Road Map.
74. **The WFP Private-Sector Partnerships and Fundraising Strategy (2020-2025)**, approved by the Executive Board in November 2019, is an updated version of the WFP Private-Sector Partnerships and Fundraising Strategy (2013-2017), which in turn replaced a 2008 strategy.
75. **The June 2018 WFP Communications, Advocacy and Marketing Strategy** (which did not go to the

⁹³ WFP, Policy on Country Strategic Plans, Executive Board Second Regular Session, November 2016, WFP/EB.2/2016/4-C/1/Rev.1*.

⁹⁴ WFP, Financial Framework Review, Executive Board Second Regular Session, November 2016, WFP/EB.2/2016/5-B/1/Rev.1.

⁹⁵ WFP (2018) Revised Corporate Results Framework (2017-2021), Executive Board Second Regular Session, November 2018, WFP/EB.2/2018/5-B/Rev.1.

⁹⁶ WFP (2014) WFP Corporate Partnership Strategy (2014-2017) We Deliver Better Together, Executive Board Annual Session, June 2014, WFP/EB.A/2014/5-B.

Executive Board for approval) identifies strategic objectives for: positioning WFP; behaviour change and policy influence; and increasing engagement. An update on this strategy was presented at an informal session of the Executive Board in July 2019 and included results from comparative brand-awareness research.

76. **The WFP Gender Policy (2015-2020)**,⁹⁷ approved by the Executive Board in 2015, provides the standards for ensuring gender equality and women's empowerment in "all types of interventions". Within the WFP Gender Policy, and according to the 2017 Update on the Gender Policy,⁹⁸ the Resource Management Department and the Gender Office are collaborating to ensure that the corporate financial benchmark of allocating 15 percent of all project funds to gender activities by 2020 is achieved. In order to do this, they are creating a mechanism "to quantify disbursement of funds for promoting gender equality and women's empowerment" and are putting measures in place to monitor and report on the progress of this mechanism, including annual updates to the Executive Board.
77. **The WFP Climate Change Policy**⁹⁹ sets out how the organization will integrate climate change activities into its work to prevent climate-related shocks from exacerbating existing vulnerabilities and undermining progress towards zero hunger. It includes a roll-out plan for how WFP should build staff capacities and access specialized climate change funding within its financial framework.
78. The WFP **South-South and Triangular Cooperation Policy**,¹⁰⁰ approved by the Executive Board in 2015, promotes South-South and triangular arrangements and in-kind or cash contributions through twinning as potential funding sources. Since approval of the policy, WFP has produced a series of tools and guidance materials to help operationalize the WFP corporate approach. South-South and triangular cooperation is primarily promoted through the WFP network of Centres of Excellence in China and Brazil, and more recently in Côte d'Ivoire. Efforts are ongoing to strengthen collaboration among the Rome-based agencies, most notably through the signature of the Joint Rome-Based Agencies Roadmap, in which the agencies committed to strengthen their collaboration on South-South and triangular cooperation for the effective implementation of the 2030 Agenda.¹⁰¹
79. Various technical strategies and policies exist within WFP, which include references to funding. These include the WFP Policy on Vouchers and Cash Transfers;¹⁰² the Nutrition Policy;¹⁰³ and the WFP School Feeding Strategy 2020-2030.¹⁰⁴

The WFP operational approach to support funding

80. Regional bureaux and country offices have clear responsibilities to support fundraising (see Section 2.1.2). In addition, various units at WFP headquarters also have responsibilities for oversight and coordination of resource-mobilization efforts. The Partnerships and Advocacy Department is responsible for supporting resource mobilization. Key systems managed by the Partnerships and Advocacy Department include: WINGS (for registering contributions); Salesforce (used to manage and share information on prospective contributions from donors and other key donor intelligence); and the Factory (a data-visualization platform that utilizes data from the two forementioned corporate systems). The Partnerships and Advocacy Department issues weekly updates on contributions in the form of a Microsoft Excel spreadsheet with contribution and forecast statistics, time series comparisons and summary comparative donor figures over a five-year period (drawing on data from WINGS and Salesforce). It has also disseminated various forms of guidance including partnership guidance for the

⁹⁷ WFP (2015) Gender Policy (2015-2020), Executive Board Annual Session, May 2015, WFP/EB.A/2015/5-A.

⁹⁸ WFP (2017) Update on the Gender Policy, Executive Board Annual Session, June 2017, WFP/EB.A/2017/5-D.

⁹⁹ WFP (2017) Climate Change Policy, Executive Board First Regular Session, February 2017, WFP/EB.1/2017/4-A/Rev.1.

¹⁰⁰ WFP (2015) South-South and Triangular Cooperation Policy, Executive Board Annual Session, May 2015, WFP/EB.A/2015/5-D.

¹⁰¹ FAO, IFAD & WFP Highlights of the Rome-Based Agencies on South-South and Triangular Cooperation 2017-2018, Rome: FAO.

¹⁰² WFP (2008) Vouchers and Cash Transfers as Food Assistance Instruments: Opportunities and Challenges. WFP/EB.2/2008/4-B.

¹⁰³ WFP (2017) Nutrition Policy. WFP/EB.1/2017/4-C.

¹⁰⁴ WFP (2020) A Chance for Every Schoolchild. Partnering to Scale up School Health and Nutrition for Human Capital. WFP School Feeding Strategy 2020-2030, January 2020.

country strategic plans (2018) and funding proposal guidance (2017).

81. WFP initiatives for resource mobilization also include efforts to position itself with host governments to receive funds from international financial institutions, access pooled funds and assess the potential for innovative financing (for example, disaster insurance, debt swaps, impact bonds and blended finance). The newly created Strategic Partnerships Division is developing an initiative to substantially increase development financing through WFP to host national governments or vice versa, with a focus on international financial institutions and innovative development financing mechanisms. The Rome-Based Agencies and Committee for World Food Security Unit within the Partnerships and Advocacy Department coordinates efforts to work more closely with the United Nations Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD).
82. The Resource Management Department at headquarters is responsible for resource allocation and performance management functions. It includes the following divisions that relate to funding:
 - The Corporate Planning and Performance Division, which is responsible for corporate budgeting, strategic financing, performance planning, and performance management and accountability
 - The Enterprise Risk Management Division, which covers internal controls and risk management functions
 - The Corporate Finance Division, which covers accounts payable, contribution accounting and donor financial reporting, general accounts, financial systems and processes support, and treasury functions.
83. The divisions within the Resource Management Department and the Public Partnerships and Resourcing Division collaborate to manage various reporting platforms. These include the Integrated Road Map Reporting Platform, the Factory and the Country Office Resource Allocation system. More information is provided in Annex 4.
84. According to a 2018 Executive Director's Circular,¹⁰⁵ the Strategic Resource Allocation Committee (SRAC) serves as the lead for making recommendations to the Executive Director regarding the allocation of multilateral and softly earmarked resources received by WFP. The Strategic Resource Allocation Committee is chaired by the Deputy Executive Director and includes the Chief of Staff and Assistant Executive Directors. The Director of the Budget and Programming Division is an observer member of the Strategic Resource Allocation Committee and manages its Secretariat. The Budget and Programming Division is responsible for implementing the decisions of the Strategic Resource Allocation Committee, including operation of advance financing and the full and timely recovery of advances provided. Specifically, the Strategic Resource Allocation Committee is responsible for:
 - Reviewing future project funding requirements and shortfalls¹⁰⁶ with a view to minimizing the impact of funding fluctuations, while maximizing the outcomes of programmes
 - Ensuring that the allocation of financial resources, over which management has discretion – including the programme support and administrative (PSA) budget, the Capital Budgeting Facility, multilateral and directed contributions – is carried out in a coherent manner, and in accordance with corporate priorities, policies and procedures.
 - Reviewing the status of the Internal Project Lending Facility and the Immediate Response Account (IRA), to ensure the most effective use of these funding tools while considering informed risk levels.
85. The same Executive Director's Circular states that the Strategic Resource Allocation Committee will ensure that the allocation of multilateral and flexible resources is coherent, transparent and clearly linked to performance criteria. It charges the Resource Management Department with issuing further guidance, standards and procedures of the Strategic Resource Allocation Committee.
86. Two types of revenue provide enough flexibility for WFP organizational leadership to make substantive decisions on resource allocation globally: i) the income captured by applying the indirect support cost (ISC) rate to contributions; and ii) multilateral (unearmarked or lightly earmarked) contributions. Indirect

¹⁰⁵ WFP, Executive Director's Circular, "Strategic Resource Allocation Committee (SRAC) Governance Structure", January 2018, OED2018/005.

¹⁰⁶ As defined in OED2014/006 Pipeline management information and funding requirements.

support cost income is used to fund the programme support and administrative budget (both the regular and investment/discretionary components), with the remainder being directed into the Programme Support and Administrative Equalization Account. Programme support and administrative budget proposals are prepared annually, using estimates of the projected income from indirect support costs from forecasted revenue in the year ahead. The Executive Board approves the overall programme support and administrative budget proposal within the management plan, providing the Executive Director with the authority to spend according to the broadly agreed categories and priorities.

87. WFP introduced the Programme Support and Administrative Equalization Account in 2002 to capture the difference between WFP indirect support cost revenue and programme support and administrative expenses for the financial period. The account is intended to serve as a reserve when the annual programme support and administrative appropriation exceeds indirect support costs from contributions. It can also be accessed to fund critical corporate initiatives. In 2006, the Executive Board set a target minimum level for the Programme Support and Administrative Equalization Account to ensure adequate reserves in the event of a longer-term reduction in indirect support cost income and provide adequate time for management to enact Programme Support and Administrative Equalization Account cost reductions.¹⁰⁷
88. In 2015, the Executive Board approved a management proposal to increase the Programme Support and Administrative Equalization Account target level from four months of approved programme support and administrative expenditure to five months and set a “floor” equivalent to two months of programme support and administrative expenditure. The Executive Board simultaneously approved the following uses of the Programme Support and Administrative Equalization Account:
- To cover any differences between indirect support cost income and approved programme support and administrative expenditure
 - As a reserve to underwrite the risk of decreased indirect support cost income or under-funding of the programme support and administrative budget
 - For critical corporate initiatives or thematic fund transfers, subject to Executive Board approval
 - For strengthening WFP reserves, subject to Executive Board approval.¹⁰⁸
89. Trust funds can serve as a vehicle to attract donor funding for specific initiatives. They are defined within WFP as “an identifiable subdivision of the WFP Fund, established by the Executive Director in order to account for a special contribution, the purpose, scope and reporting procedures of which have been agreed with the donor”.¹⁰⁹ WFP treats trust funds as those funds which have been received from recipient governments or other donors for activities that promote the mission and strategic priorities of the organization but are outside the scope of WFP projects.¹¹⁰
90. WFP makes a clear distinction between corporate trust funds (managed at headquarters and regional bureaux levels for the purposes of enhancing institutional capacity and effectiveness)¹¹¹ and country level trust funds (for specific country level initiatives outside of WFP projects).^{112,113} There are a number of existing corporate trust funds in WFP, including for supply chains, government capacity building, school feeding, nutrition, climate change and disaster risk reduction, emergency preparedness and response, cash and voucher-related research, and innovation. Corporate trust fund expenditure was approximately USD 108.5 million in 2019; and the organization is working with a planning figure of USD

¹⁰⁷ WFP, “Progress on the Financial Framework Review, Including Indirect Support Costs”, Executive Board Annual Session, May 2015, WFP/EB.A/2015/6-C/1.

¹⁰⁸ Ibid.

¹⁰⁹ WFP, General Regulations, General Rules, Financial Regulations, Rules of Procedure of the Executive Board, March 2019.

¹¹⁰ WFP (2015) Internal Audit of WFP Corporate Trust Funds. Office of the Inspector General Internal Audit Report AR/15/05.

¹¹¹ WFP (2019) WFP Management Plan (2020-2022).

¹¹² WFP (2015) Internal Audit of WFP Corporate Trust Funds. Office of the Inspector General Internal Audit Report AR/15/05.

¹¹³ All country-level activities are accounted for as programme or service provision with the country strategic plans. Consequently, from 2019 onwards, country-specific trust funds no longer exist (see Section 2.2.1 for further details).

72.7 million for trust fund expenditure in 2020.¹¹⁴

91. Special accounts “enable WFP to finance its management of corporate services, provide business services, and support activities that do not fall within a country strategic plan”.¹¹⁵ Since 2014, three mechanisms have been used to provide corporate services: the Capital Budgeting Facility (for investments in field and headquarters premises), the Fleet Centre (formerly the Global Vehicle Leasing Programme) and fee-for-service activities. These mechanisms have a combined overall projected financial ceiling of USD 82 million for 2020. Other special accounts are for common services, primarily the United Nations Humanitarian Response Depot network and others for aviation and logistics services, the projected cost of which is set at USD 230.5 million in 2020.
92. Given the full dependency of WFP on voluntary contributions, the timing of which are not always entirely predictable, the organization has established a number of advance financing mechanisms. They include:
- The Immediate Response Account – established in 1991, the Immediate Response Account is a flexible, replenishable, revolving multilateral funding mechanism, also designed for rapid response to emergencies. It provides loans without the prerequisite of forecasted contributions as collateral. Since 2016, Immediate Response Account funding can also be used to fund preparedness activities up to a limit of USD 6 million where no alternative and viable funding sources exist.¹¹⁶ Until March 2019, the target level of the Immediate Response Account was USD 200 million within each financial period; after which the Executive Board determined to establish targets on an annual basis.¹¹⁷
 - The Internal Project Lending Facility – in place since 2004, the facility enables WFP to respond quickly to emergency situations through the provision of loans when collateral is available, shortening the time between a donor’s expression of interest in contributing to an operation and confirmation of the contribution. As of 2018, the ceiling for the Internal Project Lending Facility was USD 570 million.¹¹⁸
 - The Macro Advance Financing (MAF) mechanism – established as part of the Financial Framework Review in 2017 and piloted in 2017 and 2018. The Macro Advance Financing mechanism was managed within the Internal Project Lending Facility (and within its budget ceiling) and provided loans based on general funding forecasts rather than on collateral. The total ceiling for the Macro Advance Financing mechanism was USD 150-200 million.
 - The Global Commodity Management Facility – in place since 2008 (but known as the Forward Purchasing Facility prior to 2014), the Global Commodity Management Facility allows for the purchase and prepositioning of food with corporate funding in advance of contribution confirmation. It is both a pre-financing and a pre-positioning facility, designed to reduce lead times in emergencies through early purchase of key commodities at a time that exploits favourable market conditions.¹¹⁹ As of 2018, the approved ceiling of the Global Commodity Management Facility was USD 500 million, compared with USD 60 million at the time of its inception in 2008.¹²⁰
93. While not an advance financing mechanism as such, the WFP 2030 Fund, established under a critical corporate initiative in the WFP Management Plan (2019-2021), is designed to finance actions within country strategic plans that are more difficult to resource, particularly in places where WFP is repositioning itself to shift from direct assistance to technical support. The WFP 2030 Fund does not require repayment. In addition, the Emerging Donor Matching Fund, established in 2003, serves as a funding source of last resort for the operational and support costs associated with commodity contributions from eligible donors.

¹¹⁴ WFP (2019) WFP Management Plan (2020-2022).

¹¹⁵ WFP (2019) WFP Management Plan (2020-2022).

¹¹⁶ WFP (2016) Use of the Immediate Response Account for Preparedness Activities. WFP/EB.A/2016/6-C/1.

¹¹⁷ WFP, General Regulations, General Rules, Financial Regulations, Rules of Procedure of the Executive Board, March 2019.

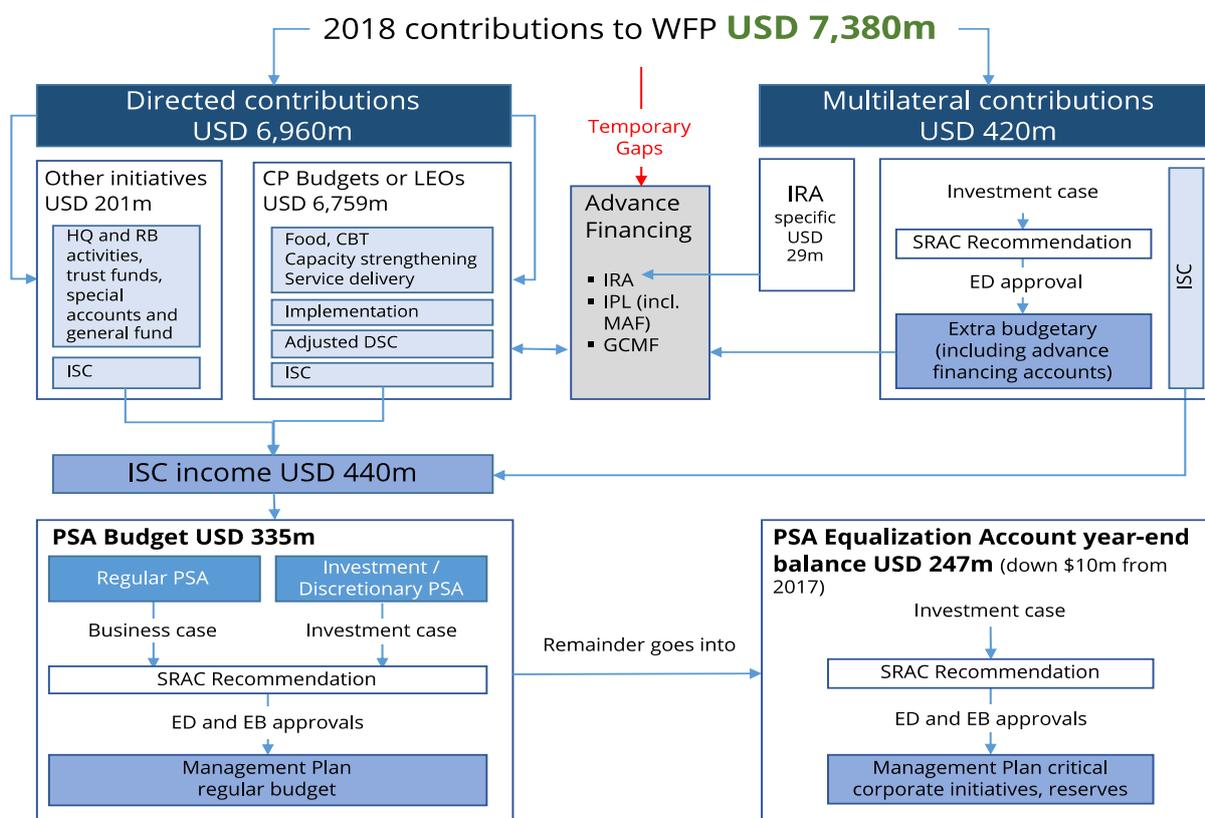
¹¹⁸ WFP (2018) Report on the Utilization of WFP’s Advance Financing Mechanisms During the Period 1 January–31 December 2018. WFP/EB.A/2019/6-H/1.

¹¹⁹ WFP, January 2018, Global Commodity Management Facility Information and Guidance Note (Internal).

¹²⁰ WFP (2018) Report on the Utilization of WFP’s Advance Financing Mechanisms During the Period 1 January–31 December 2018. WFP/EB.A/2019/6-H/1.

94. Figure 12 shows the global funding flow and internal allocation of resources as reported for 2018.¹²¹

Figure 12: Funding by type of contribution and allocation of resources 2018



Sources: WFP Annual Performance Report for 2018, WFP Management Plan (2020-2022).

Note: Adjusted direct support costs (DSC), cash-based transfers (CBT), country portfolio (CP), Executive Board (EB), Executive Director (ED), indirect support costs (ISC), Global Commodity Management Facility (GCMF), headquarters (HQ), Immediate Response Account (IRA), Internal Project Lending (IPL), Limited Emergency Operations (LEOs), Macro Advance Financing (MAF), programme support and administrative (PSA), regional bureau (RB), Strategic Resource Allocation Committee (SRAC).

Findings from relevant evaluations and reviews

95. As part of the background document desk review, the evaluation team read and analysed a library of recent evaluations, audits and reviews – both internal to WFP and external. A number of key previous evaluations were taken into account during the inception phase of the evaluation but were particularly useful during the data-collection phase and as such are cited as evidence in multiple places within the report. While this is the first strategic evaluation of funding WFP work, a number of other evaluations and studies have touched on relevant topics within its overall scope. The evaluation was informed by findings, conclusions and recommendations from these documents and has built on them wherever possible. Evaluations of important shifts within WFP – such as the move from food aid to food assistance, or the introduction of the country strategic plans – were particularly useful in terms of understanding the evolution of the organization over time. Other evaluations that focused on topics relevant to funding, for example, the WFP Use of Pooled Funds for Humanitarian Preparedness and Response (2009-2013), provided good sources of background data and information.

96. Some of the main findings that the evaluation team extracted from previous evaluations, studies and other documents included:

- Progress on the development of a clear and cohesive longer-term vision for WFP but with remaining gaps in conceptualization of certain key areas, including resilience. Findings extracted from, for

¹²¹ 2018 data are used for the purposes of illustration in this case. However, subsequent sections of the report incorporate data up to 2019 wherever possible.

example, Multilateral Organization Performance Assessment Network (MOPAN) Evaluation of WFP, 2019; Strategic Evaluation of WFP Support for Enhanced Resilience, 2019

- Missed opportunities to align country planning processes with joint United Nations strategic planning exercises and national policy prioritization processes. Finding extracted from the strategic evaluation of the Pilot Country Strategic Plans (2018)
- Weaknesses in the approach of WFP to addressing long-term hunger. Several past internal evaluations have pointed to gaps within the organization's response to chronic food insecurity. Finding extracted from, for example, From Food Aid to Food Assistance - Working in Partnership: A Strategic Evaluation, 2012; and Strategic Evaluation of WFP Support for Enhanced Resilience, 2019
- Prioritization of life-saving activities and concurrent difficulties conceptualizing and engaging in long-term strategic activities with short-term funding cycles. In addition, a recognition that different funding models, expertise and communications are required for programmes with broader development objectives. Findings extracted from, for example, the WFP Nutrition Policy (2012): A Policy Evaluation (2015); Update of WFP's Safety Net Policy (2012); the WFP 2008 Cash and Voucher Policy (2014): A Policy Evaluation; and Synthesis report of WFP country portfolio evaluations in Africa (2018)
- Curtailing of resilience-oriented programmes due to funding shortages. Finding extracted from, for example, Operation Evaluations Synthesis (2014-2015), Changing Course: from Implementing to Enabling, (2015); and Operation Evaluations Synthesis (2015-2016): Partnerships for the Future, (2016))
- Mixed evidence of WFP using its own flexible funding, albeit limited, to correct imbalances in global coverage. Finding extracted from, for example, evaluation of WFP Policy on Humanitarian Principles and Access in Humanitarian Contexts, (2018); and Report of the External Auditor on Decentralization (2017)
- Positive results from WFP use of advance financing mechanisms in terms of time and cost-efficient responses. However, the liquidity of such mechanisms, particularly the Immediate Response Account and the Global Commodity Management Facility, has occasionally limited organizational responsiveness. Findings extracted from the strategic evaluation of WFP's Capacity to Respond to Emergencies, (2020)
- A plethora of trust funds within WFP, some of which are misaligned with the overall direction of the organization, either in terms of purpose or timeframe. Finding extracted from, for example, Internal Audit of WFP Corporate Trust Funds (2015)
- The complexity of budget planning tools and systems placing a burden on staff, particularly those working at country-level. Finding extracted from Report of the External Auditor on Country Portfolio Budgets, Executive Board Annual Session (2019)
- Problems communicating WFP resilience-oriented work to existing and potential donors. Finding extracted from, for example, WFP's Role in Social Protection and Safety Nets: A Strategic Evaluation, (2011); and Joint Evaluation of Renewed Efforts against Child Hunger and Under-Nutrition (REACH) (2011-2015)
- Difficulties establishing systematic and effective partnerships. Reasons for this include a lack of coherent strategy and approach to partnerships, and gaps in relevant capacities at multiple levels within the organization. Finding extracted from, for example, MOPAN Evaluation of WFP, 2019; WFP Corporate Partnership Strategy (2014-2017),; and WFP's 2008 Cash and Voucher Policy (2008-2014)
- Reservations about WFP approach to defining and estimating needs and clearly communicating requirements to donors. Finding extracted from, for example, Report of the External Auditor on Country Portfolio Budgets Also challenges linking WFP work to high-level results and outcomes. Finding extracted from, for example, MOPAN evaluation of WFP, (2019); strategic evaluation of WFP Support for Enhanced Resilience, (2019); and WFP Policy on Capacity Development: An Update on Implementation (2009), (2017)
- Donor-driven prioritization and concerns that WFP operational approaches were subsequently based on the political interests of donors, particularly in cases where there was a small pool of

donors and funding was tightly earmarked. Finding extracted from, for example, evaluation of WFP Policy on Humanitarian Principles and Access in Humanitarian Contexts, (2018).

2. Evaluation findings

97. This section presents the main findings from the evaluation and is structured according to the four main evaluation questions and sub-questions as set out in the introduction to this report and included in the evaluation matrix at Annex 7. The 19 evaluation sub-questions have been paraphrased as headers for this section in order to orient the reader. The processes, activities, actors and expected outcomes involved in funding WFP work – as set out in the conceptual framework for the evaluation (see Annex 5) – are considered within the analysis for each evaluation question. Overall answers to the four overarching evaluation questions follow in Section 3 of the report.

2.1 POLICY FRAMEWORK, STRATEGY AND ORGANIZATIONAL STRUCTURE

98. This first evaluation question looks at whether WFP has created the enabling organizational environment in which to attract and manage the necessary resources to fund its work. It covers the various policies and strategies in place to mobilize adequate and appropriate funding; the organizational and governance structures that exist and the extent to which they enable fundraising; the level of organizational ambition to meet resource mobilization goals; and ways in which WFP mitigates the volatility of the global funding context in which it operates.

2.1.1 Coherence and Flexibility of Policies and Strategies Related to Funding

Finding 1: The lack of an overarching strategy on funding is not considered problematic within the organization and is not perceived to have limited the ability of WFP to mobilize resources. The recent strategy on private sector partnerships and fundraising has filled an important gap. There are remaining gaps, however, in the strategic approach of WFP to generating adequate and appropriate funding – particularly in relation to funding for resilience and development where WFP has ambitions to grow but less experience in generating the necessary resources. More deliberate thought and strategic guidance specifically on funding for these areas and other identified gaps would contribute to a more coherent approach.

99. The last overarching strategy for funding of WFP work was discussed and adopted by the Executive Board in 2010.¹²² Since then, while no single strategy on funding has been discussed or agreed, successive strategic plans and management plans have provided direction related to funding of WFP work, including challenges within the current funding environment and the importance of flexible and longer-term funding. Funding has been a key component of a number of relevant strategies and policies within WFP, covering specific topics such as corporate partnerships, private sector partnerships, communications, advocacy and marketing. Policies on technical and cross-cutting areas of the organization's work – such as nutrition, school feeding, gender and climate change – have also emphasized the importance of targeted resource-mobilization efforts and internal prioritization of resources. In the case of the WFP Strategy on School Feeding (2020-2030),¹²³ for example, a flexible funding model is proposed that works across sectors – including health, nutrition, education, social protection, food security and agriculture – and adapts to different humanitarian and development contexts.

100. The absence of an overarching strategy on resource mobilization is not unique to WFP. Out of 28 United Nations organizations covered by a review by the United Nations Joint Inspection Unit in 2014, only 5 had comprehensive, organization-wide strategies for resource mobilization.¹²⁴ Others, like WFP, however, had relevant strategies and procedures in place to avoid ad-hoc approaches to fundraising and ensure better prioritization and planning of resource allocation and management, but no overall guiding strategic framework for funding. The majority of those organizations reviewed as part of the comparative study for this evaluation either had an overall resource-mobilization strategy in place or were in the process of developing or revising their funding strategies. Most of these documents could be described as general: they provided overall direction and high-level objectives, for example, to diversify funding

¹²² WFP (2010) Resourcing for a Changing Environment. Informal Consultation. 12 January 2010.

¹²³ WFP (2020) A Chance for Every Schoolchild. Partnering to Scale up School Health and Nutrition for Human Capital. WFP School Feeding Strategy (2020-2030), January 2020.

¹²⁴ United Nations Joint Inspection Unit (2014) An Analysis of the Resource Mobilization Function within the United Nations System.

sources, but without prescribed details of how to get there, for example, by providing recommended staffing levels.

101. When asked about the absence of a formal and comprehensive funding strategy, WFP interviewees generally emphasized the importance of “doing” over “strategy or policy development”. Within WFP, demonstrating the quality of WFP programmes was highlighted as being a more effective way of generating funding; and being flexible and alert to funding opportunities as they arise aligned better with the general culture of an action-oriented approach to doing business. Moreover, a global strategy on resource mobilization was considered too generic to be of use to many of those interviewed from within WFP, given the considerable specificities of different markets in which WFP engages for fundraising purposes. The logic of the WFP Integrated Road Map also dictates that the organization’s approach is in support of national priorities, again making the case for more contextualized approaches to mobilizing resources for the priority actions that emerge.
102. There was also hesitancy among some WFP interviewees to commit elements of a strategy to paper that could then limit the flexibility of WFP management - for example, a strategy that involves maximizing returns from traditional WFP donors or plans to more proactively expand into particular private-sector markets. There was an expressed preference to treat certain aspects of a potential resource-mobilization strategy less formally and instead to clarify approaches through operational plans and informal guidance materials.
103. More demand was in evidence for strategies, or more specifically common approaches, to fundraising for areas of work where WFP has ambitions to grow, but less demonstrated expertise. This applies to specific topics, such as accessing funding from development-oriented pooled funds and trust funds, as well as accessing more innovative forms of financing beyond those covered within the strategy on private-sector partnerships and fundraising.¹²⁵ However, it was particularly strongly articulated in the case of fundraising for WFP work on building resilience and addressing the root causes of hunger and malnutrition. Whereas WFP is well known for its emergency response capacity and has ample opportunity to fundraise on the back of quality crisis response programming, the task is made more difficult in the case of neglected emergencies, preparedness and anticipatory action; and particularly difficult in the resilience and development arenas, where WFP is less well-established and has not yet fully demonstrated its capacity. Such guidance might include how to articulate the role of WFP in resilience/development, particularly in relation to other, more well-established, actors; and how to fundraise specifically for resilience and/or development - for example, which donors or donor entities to target, how to approach them and when, how to articulate the WFP contribution and who to partner with. This was echoed in the strategic evaluation of WFP Support for Enhanced Resilience (2019), which recommended a dedicated fundraising strategy for long-term funding of resilience activities, including through thematic funding windows and more engagement with the private sector.¹²⁶
104. The WFP Gender Policy (2015-2020) begins to situate gender equality and women’s empowerment at the core of the organization’s work and identifies resources as one of the key drivers of success. There is something of a mismatch, however, between the ambitious rhetoric of the policy and the accompanying budget for its implementation (a weakness also identified in relation to other policies, where links to funding strategies and adequate resources for roll-out were lacking in some cases). Implementation and monitoring of future iterations of the Gender Policy require further work, particularly in terms of identifying sources of appropriate funding and tracking of gender equality expenditure (see Section 2.2.1).
105. A clear gap in strategic guidance within WFP until recently was in the area of partnering with, and mobilizing resources from, the private sector. The previous private-sector strategy was approved by the Executive Board in 2013 and covered the period 2013-2017. The new version of the strategy, the Private-Sector Partnerships and Fundraising Strategy (2020-2025),¹²⁷ was presented to the Executive Board and

¹²⁵ WFP (2019) 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.

¹²⁶ WFP (2019) Strategic Evaluation of WFP Support for Enhanced Resilience.

¹²⁷ WFP (2019) 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.

approved in November 2019 (see Box 1).¹²⁸ It calls for significant investments to support the private-sector fundraising function in WFP with the goal of dramatically increasing contributions from individuals over its five-year span. While the new strategy is welcome and provides much-needed clarity on the scale and scope of WFP ambition to mobilize resources from private sector partners, interviewees frequently stressed the need for early contextualization of the WFP approach to partnering with the private sector and fundraising from individuals in different markets. This will involve taking into account different cultures and regulatory frameworks relevant to fundraising, assessing the competitive landscape, and producing clearer guidance on the relative level of effort to increase funding from private-sector partners versus the potential return on investment (see Section 2.1.3 for more on the WFP approach to private-sector partnerships and fundraising).

Box 1: New WFP strategy on private-sector partnerships and fundraising

The WFP Private-Sector Partnerships and Fundraising Strategy (2020-2025) was approved by the Executive Board in November 2019. It is structured around three inter-related pillars of impact, income and innovation:

- **Impact** – Projecting a 25 percent increase in the number of technical global partnerships by 2025 to enhance the local level impact of WFP work. A new methodology will be developed and used to measure the impact of partnerships, which will align with the WFP Corporate Results Framework
- **Income** – Concentrating on a digital-led fundraising strategy to increase WFP flexible income through individual giving to USD 170 million by 2025, with an additional focus on increasing contributions from businesses and foundations to USD 50 million and USD 25 million respectively. To support this, the strategy envisions an increase of 12 percent of brand familiarity, driven by the Communication, Advocacy and Marketing Division
- **Innovation** – Exploring innovative and collaborative solutions to deliver on the previous two pillars. Ideas include using partnerships to explore new technologies such as artificial intelligence and drones; maximizing technology to encourage online donations, through the “ShareTheMeal” app, for example; and investing in innovative financing mechanisms such as the Agri-Business Capital Fund.

2.1.2 Appropriateness of Organizational Architecture, Legal Framework and Governance

Finding 2: The architecture, legal framework and governance arrangements of WFP have enabled multiple approaches to resource mobilization. Resource-mobilization arrangements have generally worked effectively for country level funding, though levels of funding have been mixed. WFP global offices in key cities have helped to focus and streamline the organization’s engagement with certain important donors; and “Friends of WFP” organizations have achieved moderate success in mobilizing additional private-sector funding, with potential for greater impact going forward, pending more strategic direction and targeted support. However, donor preferences and a lack of internal coherence and prioritization have created a competitive environment for resources within WFP.

106. Multiple components of WFP have responsibility for mobilizing resources and many have done so effectively. At the head of WFP since 2017, the Executive Director has played a key role in increasing the organization’s revenue. According to interviewees, his visibility and mobility – with frequent travel to capitals, regional bureaux and country offices – is credited with raising the profile of WFP, building and sustaining important partnerships with host governments and donors (including parliamentarians), promoting innovative approaches to achieve zero hunger, and encouraging increased contributions.

107. As a governance mechanism, the Executive Board is actively engaged in discussions and decisions regarding WFP funding. Overall, this is positive, ensuring a strong enabling environment for successful resource mobilization. The Executive Board’s involvement includes recurring debates on the important issue of the WFP cost-recovery principle, appropriate rates of indirect support costs (see Section 2.4.4), and measures to encourage donors to provide more flexible resources. On the issue of private-sector

¹²⁸ In the interim, a private-sector partnerships and fundraising strategy was developed to cover the period 2018-2021. It was discussed at informal consultations with the Executive Board but not formally submitted for approval.

funding, some frustration was expressed at delays to the Executive Board's approval of the much-awaited strategy on private-sector partnerships and fundraising.¹²⁹

108. As described in Section 1.4, there are multiple divisions and departments with partnership and fundraising responsibilities. The Public Partnerships and Resourcing Division and Private Partnerships and Fundraising Division take prime responsibility for coordination and oversight of partnership and fundraising functions, with the Strategic Coordination and Support Division leading on some aspects of development funding. The organizational restructuring of headquarters introduced in June 2019 brought Public Partnerships and Resourcing and Private Partnerships and Fundraising together with Communications, Advocacy and Marketing Division, under the overall remit of the Partnerships and Advocacy Department. This integration of divisions is positive, creating opportunities for greater synergies across WFP efforts to communicate effectively in support of strengthened partnerships and effective fundraising.
109. There still appears to be some confusion within the organization, however, in terms of where the onus sits for developing relationships – a point raised by a number of interviewees (both internal and external) and currently being addressed by the ongoing functional review of WFP.¹³⁰ This is felt particularly at headquarters and regional levels (much less so at country level) and has manifested itself through multiple units contacting the same donor on different topics. Revised terms of reference for headquarters and regional bureaux have been drawn up and discussed, which to some extent clarify the parameters of responsibility.¹³¹ Headquarters clearly has the lead in terms of global strategic partnerships and resource mobilization; and regional bureaux are the first line of support for country offices in their regions, lead on engagement with donors at regional level and manage partnerships with regional bodies, such as the Association of Southeast Asian Nations. Some overlap of responsibilities between country offices and regional bureaux is necessary and inevitable, particularly in the case of regional emergencies where a cross-border perspective and approach to fundraising is required (for example, in the case of the response to the drought in the Sahel region and in response to the Syria regional emergency).
110. It is country offices that appear to feel the most pressure for mobilizing adequate resources, sometimes leading them to pursue all opportunities irrespective of alignment with their country strategic plan. As a voluntarily funded organization with a clear cost-recovery principle, ultimate accountability sits at the country level for keeping activities running and ensuring an adequate flow of implementation costs to cover staff costs and other overheads. Depending on the size and nature of the country office, this can be a difficult task and the level of funding received for country strategic plans against amounts required varies considerably from country to country (see Section 2.3.3 for more analysis on this point). Evidence, particularly from key informant interviews, suggests that the partnership and resource-mobilization functions are often under-resourced in the field, with many partnership officers¹³² operating in double or even triple-hatted roles – juggling fundraising responsibilities with other functions, such as reporting and communications. Country Directors have played a key role in resource-mobilization, which is one of their primary responsibilities. As such, many of them have performed well in terms of balancing budgets. However, performance relies heavily on personalities and their ability to establish strong partnerships and allegiances in-country (while also noting that in some contexts there are limited willing partners with which to engage).
111. Multiple entry points into donor entities do not appear to have significantly hampered fundraising efforts and there is a certain logic for encouraging a diverse approach, particularly where technical expertise is required, for example, on specific areas of work such as school feeding, nutrition or supply chain, or where donor decision-making is decentralized, making the case for country office leadership on

¹²⁹ WFP (2019) 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.

¹³⁰ The different roles and responsibilities of RBs and HQ in relation to COs are in the process of being clarified through a functional review and the development of revised terms of reference for RBs and HQ.

¹³¹ WFP (2019) Terms of reference: WFP headquarters and regional bureaux, February 2019. Internal WFP document.

¹³² Partnership officers come under the overall heading of Partnerships and Communications within WFP, covering four distinct roles: Government Partnership Officer, Private Partnership Officer, External Partnership Officer and Communications Officer. In smaller country offices, one person may be required to work across these different functions.

fundraising. Interviewees representing donor organizations in some cases noted that they receive communications and requests from different parts of WFP, but did not characterize this as particularly problematic. What remains important is that some level of oversight is maintained, regardless of where it sits. Recent efforts to strengthen coordination between the Partnerships and Advocacy Department and the Programme and Policy Development Department indicate willingness to coordinate and an appreciation of the need to transmit a strong and coherent message to donors about WFP funding priorities. Without this there is a risk that WFP inadvertently competes against itself when communicating with donors and mobilizing directed contributions.

112. WFP global offices¹³³ in key cities such as Beijing, Berlin, Paris, Seoul, Tokyo and Washington, which report to the Partnerships and Advocacy Department, have mostly played a positive role, particularly where their role is clearly delineated from that of headquarters. The Berlin WFP Office, for example, has been instrumental in strengthening the partnership between the German Government and WFP. Staff at the office have an in-depth understanding of the way that the German Government operates and how decisions about humanitarian and development funding are made, allowing them to spot openings and position WFP to take advantage of available funding or advocacy opportunities. The WFP office in Brussels has also served an important function in helping WFP to navigate often complex processes and procedures in order to access European Commission funding. Similarly, the Washington office has proven critical for maintaining and managing donor relations and promoting compliance with regulations of different funding entities in the United States Government, most notably the United States Agency for International Development (USAID) Office of Food for Peace, the organization's single largest donor agency. This office has also played a key role in informing legislators in the United States Congress and high levels of the Executive Branch on the importance of WFP work and United States funding.

113. WFP global offices also act as a useful funnel for communications with donors – avoiding overloading partners with proposals or questions from multiple WFP country offices and divisions within headquarters. They simultaneously act as a single source of informed advice for WFP on how to engage effectively with particular governments and operate within the cultural and legal specificities of private fundraising in different country contexts. In performing this function, the relevance and usefulness of specific WFP global offices is notable. However, their growth has happened somewhat organically and is neither consistent across offices nor well recognized in the literature of the organization, including planning documents such as the annually updated management plan or updates on progress such as the annual performance report.

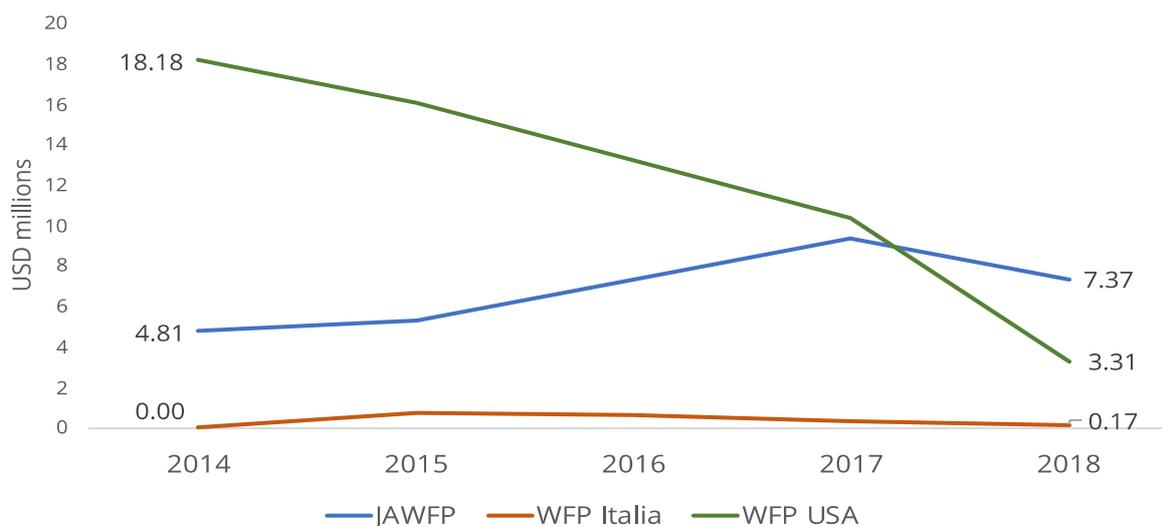
114. The "Friends of WFP" organizations, of which there are currently three – in the United States, Japan and Italy – are independent entities with a specific remit to partner with WFP for private-sector fundraising and advocacy. Their relationship with WFP is governed by respective memoranda of understanding, which clarify roles and responsibilities and ways of working, including the proportion of funding raised to be retained by the "Friends" for running costs and growth.

115. Funding that the "Friends" entities have generated on behalf of WFP has been fairly modest to date (see Figure 13). In 2017, for example, WFP USA, Japan and Italy contributed USD 10.4 million, USD 9.3 million and USD 0.4 million to the organization respectively.¹³⁴ However, given the key fundraising markets that they represent, there is considerable potential for their growth.

¹³³ Previously referred to within the organization as WFP liaison offices.

¹³⁴ Note that the "Friends of WFP" raised considerably more than the sums included here, but retained a portion of the funding for professional costs/overheads, similar to comparison organizations with national fundraising entities.

Figure 13: Contributions from “Friends of WFP” organizations, 2014-2018



Source: Japan Association for WFP (JAWFP) and WFP Italia data from WINGS. WFP USA data drawn from WFP USA Annual Financial Reports.¹³⁵

116. Recognizing the potential for growth, the Japan Association of WFP has a five-year plan in place to significantly increase the revenue that they generate on behalf of WFP through individual giving, resourced with the support of seed-funding from headquarters and supported closely by the Private Partnerships and Fundraising Division.¹³⁶ There has also been notable collaboration between the Private Partnerships and Fundraising Division and WFP United States recently to plan for future fundraising. The recently approved Private-Sector Partnerships and Fundraising Strategy (2020-2025)¹³⁷ refers to close collaboration with the “Friends of WFP” organizations and indicates how much they are expected to contribute to fundraising targets.¹³⁸ However, it provides little detail and does not clarify whether there are plans to multiply the “Friends” model in additional countries.

117. Other comparable organizations, such as the United Nations Refugee Agency (UNHCR) and the United Nations Children’s Fund (UNICEF), generate considerable amounts of funding through their respective national associations and committees. In 2018, for example, UNICEF raised around USD 1.2 billion through its 33 “National Committees”;¹³⁹ and in the same year, six of the UNHCR national associations mobilized a combined total of USD 201.8 million.¹⁴⁰ However, there are also risks involved in expanding the “Friends of WFP” or “National Committee” models, as evidenced by the experience of others, including additional demands that national entities can place on the organization and the risk of confusion around different uses of the organization’s brand.

¹³⁵ WFP USA contribution statistics in the WINGS database do not include a substantial portion of corporate sector contributions that are separately accounted for. Differing fiscal years and pledge versus transfer dates may also create variances in reporting across years and sources.

¹³⁶ The Japan Association of WFP received USD 3 million from internal WFP resources to support scale up of its presence and activities to support private fundraising in Japan.

¹³⁷ WFP (2019) 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.

¹³⁸ The strategy sets a fairly ambitious target for revenue generated by the “Friends of WFP” entities of USD 83 million between 2020-2025.

¹³⁹ UNICEF (2019) Private Fundraising and Partnerships: financial report for the year ended 31 December 2018, United Nations Economic and Social Council, United Nations Children’s Fund Executive Board, second regular session 2019, July 2019, E/ICEF/2019/AB/L.6.

¹⁴⁰ This figure comprises funding raised in 2018 by the UNHCR respective national associations in Spain (USD 91.7 million), the United States (USD 25.2 million), Japan (USD 25.2 million), Germany (USD 24 million), Sweden (USD 15.4 million) and Australia (USD 20.4 million). UNHCR (2019) Update on budgets and funding for 2018 and 2019, Executive Committee of the High Commissioner’s Programme, Standing Committee 74th meeting, March 2019, EC/70/SC/CRP.7/Rev.2.

2.1.3 Consistency of Level of Ambition with Closing the Gap Between Funds and Needs

Finding 3: The funding gap features prominently in WFP communications with donors and the Executive Board. There is some skepticism about the scale of the gap, particularly for development-oriented needs. Disparities exist between the proportion of required funding received for crisis response, resilience building and root causes activities, with particularly disproportionate shortages in funding for activities labelled as either resilience or development, driven mainly by resistance from some donors to WFP “overstretching” beyond its expertise in emergency response.

118. As shown in Figure 5 (Section 1.3), WFP’s funding has grown exponentially since 2002, reaching a high of USD 7.4 billion in 2018.¹⁴¹ However, just as funding for the organization has continued to grow, so have humanitarian needs, driven by a rise in climate-related disasters, protracted conflicts and increased displacement. As a result, the gap between funding required by WFP and funding received has remained equally persistent. In 2018, the WFP planned programme of work was budgeted at USD 10 billion, leaving a funding gap of USD 2.6 billion or 26 percent of total needs. In 2019, the funding gap increased to 38 percent of requirements. For 2020, WFP is already planning to reach 11 percent more beneficiaries than in 2019 and is forecasting a funding gap of USD 3.1 billion, or 29 percent of requirements.¹⁴²

119. Perceptions differ on the nature of the funding gap, both within WFP and externally. Firstly, there is a degree of skepticism about the ability of WFP to absorb and effectively programme the full sum of money requested, particularly on the part of government donors. That aside, some see the funding gap as tactical – a deliberate over-projection of needs knowing that available funding is only ever likely to cover a proportion of requirements.¹⁴³ Others have more confidence in the accuracy of the funding gap, stressing that it is now based on a disciplined budgeting and planning approach that works from the bottom up, using country portfolio budgets, which in turn are based on data derived from food security assessments and other forms of vulnerability analysis and mapping.

120. The implementation plans, standardized as part of the Financial Framework Review adopted in 2016, bridge the gap between needs and plans based on realistic projections of available resources and have strengthened the credibility of WFP planning figures. WFP routinely set itself a funding target of 100 percent of requirements between 2014 and 2018, according to its various Management Results Frameworks,¹⁴⁴ Corporate Results Frameworks and annual performance reports – indicating a level of confidence within the organization in its own costing model, as well as its ability to mobilize the necessary resources. However, the goal of 80 percent of resources mobilized for needs-based plans in country operations within the latest Revised Corporate Results Framework (2017-2021) demonstrates a more realistic approach based on analysis of previous funding patterns and an understanding of overall global trends in humanitarian and development funding.

121. Residual doubts remain, however. A 2019 report of the External Auditor on country portfolio budgets noted reservations about the robustness of estimates of need calculated by country offices as part of country strategic plans.¹⁴⁵ The same report also recommended that WFP clarify its approach to defining needs and communicate that clearly to donors.¹⁴⁶

122. The evaluation found that the approach used to determine WFP funding requirements for development-

¹⁴¹ The WFP annual performance report for 2018 shows revenue for that year at USD 7.2 billion. The difference is due to adjustments within WINGS data since publication of the annual performance report. WFP (2019) Annual Performance Report for 2018. WFP/EB.A/2019/4-A.

¹⁴² WFP (2019) WFP Management Plan (2020-2022). WFP/EB.2/2019/5-A/1.

¹⁴³ This is not unique to WFP; there is a chronic distrust in financial costings within the humanitarian system. See Swithern, S. (2018), Underfunded appeals: Understanding the consequences, improving the system, EBA report 2018:09 Expert Group for Aid Studies, Sweden.

¹⁴⁴ The Management Results Framework Indicator Compendium (2014-2017) noted that “WFP’s funding target is set at 100% to reflect the organization’s aspiration to receive full coverage of Programme of Work from donors”.

¹⁴⁵ Report of the External Auditor on Country Portfolio Budgets (Executive Board Annual Session, June 2019, WFP/EB.A/2019/6-E/1).

¹⁴⁶ Report of the External Auditor on Country Portfolio Budgets (Executive Board Annual Session, June 2019, WFP/EB.A/2019/6-E/1).

oriented activities is even less clear. Whereas there is at least some clear logic for costing of humanitarian needs, this is much less the case when it comes to putting a figure on the WFP response to development gaps, which by their nature are inherently more difficult to calculate and incompatible with the way that humanitarian needs are conceived, assessed and estimated. Those interviewed expressed different opinions about whether the development components of budgets are realistic or aspirational, and where the line is drawn between emergency response versus resilience and root causes. Overall, however, there was a sense that the informal target of 20 percent of overall WFP operational budget for development (currently under discussion at headquarters) is arbitrary and not necessarily rooted in any strong methodological approach. Questions were also raised about how such a target should be applied across different country offices, where development-oriented activities are more or less appropriate depending on the context. It is also unclear whether the 20 percent target is meant to remain constant over time, even if humanitarian budgets substantially increase or decrease.

123. What is clear is that the funding gap is disproportionately felt in forgotten emergency situations and in programmes classified as development-oriented. The latest WFP management plan estimates future cuts of between “35 and 50 percent in programmes that focus on development gains, resulting in missed opportunities to reduce and prevent future humanitarian needs”.¹⁴⁷ This is partly due to divided donor perspectives about the realization of the WFP dual mandate, as well as different opinions within the organization. Some donors are supportive of WFP work in anticipatory action, preparedness, resilience building and addressing the root causes of hunger and malnutrition; others see it as a distraction from the “core strength” of WFP within emergency response. A number of donors at global level are particularly resistant to what they saw as WFP “overstretching” into the development space; less so at country level, particularly in contexts where WFP already has a demonstrated track record through its resilience and root-cause-oriented programmes. Resistance has been particularly strong from donors that are limited by their own mandates and restrictions in terms of funding activities beyond the immediate scope of humanitarian assistance. Other donors are supportive in principle of the dual role of WFP but have been slow to come forward with funding for activities beyond emergency response. Regardless of the reason, there is clearly a long way to go before WFP can close the gap between funds and needs (however those needs are defined), particularly in terms of its development-oriented ambitions.

124. Analysis of the funding gap between needs-based plans for country portfolio budgets¹⁴⁸ and allocated contributions illustrates disparities between activities for crisis response, resilience building and root causes. Table 1 shows the percentage of the needs-based plans funded (over their full lifespan – usually five years) based on the year the plan began.

Table 1: Percentage of needs-based plans funded by focus area and year plan started¹⁴⁹

Focus area	Total needs-based plan (USD millions)	Percentage of plan / budget met by start year			Total percentage met
		2017	2018	2019	
Crisis response	20,610	60%	48%	42%	46%
Resilience building	5,465	59%	36%	23%	29%
Root causes	2,050	53%	27%	25%	32%
Total	28,126	59%	44%	37%	42%

Source: Data extracted by the Public Partnerships and Resourcing Division, analysed by evaluation team.

125. Table 1 shows that overall activities linked to crisis response represent 73 percent of the budgets for needs-based plans and have smaller funding gaps than those for resilience building and root causes. The disparity in funding is larger for country portfolio budgets more recently approved and initiated. This could be partially explained by longer resource-mobilization cycles for longer-term programming, but may also mask the influence of resources transferred from previous operations for the first country

¹⁴⁷ WFP (2019) WFP Management Plan (2020-2022). WFP/EB.2/2019/5-A/1.

¹⁴⁸ Analysis included Interim country strategic plans and country strategic plans but excluded temporary Interim country strategic plans.

¹⁴⁹ Excludes separate budgets for indirect and adjusted direct support costs.

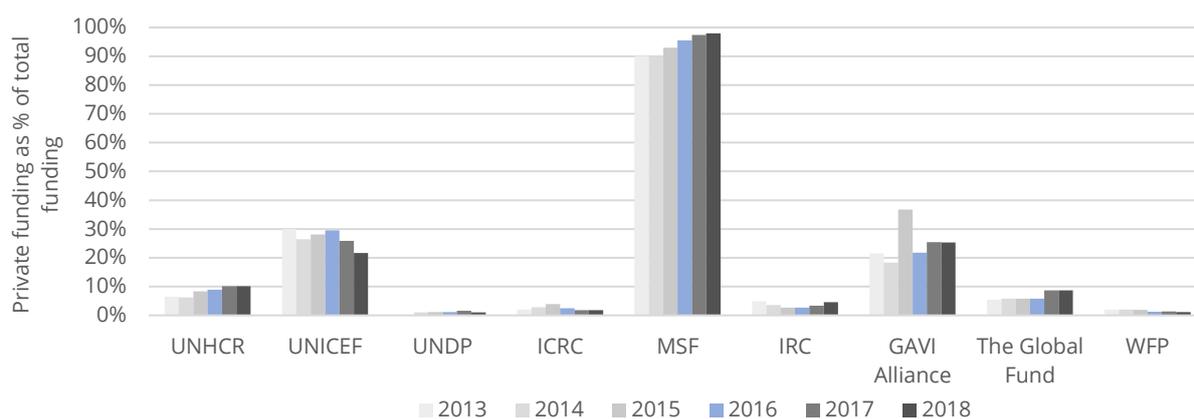
strategic plans and budgets.

126. It is noteworthy that a significant number of people consulted for this evaluation voiced concern about the way that WFP communicates its funding gap – emphasizing dollars over people. This provoked a level of distaste, with a preference for more of a focus on the population that WFP serves and its efforts to end hunger and malnutrition. Indeed, it is clear that the funding gap has had very real implications for WFP and, more importantly, for its beneficiaries. A report synthesizing WFP operational evaluations conducted between 2015 and 2016 concluded that in 10 out of 15 operations evaluated, low funding constrained performance, resulting in pipeline breaks, gaps in programming, reductions in geographical coverage, and cuts in both the numbers of beneficiaries reached and the value of the assistance that they received.¹⁵⁰ Synthesis evaluations in subsequent years make similar arguments; and also describe the impact of funding gaps on the organization’s own ability to oversee operations, such as limited monitoring capacity, inability to dedicate the necessary time to capacity-strengthening activities and restricted technical expertise in areas like nutrition.¹⁵¹ Extensive use of short-term contracts for WFP personnel over long periods of time has also affected the ability of WFP to effectively move into the development space.¹⁵²

Finding 4: There is potential for WFP to narrow the funding gap by securing additional funding from private donors and the new private fundraising strategy is an important step towards that goal. However, its level of ambition remains constrained. Scaling up of WFP private funding ambitions may be possible in future years with greater backing from the Executive Board and incrementally strengthened capacities, systems and approaches for private fundraising.

127. Contributions of international humanitarian assistance by private donors grew by 49 percent between 2013 and 2017.¹⁵³ Based on the success of peer organizations, there is considerable potential for WFP to leverage additional funding from private sources to help close the funding gap. Individual giving in particular, for both domestic and international causes, has experienced long-term, consistent growth (up until 2018, when there was a subsequent decrease of 4.3 percent).¹⁵⁴ Currently, however, compared with a number of other United Nations agencies and international non-governmental organizations, the proportion of overall revenue that WFP generates from private sources is minimal (see Figure 14). The volumes are also low compared with some other organizations. In 2018, for example, Médecins Sans Frontières (MSF), UNICEF and UNHCR generated USD 1.7 billion, USD 1.5 billion and USD 423 million respectively through private partnerships and individual giving, compared with USD 86 million for WFP.

Figure 14: Percentage of private funding to comparator organizations, 2013-2018



¹⁵⁰ WFP (2016) Operation Evaluations Synthesis (2015-2016). Partnerships for the future. OEV/2016/012

¹⁵¹ WFP (2017) Operation Evaluations Series: Regional Synthesis (2013-2017) East and Central Africa Region. OEV/2017/011.

¹⁵² WFP (2019) Evaluation of the WFP People Strategy (2014-2017), January 2020.

¹⁵³ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

¹⁵⁴ International Fundraising Leadership Peer Review Findings. Presentation on peer review key findings delivered at the International Fundraising Conference on 17 October 2019.

Source: Annual reports, financial statements and fundraising documents from the respective comparator organizations. WINGS contributions data extracted 5 September 2020 for WFP.

Notes: Reflected in the graph are contributions received as payments in the given years, which may differ from how the respective comparator organizations record their contributions.

128. The WFP Private-Sector Partnerships and Fundraising Strategy (2020-2025) (described in Section 2.1.1) provides targets for the amount of funding to be generated from private sources and outlines the level of resources and effort that the organization is willing to invest.¹⁵⁵ While it is positive to have a strategy in place, the evaluation found the level of ambition to be constrained. Although exact data on investments of comparative organizations have proven difficult to access in some cases, evidence from some key organizations suggests that they are investing considerably more. The UNICEF Private Fundraising and Partnerships Division had expenditures of USD 201.2 million in 2018 (excluding the fundraising costs of its National Committees);¹⁵⁶ and UNHCR invested USD 127 million in 2017 to raise USD 400 million from the private sector,¹⁵⁷ which is roughly in line with the organization's overall cost-to-income ratio of 25 percent (meaning that they expect to invest an average of USD 0.25 to raise USD 1).¹⁵⁸
129. Targets for income to be generated through corporate partnerships and foundations are particularly conservative. This may be appropriate given the importance of due diligence and transparency on corporate partnerships. However, the new strategy portrays WFP increasingly in the role of convener and facilitator of long-term partnerships – creating an ecosystem between governments, corporate partners and the United Nations. This is in keeping with the WFP strategy of developing countries' access to financial resources for development (see Section 2.3.4 for further discussion on this issue),¹⁵⁹ but implies a different skill set within WFP at all levels, something which is not drawn out in detail within the strategy.
130. Even the target for funding generated through individual giving (a target of USD 170 million by 2025), and the level of investment to get there, is moderate. There are mitigating factors, which can partly explain this level of ambition. The low baseline of funding and brand awareness from which WFP is starting, compared to its peer organizations, is one important factor; as well as differing opinions within the Executive Board, including some members who have actively discouraged WFP from investing heavily in expansion of its private income stream. Given lack of comprehensive Executive Board support for large-scale investment in private-sector partnerships and fundraising, the level of ambition articulated within the strategy is considered reasonable, at least for the next two to three years while systems are put in place and additional capacity is brought on board, and pending monitoring of progress against targets and lesson learning.

¹⁵⁵ The strategy proposes investments of USD 24.5 million in 2020, USD 37.8 million in 2021, USD 43.8 million in 2022 and USD 50.7 million in 2023. Costs are expected to decline from 2024 onwards.

¹⁵⁶ UNICEF (2019) Private Fundraising and Partnerships: financial report for the year ended 31 December 2018, United Nations Economic and Social Council, United Nations Children's Fund Executive Board, Second Regular Session 2019, July 2019, E/ICEF/2019/AB/L.6.

¹⁵⁷ UNHCR (2018) Private Sector Fundraising and Partnerships, Executive Committee of the High Commissioner's Programme, Standing Committee 73rd meeting, August 2018, EC/69/SC/CRP.22.

¹⁵⁸ Ibid.

¹⁵⁹ Strategic Result 7 for WFP within its Strategic Plan: WFP (2017) WFP Strategic Plan (2017-2021). July 2017.

2.1.4 Taking Account of Risks of Working in a Volatile Funding Environment and Taking Steps to Mitigate Them

Finding 5: Increases in funding for WFP have been predominantly driven by humanitarian contributions towards WFP responses to large-scale emergencies. Continuity of that funding is highly insecure, because of both volatility of the overall funding environment and over-dependence on a small pool of donors. Efforts to mitigate the risk of funding cuts through diversification of the WFP funding base have not been successful for the most part. Other mitigation measures, including maintaining a modest programme support and administrative budget and management of organizational reserves, have provided the organization with a level of confidence in the face of possible budget reductions. However, increases in the hiring of consultants outside of the programme support and administrative budget and a lack of transparency of the costs of those positions make it difficult to calculate the organization's true overall budget and ascertain levels of organizational risk with any real precision.

131. The environment in which WFP operates is volatile, as acknowledged in successive corporate risk registers.¹⁶⁰ International humanitarian assistance has been rising year on year since 2014. However, the increase from 2017 to 2018 was just 1 percent, compared with an increase of around 8 percent the previous year (as shown in Figure 3, Section 1.2). Moreover, the spread of humanitarian funding is uneven and has tended to be concentrated in a few large and highly visible emergencies, leaving others relatively under-funded and subject to more volatile funding patterns (see Section 1.2).

132. While WFP is not anticipating any significant increase in contributions in the coming years, even moderate increases to contribution levels will be a challenge in the current funding climate. Interviews with external stakeholders confirmed WFP donor intelligence that a number of the organization's key donors are reaching the upper ceiling of their humanitarian and development budgets and will struggle to allocate funding beyond current levels in future years. Geopolitical changes are also influencing donor behaviour in a number of important markets where international commitments are forced to compete with domestic priorities and coming under increasingly close scrutiny. This has the potential to impact on the ability of WFP to respond to the needs of people affected by hunger and malnutrition; and, as a secondary consequence, may interrupt continuity of functions within the organization that depend on indirect support costs.

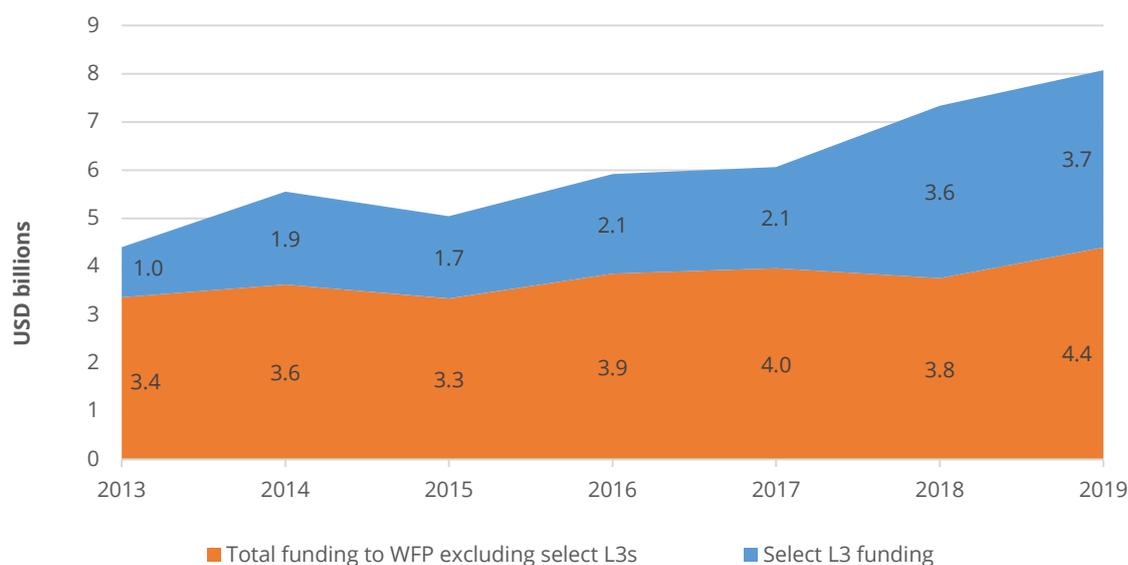
133. High levels of WFP funding in recent years have undoubtedly been driven by a few large-scale and high-profile emergencies. In 2019, WFP responded to 18 Level 2 (L2) and Level 3 (L3)¹⁶¹ corporate emergencies – an all-time high for the organization.¹⁶² As shown in Figure 15, funding for L3 emergencies have accounted for a significant and increasing proportion of total WFP contributions since 2013 – almost half (49 percent) of total contributions to WFP in 2018 were in response to L3 emergencies in Syria and its neighboring countries, Yemen and South Sudan; reducing somewhat to 46 percent in 2019. Spikes in funding before 2019 are almost entirely as a result of sudden increases in funding for L3s. In 2018 for example, increased contributions for the Yemen response as well as WFP operations in Turkey, Jordan and Lebanon in particular drove up overall levels of funding. Contributions fluctuate much less noticeably when those select L3 emergencies are excluded – ranging from between USD 3.4 billion to USD 4 billion between 2013 and 2019.

¹⁶⁰ The WFP corporate risk register, updated on an ongoing basis, includes a standard risk on the challenging funding environment and funding systems. It typically includes references to strained donor capacities in response to increased humanitarian needs; and includes mitigation actions such as diversification of funding sources, enhancing donor intelligence, advocating for more longer-term and flexible funding, etc.

¹⁶¹ WFP defines L2 and L3 emergency responses as follows: Level 2: Emergency response operations requiring regional augmentation of country level response capability; Level 3: Emergency response operations requiring mobilization of WFP global response capabilities in support of the relevant CO(s) and/or RB, i.e. a corporate response. WFP (2014) WFP Emergency Response Classifications.

¹⁶² WFP (2019) WFP Management Plan (2020-2022). WFP/EB.2/2019/5-A/1.

Figure 15: Volume of contributions to WFP and select Level 3 emergencies, 2013-2019



Source: WINGS data as of 31 January 2020.

Notes: Funding to L3 emergencies shown separately is to: Syria +5 (since beginning of 2013 to present, noting that the +5 countries lost L3 status in March 2019); Yemen (since beginning of 2015 to present, noting that L3 emergency was only declared on 3 July 2015); South Sudan (since beginning of 2014 to present).

Source:

134. Anecdotal evidence suggests that the dominant focus on large-scale emergencies has impacted on the ability of WFP to access additional resources for other contexts, especially in smaller, less visible emergencies and in cases where the organization's role is predominantly focused on resilience building and addressing the root causes of hunger and malnutrition. Tapping into development financing is a key part of the WFP strategy – both to supplement finite amounts of humanitarian funding and as a more appropriate resource stream for the organization's longer-term efforts.¹⁶³ However, despite some moderate successes,¹⁶⁴ the development financing world is a more challenging arena for WFP, as noted by several internal and external stakeholders. When negotiating for development resources, WFP faces heavier competition from already well-established United Nations agencies and others; WFP has less experience approaching and establishing partnerships with development donors; and there is still work to be done to build the organization's credibility as a viable actor in the development planning and implementation ecosystem. There is recognition within WFP that, in order to access development funding at scale, the organization needs to consider new approaches – investing more in enhanced programme design and more actively pursuing longer term and more diversified funding sources. The overall progress of WFP in overcoming these challenges is covered in Section 2.2.2, including investments in programme and partnership support through a critical corporate initiative in 2020.¹⁶⁵

135. Efforts to strengthen and diversify the WFP donor base are an important component of mitigating a volatile funding environment. The evaluation found that the WFP approach to working with government donors (which for the purposes of this report also includes the European Commission) has largely been effective. Strong relationships are in place with most of the organization's core donor governments, strengthened by their participation in the WFP Executive Board. In general, WFP approaches government donors as partners, not just as providers of funding but also as actors with valid views and technical inputs. However, a number of donors did stress that this could be improved further – for example, by including donors earlier in planning processes and in the design of innovative approaches and tools. WFP

¹⁶³ WFP (2019) Concept Note. Strategic Partnerships for Sustainable Development and Zero Hunger. Strategic Partnerships Division, March 2019.

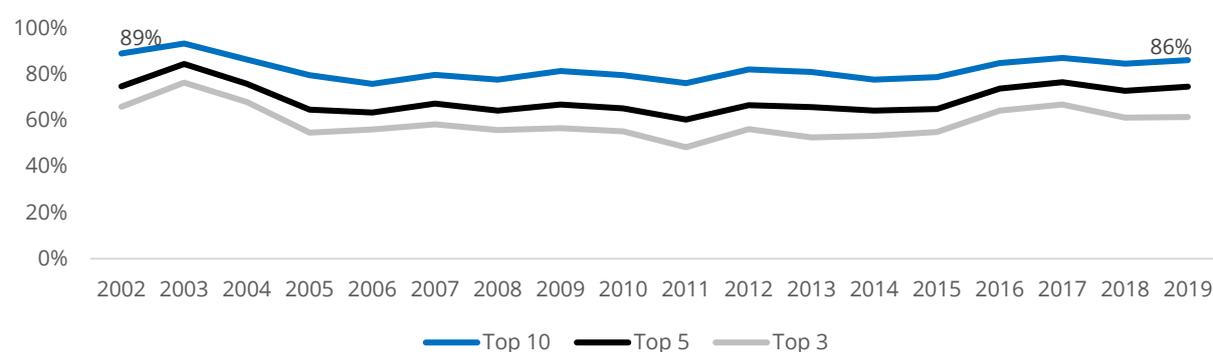
¹⁶⁴ According to WFP Management Plan (2020-2022), for example, WFP has received new development funding from Italy and Norway.

¹⁶⁵ WFP Management Plan (2020-2022).

offices in donor capitals have been central to relationship building with donor governments, as have regional bureaux, country offices and headquarters staff, depending on where the decision-making for individual donors is centred.

136. The dependence of WFP on a small number of donors for much of its funding, combined with an increase in earmarked funding, poses a potential threat to the organization's operational independence.¹⁶⁶ Diversification of the donor base has proved difficult to achieve in practice, however. Section 2.1.3 covers the WFP approach to leveraging additional funding from the private sector, which up to now has not been a major source of income for the organization. As shown in Figure 16, the concentration of funding from the top ten WFP donors has fluctuated but remained high overall, accounting for 86 percent of total funding to the organization in 2019. The donors making up the top ten group are largely consistent over time, with the exception of the Kingdom of Saudi Arabia, which appears sporadically, and the United Arab Emirates, which appeared in the top ten group for the first time in 2018, primarily due to its large contributions to the WFP response to the crisis in Yemen.

Figure 16: Concentration of funding by top donors, 2002-2019



Source: WINGS database as of 10 September 2019.

Notes: Data are in 2018 constant prices.

137. Lack of donor diversity is not unique to WFP – other organizations interviewed have faced similar challenges with broadening their respective donor bases, largely confined to donors within the Organization for Economic Cooperation and Development's Development Assistance Committee. Funding from states outside of the Development Assistance Committee is the fastest-growing component of funding to the United Nations Development System (increasing by 52 percent between 2011 and 2016), but still only collectively accounted for 5 percent of total United Nations Development System funding in 2016.¹⁶⁷

138. There are no easy answers to the problem. Given limited staff resources, WFP has understandably focused efforts on sustaining contributions from its largest donors. Directing additional (though limited) resources to WFP offices like Beijing, Seoul and Dubai has allowed WFP to begin dedicating more attention to nurturing and building less well-established partnerships, such as with the Governments of the People's Republic of China (China) and the Republic of Korea, as well as with the Gulf Cooperation Council (GCC) countries. However, investments do not appear to be linked to a documented strategic approach to donor diversification.

139. Reliance on a small pool of donors is a risky approach – primarily because of the impact of a sudden reduction in funding on WFP beneficiaries (see Section 2.3.3), as well as on the organizational budget. In terms of the latter, one of the main ways in which WFP has mitigated the risk of a reduction in its funding is through the Programme Support and Administrative Equalization Account. As described in Section 1.4, the account acts as a reserve in the event of a longer-term reduction in indirect support cost income, allowing time for management to make adjustments in programme support and administrative expenditures. Section 2.4.2 looks at the Programme Support and Administrative Equalization Account as a reserve and concludes that its balance of an estimated USD 236.7 million by the end of 2019 –

¹⁶⁶ WFP (2018) Evaluation of WFP Policies on Humanitarian Principles and Access in Humanitarian Contexts.

¹⁶⁷ OECD (2018) Multilateral Development Finance. Towards a New Pact on Multilateralism to Achieve the 2030 Agenda Together.

representing approximately half of the total projected programme support and administrative budget for 2020 of USD 440 million – is an adequate “cushion” in the event of a sudden reduction in the WFP programme support and administrative budget.¹⁶⁸

140. Another key way in which WFP mitigates the risk of reduced funding is by “living within its means”, as described by a number of interviewees, that is, ensuring that the programme support and administrative budget remains relatively steady and manageable in the face of funding cuts. Indeed, Figure 20 in Section 2.4.2 shows a relatively flat growth line in the programme support and administration budget, from USD 281.8 million in 2014 to a projected USD 423.6 million in 2020. This has partially been achieved by the hiring of consultants, paid for outside of the programme support and administrative budget and usually employed on short-term contracts. Between December 2012 and June 2019, the number of WFP internationally recruited employees grew from 2,441 to 4,114 (an increase of 69 percent). Growth was heavily concentrated in the hiring of international consultants, who represented 79 percent of the additional employees. As of June 2019, consultants made up 48 percent of the internationally recruited employees in WFP compared to 27 percent at the end of 2012. In contrast, international professional staff represented 38 percent of the internationally recruited employees in June 2019 compared to 57 percent at the end of 2012.¹⁶⁹

141. While the hiring of consultants is a justified risk-mitigation measure, and an understandable response to efforts to sustain a modest programme support and administrative budget,¹⁷⁰ it has had the additional effect of complicating estimates of the actual running costs of WFP. The evaluation team was not able to calculate the true overall budget of the organization, since overheads funded outside of the programme support and administrative budget are not reported on. It is therefore difficult to accurately ascertain the overall level of risk that WFP is exposed to in the event of a sudden reduction of its overall funding.

2.2 TOOLS, APPROACHES, INCENTIVES AND INDIVIDUAL CAPACITIES TO ATTRACT ADEQUATE AND APPROPRIATE FUNDING

142. There are clearly strong motivations to fund WFP, making it the partner of choice for many key donors (see Section 2.2.4 for a list of key attributes that incentivize contributions from donors). Efforts to mobilize adequate funding are grounded in these attributes and increases in WFP income are testament to its success (see Figure 5, Section 1.3). However, beyond mobilizing adequate funding, ensuring that WFP has appropriate funding – funding that provides predictable, and flexible support for shifting geographical and thematic priorities – is also vital. This section considers how various initiatives and approaches within the organization have contributed to improved resourcing.

2.2.1 Effectiveness of Initiatives in Supporting Resource Mobilization for Priority Activities

Pooled funding

Finding 6: Humanitarian pooled funds, in particular the Central Emergency Response Fund, have been a key source of revenue for WFP. The organization has not yet been successful in consistently accessing a substantial level of funding from development-oriented pooled funds. Pooled funding may be an important under-tapped source for resourcing longer-term WFP activities.

143. Inter-agency pooled funds have a number of positive attributes. In emergency contexts, they can act as a relatively rapid source of funding in response to quickly changing needs, improve cost-efficiencies and help to fill commonly underfunded areas such as logistics and common services.^{171,172} Pooled funds

¹⁶⁸ WFP, Management Plan (2020-2022), Executive Board Second Regular Session, November 2019, WFP/EB.2/2019/5-A/1.

¹⁶⁹ Data extracted from WFP Human Resources Technology and Analytics system (HRMOI) on 17 July 2019.

¹⁷⁰ While justified in funding-terms, the downside of hiring large numbers of staff on short-term contracts has been documented, including staff perceptions of being treated differently because of contract types and vulnerabilities due to contract insecurity over extended periods. WFP (2019) Evaluation of the WFP People Strategy (2014-2017), January 2020.

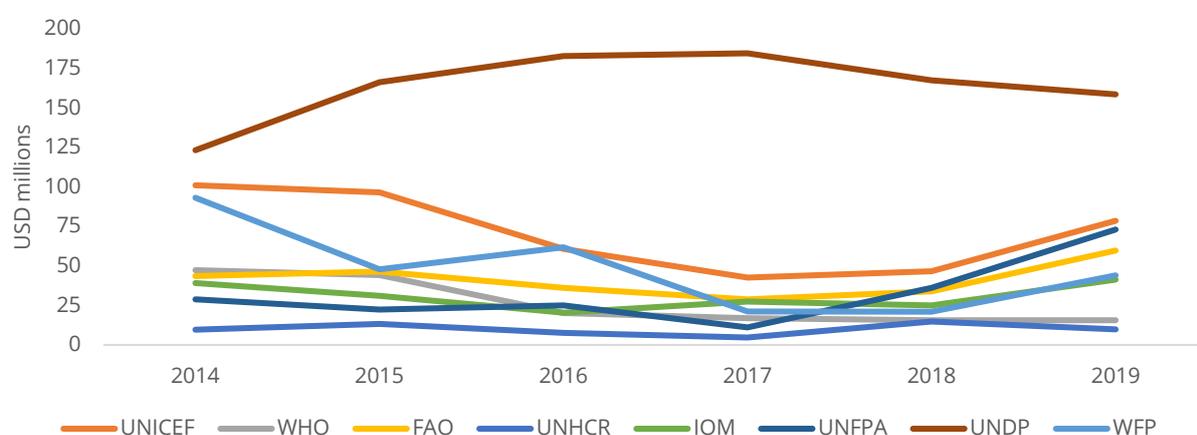
¹⁷¹ UN MPTFO and Dag Hammarskjöld Institute (2018) Financing the United Nations Development System Opening Doors.

¹⁷² WFP (2015) Strategic Evaluations Synthesis: Synthesis Report of the Evaluation Series of WFP's Emergency Preparedness and Response (2012–2015). OEV/2015/020. Rome: WFP.

overall create an opportunity for the United Nations system to diversify its funding base – a benefit that WFP has capitalized on by accessing funding from donors via pooled funds that they would not otherwise get funding from.^{173,174}

144. While WFP has primarily focused on humanitarian pooled funding – the Central Emergency Response Fund (see Figure 7, Section 1.3) and to a lesser degree, the Country-Based Pooled Funds – it receives much smaller amounts from any other single multipartner trust fund. Primarily in the development arena, these include the Peacebuilding Fund, the Millennium Development Goal Fund and several country-level pooled funds or trust funds.¹⁷⁵ Other United Nations organizations have received considerably more of their funding this way. The United Nations Human Settlements Programme (UN HABITAT), for example, received over 17 percent of its earmarked funding from pooled funds in 2017, and the United Nations Population Fund (UNFPA) received almost 12 percent.¹⁷⁶ Figure 17 shows WFP compared with other United Nations agencies in terms of funding received from sources managed by the Multi-Partner Trust Fund Office. There are outliers, however, and in certain places in some years, multi-partner trust funds have been a more significant source of funding for WFP. For example, WFP received USD 40 million from the Ebola Fund in 2014 and USD 28 million from the Malawi One UN Fund in 2016.

Figure 17: Recipients of funding managed by the Multi-Partner Trust Fund Office, 2014-2019



Source: United Nations Multi-Partner Trust Fund Office.

145. Pooled funding is positioned to become increasingly important in the context of development financing. The recently agreed Funding Compact (see Section 2.2.6) includes a commitment to double the share of contributions to (development-oriented) United Nations pooled funds by 2023 and to increase the number of pooled fund contributors. Moreover, certain pooled funds offer opportunities for WFP to position itself and showcase its contribution beyond humanitarian action. Despite the projected increase in available resources from pooled funds, and some sporadic success in accessing pooled funding in places, the evaluation did not encounter any central direction or guidance from within WFP to capitalize on these commitments and invest additional resources in increasing the organization’s access to development-oriented pooled funding.

Trust funds and special accounts

146. Section 1.4 describes the purpose and scale of trust funds and special accounts within WFP. An internal WFP audit in 2015 found that there was a diverse set of trust funds within the organization without any comprehensive overview of types and categories. It concluded that trust funds were being used to fund

¹⁷³ United Nations Development Group (2016) The Role of United Nations Pooled Financing Mechanisms to Deliver the 2030 Sustainable Development Agenda.

¹⁷⁴ According to a WFP evaluation, only 75 out of 117 donors to pooled funds provided WFP with donations outside of the pooled fund: WFP (2014) WFP’s Use of Pooled Funds for Humanitarian Preparedness and Response (2009-2013). OEV/2014/01. Rome: WFP.

¹⁷⁵ WFP access to pooled funding specifically in relation to climate change is covered below (starting at paragraph 154).

¹⁷⁶ UN MPTFO and Dag Hammarskjöld Institute (2018) Financing the United Nations Development System Opening Doors.

core activities for purposes that may no longer align with their original design; and that the type of funding provided through trust funds – predominantly short-term – was sometimes out of synch with medium- and longer-term needs falling under the remit of certain funds.¹⁷⁷ A rationalization of corporate trust funds followed, and then in early 2019 a decision was made to incorporate trust funds handled by country offices into country strategic plan activities and treat the resources as regular contributions (in accordance with the principle of full-cost recovery).¹⁷⁸

147. This decision will certainly help to streamline WFP use of trust funds and ensure that contributions align more closely with country strategic plan priorities. It may also result in more earmarking, since trust funds, by their very nature, are narrow in focus. However, some country office WFP staff noted that this decision reduced their flexibility in-country, particularly by the loss of authority to negotiate with donors on appropriate levels of indirect support costs.

148. The remaining trust funds managed by headquarters are potentially beneficial for attracting earmarked funding for specific initiatives that match donor priorities and where donors want additional assurance that funding will be dedicated to a specified purpose. Special accounts have been used to good effect in WFP, particularly for the purposes of enhancing the organization's emergency response capacity. For example, a recent evaluation concluded that a special account for the logistics cluster (with adequate resources allocated) has contributed to the ability of WFP to rapidly activate the cluster and operate within the first months of an emergency.¹⁷⁹

Mobilizing resources for priority thematic areas

Finding 7: WFP has made good progress in clarifying how financing will be maximized to deliver organizational change on key topics such as gender and climate change. Up to now, however, the organization has been hampered by a lack of clear methodology on how to track financing against thematic/cross-cutting objectives and a lack of specialized capacity to attract and manage additional financing linked to specific themes or cross-cutting issues.

149. Adequate resources for priority thematic areas and cross-cutting issues are critical to the ability of WFP to achieve its goals. According to the WFP Gender Policy (2015-2020), gender equality is a high priority for the organization and WFP is committed to a gender-transformative approach to building food security and improving nutrition.¹⁸⁰ Partnerships and financial resources are among the key drivers of change within the policy, which clearly sets out how financial resources will be maximized to deliver organizational change. For example, it sets a corporate benchmark of 11 percent increasing to 15 percent in all project budgets for work in gender equality and women's empowerment; and envisages a financial tracking system to monitor spending against budget allocations.¹⁸¹

150. There has already been progress towards these objectives. According to the WFP Management Plan (2018-2020), a "gender-responsive budgeting process had been developed to support WFP offices in planning and tracking their gender-equality-related expenditures" (see Section 2.3.2 for further details).¹⁸² The 2019 update on the WFP Gender Policy states that through this budgeting exercise, over 6 percent of WFP country strategic plan-related expenditure contributed to gender equality; expected to increase to nearly 22 percent by 2024.¹⁸³

151. A recent mapping of funding for gender equality by the WFP Gender Office is a good step forward in terms of understanding how different government and private donors frame gender issues within their own approaches to funding, and spotting opportunities to mobilize gender equality-oriented funding for WFP work.¹⁸⁴ There are strong synergies between the WFP approach to gender equality and the policies

¹⁷⁷ WFP (2015) Internal Audit of WFP Corporate Trust Funds. Office of the Inspector General Internal Audit Report AR/15/05.

¹⁷⁸ WFP (2019) Guidance on the Application of Full-Cost Recovery. OED2019/001; WFP Guidance Note. Handling of Previously Categorized "Country-Specific Trust Funds (TFs)" in the CSP Framework, updated February 2019.

¹⁷⁹ WFP (2020) Forthcoming Strategic Evaluation of WFP's Capacity to Respond to Emergencies.

¹⁸⁰ WFP (2015) Gender Policy (2015-2020).

¹⁸¹ WFP (2015) Gender Policy (2015-2020).

¹⁸² WFP (2018) WFP Management Plan (2018-2020).

¹⁸³ WFP (2019) Update on the Gender Policy (2015-2020). WFP/EB.A/2019/5-E.

¹⁸⁴ WFP (2019) Funding for Gender Equality: Government and Non-Government Sources. WFP Gender Office.

and strategies of a number of WFP key donors that country offices and other parts of WFP can capitalize on. For example, Canada, Sweden, the European Commission and Australia all place a strong emphasis on gender and expect recipients of their funding to demonstrate results related to gender equality and/or women's empowerment. Support for women and girls is also among the United Nations Emergency Response Coordinator's priorities for pooled funds managed by the United Nations Office for the Coordination of Humanitarian Affairs.¹⁸⁵

152. However, despite early efforts to align with the policies and priorities of others, WFP was not widely considered a strong gender-focused organization among those interviewed for this evaluation. Reasons for this included the lack of gender-skilled staff (not limited to gender advisors) within the organization who can speak the "right language" on gender,¹⁸⁶ spot opportunities for funding, and establish partnerships with gender-expert organizations such as UN Women and UNFPA for joint advocacy, fundraising and programming (see Section 2.2.6 for more on joint United Nations resource mobilization).

153. Evidence generation will be key to better positioning WFP as an important gender actor. Tracking of gender in country portfolio budgets is a positive first step, but will only be successful if there is a clear and consistently applied methodology for determining what could be legitimately classified as contributing to gender equality outcomes; and if WFP is able to account for that funding and demonstrate what results have been achieved (see Section 2.3.2 for further discussion of gender equality expenditure tracking).

154. The same principle applies to other cross-cutting priorities for WFP, such as climate change and migration. For these and other areas, there are often very specific, niche funding opportunities available. In the case of climate change, this includes the three major multilateral channels under the United Nations Framework Convention on Climate Change: The Adaptation Fund, The Global Environmental Facility and The Green Climate Fund.¹⁸⁷ In order to successfully access such funds at scale, a certain level of organizational credibility is required, together with dedicated technical capacity to submit quality project proposals and actively follow them up with donors (in addition to overseeing project implementation once funding has been received and providing quality reporting). For the moment, while there have been efforts within WFP to target climate financing, neither the level of resources nor the capacities required are yet fully evident.¹⁸⁸

155. The scale of available funding for climate finance is relatively modest for the moment – for example, over five years between 2010 and 2014, WFP estimated that it received around USD 287 million in climate finance.¹⁸⁹ There have been complications with fee structures of allocations in the case of The Adaptation Fund, as well as a cap on the permitted investment ceiling in any one country. That said, there is considerable potential for growth in the organization's access to climate finance, for which sustained engagement, investment and evidence generation will be key.¹⁹⁰ In the meantime, micro-level corporate funding has been distributed to climate change-related activities to allow some level of activity to continue and hopefully catalyse larger-scale allocations from external sources. For example, between 2015 and 2019, USD 32.6 million of corporate trust fund money was received for climate change and disaster risk reduction,¹⁹¹ and an anticipated USD 6.1 million was included for the expenditure plan for 2020 (with a projected income of USD 5.6 million).¹⁹² Other organizations, including the Food and Agricultural Organization, have succeeded in accessing climate finance on a grander scale and there are lessons to be learned from their experience, as well as opportunities for greater collaboration and joint programming (see Section 2.2.5).

156. WFP has achieved some level of success at accessing resources for particular thematic areas. In the area

¹⁸⁵ CERF and Country-Based Pooled Funds.

¹⁸⁶ Some regions have made good progress in this area. Countries in the region covered by the regional bureau in Panama, for example, have gone from one to seven gender-skilled employees since 2016.

¹⁸⁷ WFP (2017) Climate Change Policy. WFP/EB.1/2017/4-A/Rev.1.

¹⁸⁸ MOPAN (2019) World Food Programme: 2017-2018 Performance Assessment.

¹⁸⁹ WFP (2017) Climate Change Policy. WFP/EB.1/2017/4-A/Rev.1.

¹⁹⁰ The WFP Office of Evaluation is in the process of launching an impact evaluation window focused on climate change and resilience, with the first round of impact evaluations expected in 2020.

¹⁹¹ This includes funding for the Rural Resilience Initiative (R4) trust fund and the hunger-related climate change trust fund.

¹⁹² WFP (2019) WFP Management Plan (2020-2022). WFP/EB.2/2019/5-A/1.

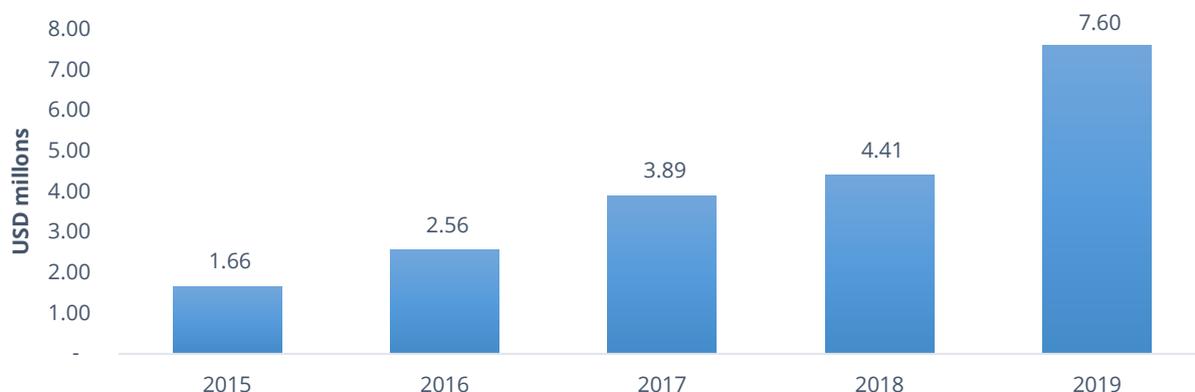
of school feeding, for example, WFP has received funding from the education sector, including from the Education Cannot Wait¹⁹³ fund in contexts such as Yemen and Malawi. Since 2019, a memorandum of understanding between WFP and Education Cannot Wait positions WFP as the default international partner for school feeding and provides a legal framework for easy release of Education Cannot Wait resources in other country contexts. WFP work in school feeding has also attracted funding from other sectors, including health, social protection and agriculture.

Internal systems and tools

Finding 8: WFP has made significant investments in internal systems and tools to track incoming contributions. Provided that the various platforms and dashboards are consistently updated and used, they offer good visibility of the organization’s funding situation and allow WFP to predict forthcoming gaps. New platforms and tools for fundraising show promise, particularly the integration and additional investment in the WFP “ShareTheMeal” app, and are expected to result in additional income from private sources.

157. The ShareTheMeal app features in the WFP private fundraising strategy as one vehicle for mobilizing online individual giving.¹⁹⁴ ShareTheMeal emerged from the WFP Innovation Accelerator in Munich and was initiated in 2015. Since then, it has been managed by a team based in Berlin and has experienced considerable growth (see Figure 18), partly as a result of early investment and growth in staffing compared with other teams. The app raised a total of USD 1.7 million of donations in 2015, its first year of operation, increasing to USD 7.6 million in 2019. The main market for donations is currently Germany, though other markets are beginning to grow, notably the United Kingdom, the United States, France and countries in the Middle East and North Africa region. The WFP private-sector strategy envisages that ShareTheMeal will be one way of leveraging new individual giving revenue, alongside other initiatives; and the ShareTheMeal team will be integrated with the individual giving team in the Private Partnership and Fundraising Division in order to consolidate and build upon existing capacity, share costs and improve efficiency. As part of this integration, it will be important to consider how ShareTheMeal will evolve and whether it will be rebranded more clearly as a WFP platform.¹⁹⁵

Figure 18: Donations to ShareTheMeal, 2015-2019



Source: Data shared by WFP ShareTheMeal initiative team on 17 January 2020.

158. The WFP Project Pipeline Management Tool is the organization’s common corporate approach to consolidating and disseminating information on upcoming WFP funding requirements.¹⁹⁶ It has been in use for many years within the organization and is designed to signal funding requirements and shortfalls for multiple purposes, including reporting, fundraising and advocacy. Indeed, according to interviewees, pipeline and metric ton requirements continue to underpin WFP discussions with donors.

159. While the Pipeline Management Tool has evolved over time – interviewees noted that it has become

¹⁹³ <https://www.educationcannotwait.org/>

¹⁹⁴ WFP (2019) 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.

¹⁹⁵ Currently the ShareTheMeal app is not heavily branded as WFP. According to interviews, this is deliberate, based on the notion that the main target audience of “millennials” would not relate well to WFP or United Nations branding, as well as an attempt to “protect” the WFP brand during piloting of the platform.

¹⁹⁶ WFP (2014) Pipeline management information and funding requirements. OED 2014/006, 27 May 2014.

increasingly detailed and complex with added fields and tabs – it has not fully kept pace with the changing conceptual nature of WFP. For example, the timeframe of forecasting is generally limited to 12 months (and the net funding requirements that are used to determine internal allocations for emergencies cover a 6 month period), which is out of step with the longer-term planning timeframes of country strategic plans and country portfolio budgets.¹⁹⁷ The focus is predominantly on emergency programming, limiting opportunities to showcase the organization’s more holistic approach since the Integrated Road Map roll-out. Moreover, by its very nature, and given the level of detail that it conveys, it encourages contributions from donors at activity level or below (for more on earmarking see Section 2.2.1). As such, while it may continue to be necessary in order to avoid unforeseen shortfalls in operations, as an outward-facing fundraising tool, it presents a limited and somewhat outdated image of WFP to donors and constrains opportunities for more strategic discussions with partners across the full spectrum of WFP work.

160. The Salesforce platform, introduced in 2018, is the primary WFP tool for forecasting and providing greater predictability about incoming contributions. Partnerships officers across WFP are required to document their interactions with donors on Salesforce, which then consolidates the information and provides a real-time forecast of likely contributions. By January 2019, USD 5 billion worth of funding opportunities had been registered in Salesforce – considerably more than the average forecasts of USD 1.3 billion registered in WINGS by January of previous years.¹⁹⁸ While the evaluation team did hear complaints from some partnership officers about the time required to enter data into Salesforce, as well as limitations with flagging forecasted contributions as being relevant to gender equality, overall the feedback was positive and the increased intelligence that the platform provides is already proving useful in helping WFP to anticipate incoming revenue and take steps to mitigate against projected funding gaps. Box 2 describes a new joint directive to further improve forecasting of donor contributions.

¹⁹⁷ There are some examples of longer-term Project Pipeline Management Tools in some COs (up to one year).

¹⁹⁸ WFP (2019) Annual Performance Report for 2018. WFP/EB.A/2019/4-A.

Box 2: Better forecasting of donor contributions for improved resource management

The Partnerships and Advocacy and Resource Management Departments issued a joint directive in December 2019 to “formalize WFP’s contribution forecasting procedures” noting that “an accurate forecast of donor contributions is critical for WFP to effectively plan its operations and manage resources”.¹⁹⁹ The joint directive clarifies that Salesforce is the corporate tool for contribution forecasting and single repository for donor intelligence while WINGS remains the system for registering all confirmed contributions.

The term “forecast” is further clarified by the joint directive as pertaining to two specific forecasting processes in WFP, produced for different business requirements:

- The Global Forecast – the level of donor contributions WFP is likely to receive for the present year and following three years, broken down by donor and year (not recipients). These include confirmed contributions and forecasted resources of all types and from all types of donors. It takes into account funding trends, official development assistance spending, political developments and information from donor capitals. Its primary purpose is to support organizational planning and risk management, including projecting indirect support costs income and developing the management plan. Government partnership officers within the Partnerships and Advocacy Department are responsible for updating the global forecast for the donors they cover five times a year.
- Country strategic forecasts – capture a country office’s expected funding for operational planning purposes (implementation plans²⁰⁰) based on the best available donor intelligence including specific fundraising activities and historical funding trends. The Country Director has overall ownership of the country strategic forecast, while the country office government partnerships officer is responsible for keeping country strategic forecast information up to date in Salesforce. Country strategic forecasts are reviewed by government partnership officers. Forecasts are prepared in the second quarter of each year for the following year and updated in the fourth quarter then reviewed at least mid-way through implementation and as needed based on new forecasts and contributions.

Country strategic forecasts plays a key role in WFP advance financing decisions, as funding opportunities captured in Salesforce serve as collateral to support spending authority before contributions are confirmed. Funding opportunities that are marked as available for Internal Project Lending collateral or Immediate Response Account repayment (see Section 1.4 for details) are uploaded into WINGS as forecasts after validation of eligibility by the government partnership officers or by donor capitals. Once funding opportunities become confirmed contributions, they are used to repay advance financing loans.

161. There is a proliferation of dashboards within WFP that draw on WINGS and Salesforce data, demonstrating a significant effort on the part of WFP to understand the organization’s current and prospective funding needs. This includes ongoing work on the WFP dashboard for management and the country strategic plan portal for Member States.²⁰¹ The External Auditor recently recommended rationalizing the existence of different information portals to clarify “data sources, rules and dates of updates and nature of the costs presented.”²⁰² Some other small adjustments may be needed – for example, WINGS was built for tracking government contributions and may need to be modified to fully capture expected increases in individual giving. Overall, however, the evaluation found that the various visualizations and platforms (current and forthcoming) meet both in-house and donor needs in terms of staying apprised of the latest funding situation and predicting forthcoming gaps.

162. Advance funding mechanisms are another key way in which WFP provides predictable funding for its own corporate priorities and mitigates against the effects of a volatile funding environment. Their

¹⁹⁹ WFP, “Partnerships and Advocacy (PA) and Resource Management (RM) Departments Joint Directive – WFP Contribution Forecasting Procedures”, 16 December 2019, Directive No: PA2019-003 RM2019-005.

²⁰⁰ Implementation plans should also consider other resources available such as balances carried forward from previous years and should rely on high or medium probability contribution forecasts. They are approved by Country Directors.

²⁰¹ WFP (2019) WFP Management Plan (2020-2022). WFP/EB.2/2019/5-A/1.

²⁰² WFP, “External Audit of the World Food Programme, Audit Report, Country Portfolio Budgets, Financial Year 2018”, Executive Board Annual Session, June 2019, WFP/EB.A/2019/6-E/1.

effectiveness is covered in detail in Section 2.4.3.

2.2.2 Seizing Opportunities to Attract New Sources of Funding and Engage in Innovative Funding Mechanisms

163. As described in Section 2.1.3, despite increased contributions to WFP, the gap between funding required and funding received has remained persistent. Section 2.1.3 focuses on how the funding gap is calculated and communicated and the potential for funding from sources within the private sector to help fill the gap. Section 2.1.4 covers funding volatility and the mitigation measures that WFP has put in place to protect its operational and organizational budget. This section looks at specific funding gaps - for example, for development-oriented activities, as well as the overall funding gap within WFP, and the organization's success or otherwise in mobilizing additional funds, including its use of innovative forms of finance.

Development finance

Finding 9: WFP access to development finance has been limited to date. The approach going forward is promising, however, particularly if the focus is on supporting national governments to help implement activities funded by international financial institutions, and positioning the organization to contribute to the implementation of national priorities.

164. As described in Section 1.2, overall official development assistance from Development Assistance Committee donors has increased, though the overall pace of growth has slowed in recent years. Section 2.1.4 looks in general at WFP efforts to diversify its donor base and access additional funding from development donors. Despite the difficulties, these endeavours are beginning to show progress. For example, WFP funding from the European Directorate-General for International Cooperation and Development (DG DEVCO) amounted to USD 56.2 million in 2018 – an increase of 386 percent from the amount received in 2013.²⁰³ Similarly, funding from the Government of Germany's Federal Ministry for Economic Development and Cooperation (BMZ) increased from USD 9 million in 2006 to USD 252 million in 2018 (with a peak of USD 327 million in 2016).²⁰⁴

165. Increased engagement with international financial institutions²⁰⁵ has in some cases resulted in stronger partnerships and a moderate growth in financing from these partners. In 2018, direct contributions from international financial institutions increased to USD 44 million (up from USD 6 million in the previous year), primarily due to an increase in funding from the African Development Bank.²⁰⁶ Indirect contributions, including funding from international financial institutions that WFP accesses through host governments, add up to considerably more. A tracking exercise of World Bank contributions to WFP country offices, including funding channeled through host governments, recorded 60 disbursements adding up to USD 435.8 million between 2008 and 2018.

166. There is a recognition in WFP, however, at least within the Strategic Partnerships Division where the responsibility for managing partnerships with the international financial institutions sits, that any further increases in direct funding are likely to be limited. Most funding from international financial institutions is channeled through host governments; and relationships between WFP and the various international financial institutions are unlikely to succeed if the focus is on getting resources.²⁰⁷ Therefore, the emphasis for WFP has rightly focused on creating longer-term partnerships with international financial institutions and finding areas of mutual interest between governments, international financial institutions and WFP where the organization can add value by helping to implement national priorities.

²⁰³ DG DEVCO is responsible for designing European international cooperation and development policy and delivering development assistance throughout the world. Most of WFP funding from the EC comes through the EC's Department of Humanitarian Aid and Civil Protection (ECHO).

²⁰⁴ Figures also include contributions from the German Development Bank (KfW).

²⁰⁵ International financial institutions including the World Bank Group (WB), African Development Bank (AfDB), the International Monetary Fund (IMF), the Asian Development Bank (ADB), the Islamic Development Bank (IDB) and the Inter-American Development Bank (IADB).

²⁰⁶ WFP (2019) WFP Management Plan (2020-2022).

²⁰⁷ WFP (2019) Concept Note. Strategic Partnerships for Sustainable Development and Zero Hunger. Strategic Partnerships Division, March 2019.

167. Beyond partnerships with the international financial institutions, there is evidence of increasing recognition within WFP that its approach to development programming and associated funding requires additional investment. The WFP 2030 Fund, established under a critical corporate Initiative in the WFP Management Plan (2019-2021), is designed to finance actions within country strategic plans that are more difficult to resource (see Section 2.4.3 for a more detailed critique of the WFP 2030 Fund).

168. In addition, a critical corporate Initiative within the WFP Management Plan (2020-2022) seeks to address weaknesses in planning and funding of longer-term programming through the Programme and Partnership Support Initiative. With dedicated funding of USD 2.5 million over two years, the initiative intends to better orient the long-term objectives of WFP programmes with global strategic initiatives; mobilize resources that “can appeal to ministers of finance and planning”; and establish stronger partnerships within the Rome-based agencies and with other key partners working in the triple nexus. The proposal for the initiative sets out a clear and practical way forward, including a stocktake of the existing funding landscape for funding zero hunger objectives and the related Sustainable Development Goals, and development of a communication and engagement strategy for strengthened partnerships in this area. It will be important for the initiative to sustain a strong focus on country offices during its lifespan in order to support their access to new funding sources. For example, in order to be useful, the stocktake of existing funding opportunities and research into new opportunities should be tailored to the specifics of particular country contexts. Similarly, the communications and engagement strategy on partnerships needs to take into account the existing dynamics of specific in-country relationships and tailor its messages accordingly.

Innovative finance

Finding 10: WFP has demonstrated an interest in experimenting with innovative financing, particularly in the area of climate risk financing. However, other organizations have gone further in exploring innovative financing and are already generating results in some cases. WFP is at risk of playing “catch-up”. A more deliberate and coherent approach to innovative financing is required, including a clear strategy, leadership and dedicated resources to provide overall direction.

169. Growing humanitarian needs, combined with limited financial resources, mean that WFP has begun to explore options for innovative financing. There are a number of definitions and interpretations of what is meant by innovative financing, including within WFP. The World Bank defines innovative finance as generating additional resources by tapping into new funding sources that go beyond conventional mechanisms; or enhancing existing funding by making it more efficient and/or results-oriented.²⁰⁸ As such, the driving force behind many innovative financing mechanisms is often two-fold: raising new resources to fill an identified gap and making existing resources more effective or using them for a modified purpose.²⁰⁹

170. WFP has developed and piloted a number of initiatives that fit within the broad definition of innovative finance. Some examples are detailed below:

- WFP is one of the early experimenters with disaster risk insurance.²¹⁰ The most widely shared example of disaster risk insurance is the African Risk Capacity initiative. African Risk Capacity was launched in Africa in 2003 to spread the risk of weather-driven crises. Two entities – a specialized agency of the African Union and the African Risk Capacity Insurance Company – work together using drought risk models and software to monitor the risk of drought and quantify disaster risks. Payouts are then made to rapidly respond to protect the food security and livelihoods of vulnerable populations. African Risk Capacity is primarily aimed at the 33 African Union Member States that have signed the African Risk Capacity Establishment Treaty. However, since 2018 WFP has been taking part in the African Risk Capacity’s Replica Coverage initiative, which extends coverage to humanitarian partners, financed by contributions from donors to cover the policy premiums. Payouts are based on contingency plans that WFP develops in consultation with governments and

²⁰⁸ World Bank Group (undated) Innovative Finance for Development Solutions. Initiatives of the World Bank Group.

²⁰⁹ World Bank Group (undated) Innovative Finance for Development Solutions. Initiatives of the World Bank Group.

²¹⁰ As far back as 2006, WFP spearheaded the first government-level index-based insurance in Ethiopia with technical assistance from the World Bank, linking pay-outs to the Government’s Productive Safety Net Programme. World Bank Group (undated) Innovative Finance for Development Solutions. Initiatives of the World Bank Group.

integrates into relevant country strategic plans. African Risk Capacity Replica was first piloted in Mali, Mauritania and Senegal and, since 2019, has also been active in Burkina Faso, the Gambia, Madagascar and Zimbabwe.²¹¹

- There are a number of other forecast-based financing mechanisms that WFP has piloted for both flooding and drought situations.²¹² In Nepal, for example, WFP has implemented a forecast-based financing pilot in flood-prone districts. A study on return on investments within the initial project shows that early action to protect infrastructure and livelihoods may have cut the average cost of responding by over a third.²¹³ Building on these successes, WFP has established a trust fund for anticipatory action and discussions are ongoing regarding streamlining of anticipatory actions into country strategic plans. WFP is also involved in wider discussions with the World Bank and other United Nations entities to establish a vastly scaled-up version of forecast-based financing and responding. The Famine Action Mechanism (FAM) is described by the World Bank as “the first global mechanism dedicated to supporting upstream interventions in famine prevention, preparedness and early action. The FAM seeks to formalize links between early warning, financing and implementation arrangements”.²¹⁴
- Triangular cooperation initiatives like debt swaps can also be considered innovative in that they use existing resources with the intent of making them more effective.²¹⁵ In Egypt, for example, WFP engaged in agreements with the Egyptian, German and Italian governments on debt swaps for development. A portion of the funding released through the debt swap was channelled via WFP for support to the Egyptian Government’s new and more targeted school feeding programme. Similarly, in Mozambique, WFP is part of a debt swap initiative between the governments of Russia and Mozambique. A trilateral agreement has unlocked USD 40 million, which is being used by WFP to support the Government of Mozambique’s national school feeding programme – providing school meals for 150,000 children over the next five years.²¹⁶

171. Islamic social finance is far from new, but as a source of relatively untapped funding for the international humanitarian community, and United Nations agencies in particular, it can legitimately be covered under the heading of innovative finance. WFP has dedicated resources to the early investigation of possible ways of accessing Islamic social finance for its operations and has had some limited success of linking the ShareTheMeal app to peaks in individual giving through Islamic social finance during the period of Ramadan. Discussions are also underway with the Islamic Development Bank about a mechanism to link outcomes-based financing with the global WFP “1,000 days” initiative to prevent chronic malnutrition.

172. No major progress has yet been made in terms of revenue, however, and discussions continue within the organization on how best to position WFP as a recipient of Islamic social finance and which markets to target.²¹⁷ In the meantime, other United Nations and non-humanitarian agencies are experimenting with accessing different forms of Islamic social finance to supplement their income. In September 2019, UNICEF announced a partnership with the Islamic Development Bank on the Global Muslim Philanthropy Fund for Children with the aim of enabling multiple forms of Muslim philanthropy to contribute to the UNICEF emergency response and development programming.²¹⁸ Box 3 also outlines the experience of

²¹¹ WFP (2019) ARC Replica. WFP’s Partnership with the African Risk Capacity (ARC) for the expansion of climate risk insurance. September 2019.

²¹² WFP (2019) Forecast-Based Financing (FbF). Anticipatory actions for food security, April 2019.

²¹³ WFP (2019) Annual Performance Report for 2018. WFP/EB.A/2019/4-A.

²¹⁴ <https://www.worldbank.org/en/programs/famine-early-action-mechanism>.

²¹⁵ Debt swaps “occur when a creditor country agrees with a borrower to forego repayment of public debt under the condition that the borrower invests the money in agreed development projects” – WFP (2018) Debt Swaps: Financing method for sustainable development, Government Partnerships Division, October 2018.

²¹⁶ <https://www.wfp.org/news/russia-debt-development-initiative-support-school-meals-mozambique#:~:targetText=ROME%20%E2%80%93%20An%20innovative%20debt%20swap,over%20the%20next%20five%20years>.

²¹⁷ There are differences of opinion within the organization about the best potential markets to target. Some consider that the Gulf Cooperation Council countries offer the most potential, while others recommend focusing on “less crowded” markets where Muslim donors may be more likely to support an international organization like WFP, such as those in Europe and the US.

²¹⁸ More information can be found here: <https://www.unicef.org/press-releases/unicef-and-islamic-development-bank-launch-first-global-muslim-philanthropy-fund>.

UNHCR in mobilizing Islamic social finance for its own programming.

Box 3: The UNHCR Zakat Fund

Zakat is one of the five pillars of Islam, with Muslim individuals and institutions required to give 2.5 percent of their accumulated wealth to those in need on an annual basis. Leading humanitarian organizations are increasingly striving to support and tap into the development of the *Zakat* concept, establishing mechanisms to efficiently identify and support the most vulnerable populations on a global scale.

In 2019, UNHCR introduced the Refugee Zakat Fund – a new global structure that transforms the organization’s existing *Zakat* programme into a global fund aimed at aiding the most vulnerable displaced populations. Governed by UNHCR, the *Zakat* Fund allows individuals and institutions to fulfil their *Zakat* obligations through a globally trusted Sharia-compliant structure with 100 percent of contributions delivered directly to displaced persons most in need in the form of cash assistance.²¹⁹

Surpassing its initial fundraising target of USD 26 million for 2019, UNHCR had already raised USD 38.1 million of *Zakat* funds by the first half of the year. Of this amount, some USD 35.5 million was raised from institutions and high net-worth individuals, and USD 2.6 million through digital donations (of which USD 2.2 million was mobilized during the month of Ramadan alone). Funding was used to support UNHCR operations in Yemen (accounting for the largest amount of disbursements, totaling USD 13.5 million), Jordan, Lebanon, Bangladesh, Iraq, Egypt and Mauritania.²²⁰

Going forward, the *Zakat* Fund seeks to build on its momentum, establishing new partnerships and starting a *Sadaqah Jariyah* campaign (continuous voluntary giving in Islam). UNHCR aimed to raise over USD 44 million through *Zakat* by the end of 2019.²²¹

173. WFP is reasonably active in terms of engaging and experimenting with some innovative forms of finance in the humanitarian sphere. For example, WFP has taken a strong lead role in terms of developing and piloting anticipatory financing models in a range of different country contexts.²²² However, the various initiatives that WFP has engaged in are relatively scattered compared with a number of other humanitarian agencies: they lack a central structure, strategy and dedicated resources to provide overall coherence and direction. The WFP Innovation Accelerator in Munich has an overall remit of identifying and nurturing new ideas, but lacks a specific focus on innovative financing (see Section 2.2.7 for more on the work of the Innovation Accelerator).

174. A number of other comparable organizations appear to have gone further in experimenting with new approaches to financing, including initiatives like impact bonds.²²³ Another innovative area of funding is blended finance – the “use of philanthropic and donor grant funds to attract private-sector investment in frontier markets”.²²⁴ However, other than engagement through the United Nations Capital Development Fund,²²⁵ blended finance has largely bypassed United Nations organizations and has been predominantly limited to already developed and large emerging markets,²²⁶ with more emphasis on “hard” economic, rather than social, sectors.²²⁷

175. It is difficult to estimate the potential value of innovative financing, including the potential value, when

²¹⁹ “UNHCR unveils the Refugee Zakat Fund, a global Islamic finance structure to help displaced populations worldwide”, UNHCR, 26 April 2019. Accessed online, December 2019.

²²⁰ UNHCR (2019) UNHCR Zakat Fund: 2019 Mid-Year Report.

²²¹ UNHCR (2019) UNHCR Zakat Fund: 2019 Mid-Year Report.

²²² WFP (2019) Climate Risk Financing. Early Response and Anticipatory Actions for Climate Hazards, November 2019.

²²³ For example, UNDP is experimenting with Social Impact Bonds in at least six countries to tackle challenges related to the Sustainable Development Goals e.g. the Serbia Youth Unemployment Bond (United Nations Sustainable Development Group, Introduction to Innovative Finance, webinar presentation, 26 March 2019). The International Committee of the Red Cross (ICRC) is similarly engaging through its Humanitarian Impact Bond initiative, with the aim of raising enough capital to fund three physical rehabilitation centres in Africa. See: <https://www.icrc.org/en/document/worlds-first-humanitarian-impact-bond-launched-transform-financing-aid-conflict-hit>.

²²⁴ ODI (2019) New Financing Partnerships for Humanitarian Impact. London: Humanitarian Policy Group (HPG), ODI.

²²⁵ Joint Meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN Women and WFP (2019) Implementation of UNDS reform, and innovative financing for the SDGs.

²²⁶ Ibid.

²²⁷ ODI (2019) Blended finance in the poorest countries. The need for a better approach. London: ODI.

considering WFP as a broker of innovative finance on behalf of national actors. Early experiments can be hard to quantify and there are often trade-offs in terms of the amount of time, patience and funding required before results become visible. Other humanitarian organizations interviewed indicated that the amount of funding they have generated through innovative mechanisms is minimal so far. The same experience is mirrored within the development sphere, where the actual revenue raised by the United Nations from innovative sources to date has been limited, partly as a result of fragmentation of initiatives and partly as a result of continued competition between different United Nations entities.²²⁸

176.Despite the uncertainty, it will be important for WFP to engage in innovative financing in a structured way – both at policy and technical levels – so as not to fall behind other organizations and miss out on potential opportunities to help fill the funding gap. Such engagement will require dedicated resources (both human and financial) and support from across the organization.

2.2.3 Effectiveness of Headquarters and Regional Bureaux Support to Country Offices of Different Sizes and in Different Country Contexts

Finding 11: Country offices feel particular pressure when it comes to fundraising and are often under-resourced to fulfill their responsibilities, particularly smaller country offices. There are differences in the success rates of country offices in different context types to mobilize funding against requirements, with particular gaps in lower middle-income countries. Support from regional bureaux and headquarters has been provided but additional assistance is required.

177.WFP is operational in more than 80 countries around the world, with varying levels of staff presence, capacity and investment. An external audit of decentralization within WFP found that the smallest country offices are often hampered by lack of resources related to their activities and rely disproportionately on allocations from the programme support and administrative budget to make up the shortfall.²²⁹ A subsequent review of WFP country presence established a framework with criteria to systematically assess the viability of country offices.²³⁰ Referred to as the “country office viability pressure test”, the framework defines tolerance thresholds for: 1) host government support; 2) programme support and administrative expenditure as a proportion of total country office expenditure; and 3) donor appetite, measured in terms of the funding gap within the country office’s plan of work (with a funding gap of more than 40 percent determined as the threshold). After an initial application of the viability pressure test, 19 country offices in 5 regional bureaux were identified as requiring a more detailed review.

178.Analysis of needs-based plan requirements and allocated funding shows there are funding gap differences between country offices in different country income classifications. Table 2 shows the percentage of funding needs met by country income group.

Table 2: Percent of needs-based plan requirements met by country income group²³¹

Country income group	Total needs-based plan (USD millions)	Percentage of plan / budget met by start year			Total percentage of needs met
		2017	2018	2019	
Low income	19,988	52%	45%	39%	42%
Lower middle-income	9,087	55%	31%	27%	35%
Upper middle-income	2,371	70%	51%	40%	53%
Total	31,447	56%	42%	36%	41%

Source: Data extracted by the Public Partnerships and Resourcing Division, analysed by evaluation team.

²²⁸ Glemaric, Y. (2018) Innovative finance platform for United Nations development system country-level support, in Dag Hammarskjöld Foundation and United Nations MPTF Office (2018) Financing the Development System: Opening Doors. September 2018.

²²⁹ The audit found that 25 country offices, representing 29 percent of the total number of country offices, accounted for 36 percent of costs allocated through the programme support and administrative budget in 2016. WFP (2017) Report of the External Auditor on Decentralization. Executive Board, Annual Session, Rome, 12-16 June 2017. WFP/EB.A/2017/6-G/*.

²³⁰ WFP (2019) Country Presence Review, May 2019.

²³¹ Includes indirect and adjusted direct support costs, excludes multi-country plans and budgets.

179. Country offices in lower middle-income countries as a group had the largest funding gap for budgets starting between 2017 and 2019, while the upper middle-income countries had the lowest funding gap. Further analysis shows that the higher funding for the upper middle-income group is due to a combination of factors, including:

- Three resilience-building plans - in Ecuador, Colombia and the Dominican Republic - that had allocated contributions above 100 percent of the needs-based plan (125, 135 and 144 percent of requirements respectively)
- Allocations assigned to indirect and adjusted direct support costs in Namibia and Sri Lanka that represented 138 and 99 percent of requirements respectively
- Common supply chain services in Guatemala that had 97 percent of needs funded
- Above average funding for crisis response budgets in Ecuador (85 percent), Colombia (79 percent), Iran (63 percent), Lebanon (59 percent), and Libya (47 percent)
- Above average funding for root causes (capacity strengthening) requirements in Colombia (91 percent) and resilience building in Sri Lanka (79 percent).

180. Analysis of the funding gap by country office size, as judged by the total requirements in needs-based plans, showed less substantial differences. Table 3 shows the percentage of requirements met for country offices of different sizes. Medium size country offices had the greatest funding gap, followed by small country offices. However, the difference across categories between the highest and lowest percentage of total needs met was only five percent.

Table 3: Percentage of needs-based plan requirements met by country office size²³²

Country office size	Total needs-based plan (USD millions)	Percentage of plan / budget met by start year			Total percentage of needs met
		2017	2018	2019	
Very small	113	51%	48%	21%	40%
Small	262	35%	43%	33%	39%
Medium	1,517	53%	36%	26%	31%
Large	11,241	56%	35%	38%	42%
Very large	18,313		47%	37%	41%
Total	31,447	56%	42%	36%	41%

Source: Data extracted by the Public Partnerships and Resourcing Division, analysed by evaluation team.

181. As described in Section 2.1.2, it is country offices that feel the most pressure when it comes to fundraising. This is well recognized within the organization and support is available from regional bureaux and headquarters to facilitate their role. For example, a global meeting of partnerships officers took place for the first time in Rome in 2019 and was well-appreciated from a knowledge sharing and networking perspective. Online webinars on specific topics have been offered to all WFP staff with partnership and fundraising responsibilities; and guidance materials and tools are available online. The deployment of headquarters budgetary resources to support private-sector fundraising in some country offices was also mentioned. The evaluation found that regional bureaux were generally focused on providing support to country offices and saw it as their role to act as a back-up to the field. This was demonstrated in a number of ways, for example, through monthly calls with partnerships officers, quarterly and annual face-to-face workshops/retreats for learning and team-building purposes, support for the development of partnership action plans, and senior-level visits from regional bureaux staff to coincide with important partnership-building, advocacy or fundraising events.

182. Feedback from country offices suggests that they have appreciated the support provided by regional bureaux, though the emphasis has predominantly been on fundraising for emergencies. Less support and resources have been made available for the more difficult task of mobilizing resources for resilience building and development. The role of WFP global offices was frequently mentioned, with positive

²³² For purposes of this analysis total needs-based plan requirements were assigned to country office size categories as follows: very small = less than USD 20 million, small = over USD 20 million but less than USD 50 million, medium = over USD 50 million but less than USD 150 million, large = over USD 150 million but less than USD 1,000 million. Excludes multi-country offices.

feedback on the guidance and grant-specific support they have provided (see Section 2.1.2 for more on WFP global offices). Views were more mixed on the support available from headquarters, particularly in terms of developing country-specific resource-mobilization strategies and the communication of general guidance on fundraising. The time taken by the WFP Legal Office to process proposals for working with new corporate partners was raised as a particular weak spot. Clearly, WFP needs to undergo the necessary due diligence before embarking on partnerships with private-sector actors. However, long delays have had a negative impact on those partnerships in some cases, demonstrating a need for a more efficient and streamlined process.

183. The functions and status of staff engaged in partnership building and fundraising across the organization were raised by a number of interviewees. The role of partnerships officer is often interpreted differently from one country office to another; and the issue of double- or triple-hatting has, in many cases, made it difficult to carry out the role effectively (covered in Section 2.1.2). There has been progress recently towards professionalizing the partnerships officer role: ensuring dedicated staffing of partnership functions in country offices and investing in career progression for those within the cadre i.e. positioning the partnerships function as a stepping-stone to other roles within the organization.

184. The other function where more clarity and support has been requested is that of activity manager. Activity managers are allocated to an activity or activities within a country strategic plan and are expected to maintain oversight for multiple aspects of the work, including activity planning, budgeting, monitoring and reporting. Little training, guidance or support has been provided, and this has proved particularly challenging for those with little prior experience, particularly in terms of budgeting responsibilities.²³³ While not directly related to fundraising, this does affect the ability of WFP to effectively keep track of spending and flag funding gaps early so as to avoid unnecessary implementation breaks.

2.2.4 Link Between Communication, Advocacy and Marketing Efforts to Reinforce Brand Awareness, Protect Against Reputational Risk and Attract Adequate and Appropriate Funding

Finding 12: WFP has a strong and robust reputation with government donors. However, the WFP brand is relatively unknown among the general public, which will need to be addressed if the organization is to be successful in increasing its revenue through individual giving. Communication and marketing efforts have focused on emergency response operations where the reputation of WFP is strong. There is much less appreciation of WFP activities in resilience building and development settings and communication efforts are generally not geared towards promoting these aspects of the organization's work.

185. WFP offers a number of important incentives to its donors and there are multiple motivations for donors to partner with WFP. Clearly, the organization's very mandate – to achieve zero hunger – is attractive to donors for a number of reasons. Food insecurity is typically one of the most urgent priorities in crisis situations and meets the life-saving criteria of many donors for the humanitarian assistance that they provide. In addition, WFP has a number of key attributes that incentivize contributions from donors. Interviewees most frequently mentioned the following attributes when describing WFP:

- Reputation as an emergency responder
- Operational focus and demonstrated ability to deliver at scale
- Speed of response
- Field presence and reach, including an ability to respond in hard-to-reach areas
- In-depth and highly localized analysis of food security needs
- Logistical capacities and a proven infrastructure that also enables the work of others
- A strong global position within the United Nations system and with national governments
- Transparency of prioritization processes, including difficult choices when resources are limited
- Flexibility and willingness to compromise.

186. It is these key attributes that the Communications, Advocacy and Marketing Division routinely highlight and capitalize on when targeting audiences, including the general public and donor organizations, as part of advocacy efforts to mobilize support. Under the heading of marketing, the current WFP strategy

²³³ The evaluation team noted that a Strategic Outcome and Activity Management training programme is under development to meet this gap.

emphasizes the importance of public engagement as a way of influencing individual, private-sector and government funding.²³⁴ Building the WFP brand and increasing visibility is particularly critical for increasing private fundraising (including individuals, corporates and foundations). Up until now, the WFP brand is less well-known among the general public than that of certain other United Nations agencies, in particular that of UNICEF. This is not surprising, given vastly different approaches and levels of investment and noting particularly heavy investment in UNICEF marketing and mobilizing resources from individuals.

187. A shift is expected in WFP with the approval of the new private-sector partnerships and fundraising strategy, including a strong focus on growing WFP income from individuals and accompanying efforts to increase brand awareness among the general public (see Sections 2.1.1 and 2.1.3).²³⁵ In order to implement the strategy, Private Partnerships and Fundraising and Communications, Advocacy and Marketing Divisions (as well as “Friends of WFP” organizations where they exist – see Section 2.1.2 for details) will need to work closely together to define their respective roles in building brand awareness and reaching new audiences. As already set out in the WFP Communication, Advocacy and Marketing Strategy, this will entail a more sophisticated understanding of audience profiles and greater emphasis on engagement with the general public across different markets.²³⁶
188. According to external interviewees, brand awareness is much less important for government donors. Visibility of their own contributions is often considered more of a priority. The key attributes listed above heavily influence funding decisions but recognition of WFP among the general public is a much lesser concern. In some cases, government donors even expressed a preference for WFP to remain less visible so as not to compete with their own visibility and that of domestic non-governmental organizations. Host governments in some contexts similarly expressed a preference for WFP to take a more behind-the-scenes role – in some middle-income countries, for example, where WFP branding can be politically sensitive given its associations with hunger, malnutrition and insecurity.
189. The WFP brand has been heavily associated with its work in emergencies; there is much less recognition for the organization’s role in building resilience or contributing to development. In 2018, approximately half of all news and social media coverage of WFP related to the crisis in Yemen, and other emergencies such as in Bangladesh, South Sudan and Syria accounted for much of the remaining coverage.²³⁷ The more holistic WFP brand identity – encapsulated in the phrase “Saving Lives, Changing Lives” – is considered effective as a tagline, but the messages behind it have not yet been communicated in any depth, at least in written WFP communications. The 2018 Communication, Advocacy and Marketing Strategy describes an, “agile, evidence-based approach that targets specific audiences with compelling narratives to drive forward the WFP priorities” across the organization’s dual mandate.²³⁸
190. Effective communication of the resilience/development side of the WFP dual mandate is not an easy task (see also Section 2.3.1). It is far easier to create compelling content on WFP work in emergencies than it is to communicate the organization’s role in supporting national governments through capacity strengthening, for example, or strengthening social protection systems. Doing so will require imagination, careful research and the collaboration of staff across the organization, including technical units.
191. In terms of Communications, Advocacy and Marketing Division’s support for funding of WFP work, an important shift occurred in 2019, when advocacy and marketing were added to the division’s role (previously limited to communications). However, the change has not yet translated to a more balanced representation of staff, particularly at country office and regional bureaux levels, where many communications, advocacy and marketing personnel come from media rather than marketing or advocacy backgrounds.
192. Managing reputational risk is an important aspect of WFP work, in terms of sustaining current volumes of funding. The work of WFP saw a slight increase in negative coverage in 2018, centred on stories relating

²³⁴ WFP (2018) Communication, Advocacy and Marketing Strategy. June 2018.

²³⁵ WFP (2019) 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.

²³⁶ WFP (2018) Communication, Advocacy and Marketing Strategy. June 2018.

²³⁷ WFP (2019) Annual Performance Report for 2018. WFP/EB.A/2019/4-A.

²³⁸ WFP (2018) Communication, Advocacy and Marketing Strategy. June 2018.

to looting, re-sale of WFP food²³⁹ and contamination of food. Other potentially damaging issues for the organization include sexual exploitation and abuse of beneficiaries; as well as internal organizational problems, such as work-place harassment. Overall, it was felt that WFP had effectively managed reputational risk. The WFP corporate risk register is comprehensive and regularly updated. WFP staff expressed satisfaction with the prioritization of risk management, and external actors, particularly donors, generally agreed that the organization deals with potentially damaging incidents swiftly, sensitively and transparently. They particularly stressed the importance of learning about problems early and directly from WFP rather than through other sources. Thus far, this has helped build donor confidence in WFP thereby avoiding any negative impact on funding levels, which will be important to maintain moving forward.

2.2.5 Joint Resource-Mobilization Activities with Other United Nations Agencies and in Broader Partnerships

Finding 13: Despite the challenges, the evaluation found that a significant amount of collaboration is already taking place between WFP and other United Nations agencies at country level. Joint programmes are in evidence in a number of different areas, including school feeding, nutrition, cash and social protection. Donor support has occasionally hindered effective collaboration and has driven it at other times through the use of funding to leverage joint programming. The consultative nature of strategic reviews and country strategic planning have offered increased opportunities for joint resource mobilization and joint programming, particularly where they are well aligned with the Sustainable Development Goals.

193. Joint programmes can be the result of, or promote, joint resource mobilization; or they can be resourced through parallel fundraising, particularly in the case of simultaneous activities contributing to a joint work plan (see Section 1.2 for more description of joint programmes). The 2016 Quadrennial Comprehensive Policy Review resolution calls for more collaborative and common initiatives, including joint resource mobilization and programming, as well as an integrated funding approach at country level²⁴⁰ – a sentiment that is echoed in the draft United Nations Funding Compact, which also sets out clear targets and indicators for meeting these expectations.²⁴¹
194. There are a number of potential benefits of joint resource mobilization and programming. At a strategic level, coherency is the primary added value – ideally in support of the direction set by national governments and their articulation of how to achieve the Sustainable Development Goals.²⁴² Other benefits include improved programming that capitalizes on complementary skills and capacities across United Nations agencies, greater accountability for common results, reduced costs for host governments and a greater return on investment for donors.²⁴³ In development contexts, where WFP is less well-established compared with some other United Nations agencies, there is also the added benefit of accessing funding that the organization may not otherwise be easily able to tap into. In emergency settings, where WFP can more confidently count on donor support, there are less incentives for the organization to collaborate; nor is it necessarily the most efficient or effective approach in highly pressurized and time-sensitive environments.
195. Despite the obvious benefits, there are also a number of inherent challenges in joint resource mobilization and programming that have thus far hindered United Nations progress overall. These include: an unclear overall vision from the United Nations and lack of appreciation among partners of the actual and potential financing role of the United Nations;²⁴⁴ a lack of synergies between the tools,

²³⁹ WFP (2019) Annual Performance Report for 2018. WFP/EB.A/2019/4-A.

²⁴⁰ United Nations General Assembly (2017) Quadrennial comprehensive policy review of operational activities for development of the United Nations system. Resolution adopted by the General Assembly on 21 December 2016. A/RES/71/243.

²⁴¹ For example, the draft Funding Compact includes the following indicator, “Fraction of UNSDG entities reporting at least 15 percent of development-related expenditures on joint activities” (with a target of 75 percent of entities complying with the indicator by 2021). United Nations (2019) Pre-final draft Funding Compact, 22 February 2019.

²⁴² Multilateral Organization Performance Assessment Network (MOPAN) (2019) Country-level collaboration between FAO, IFAD and WFP. Synthesis Report, August 2019.

²⁴³ UN (2019) Pre-final draft Funding Compact, 22 February 2019.

²⁴⁴ Ibid.

ways of working and the programmatic and budget cycles of different United Nations agencies;²⁴⁵ legal and administrative obstacles; a lack of systematic monitoring and mutual accountability;²⁴⁶ and, perhaps most notably, competition among United Nations agencies for scarce resources. Indeed, WFP interviewees described difficulties around the compatibility of systems between United Nations agencies, including: different operational modalities, financial systems, reporting cycles and other business processes; unclear parameters of different organizational mandates; the additional time and effort needed to build partnerships and come to consensus, which can be particularly challenging in emergency situations; credibility and a loss of control in terms of managing and reducing risks; and difficulties agreeing on which organization should manage the money. The most commonly voiced challenge, however, was competition for funding – described as one of the main drivers inhibiting more joint programming and fundraising, both by WFP staff and those of other United Nations agencies.

196. Despite the challenges, the evaluation found that a significant amount of collaboration is already taking place at country level, described in various ways by different interviewees.²⁴⁷ Joint advocacy towards shared objectives was described as easier than joint programming or fundraising, several examples of which were given – including: collaborations with UNHCR at global and country levels to advocate on behalf of displaced persons; advocacy with UNICEF on complementary programmes to address malnutrition;²⁴⁸ and shared messaging with UNICEF and UNFPA on increased funding to improve the health and nutrition of school-age children. Beyond advocacy, the evaluation encountered examples of joint programmes that provide evidence of the willingness of WFP to actively engage with other United Nations agencies, including in the areas of school feeding, nutrition, cash and social protection.

197. Collaboration between the Rome-based agencies – WFP, FAO and IFAD – is already well prescribed.²⁴⁹ There is particular potential in the area of resilience, where the three organizations can work together to support food-insecure populations to prepare for, withstand and recover from shocks that affect their livelihoods and food systems. Climate change is also an area for collaboration between the Rome-based agencies, through joint resource mobilization, research, promotion of preparedness activities and joint programming.²⁵⁰ Joint programmes, such as the one with FAO described in Box 4, have demonstrated the potential of combining expertise and resources.

²⁴⁵ UN Joint Inspection Unit (2014) An Analysis of the Resource Mobilization Function within the United Nations System.

²⁴⁶ UN Women (2013) Joint Evaluation of Joint Programmes on Gender Equality in the United Nations System. Final Synthesis Report, November 2013.

²⁴⁷ Joint resource mobilization was interpreted in multiple ways by interviewees. Some stakeholders included coordinated appeals, joint advocacy events and common communication materials in their examples of joint resource mobilization; others used a stricter definition related solely to the resourcing of joint programmes. This evaluation adopted a loose definition somewhere between joint advocacy and mobilizing of resources for joint programmes.

²⁴⁸ The collaboration with UNICEF includes a global-level partnership (“Nurturing Human Capital: Achieving more for children in 2020 and beyond”) to provide vulnerable children with a health and nutrition package that includes nutritious meals, deworming, vaccines and water, sanitation and hygiene (WASH) interventions. See: <https://insight.wfp.org/a-look-back-at-davos-81fd5684681c>.

²⁴⁹ In the 2016 joint paper “Collaboration among the United Nations Rome-Based Agencies: Delivering on the 2030 Agenda”, the Rome-based agencies outlined how they will work together to support governments to achieve the 2030 Agenda. Other initiatives to encourage collaboration and joint programming include “strengthening resilience for food security and nutrition”, agreed by the Rome-based agencies in 2015.

²⁵⁰ WFP (2009) Directions for Collaboration Among the Rome-Based Agencies. Executive Board, Second Regular Session, Rome, 9-13 November 2009, WFP/EB.2/2009/11-C.

Box 4: WFP and FAO joint programming for resilience building in the Democratic Republic of the Congo

WFP and FAO have collaborated on an innovative, integrated approach in North and South Ubangi in the Democratic Republic of the Congo to increase agricultural production, improve livelihoods, promote gender equality and support social cohesion and peacebuilding at community level.²⁵¹ The programme began in 2016 with multi-year funding from the Swedish Government. Initial support from Sweden was followed by multi-annual grants from Canada and Germany in 2017, which allowed the expansion of the programme to new zones, including North and South Kivu. WFP acts as the lead agency for the programme, but planning and operational coordination is done through a joint WFP-FAO team based in Kinshasa. Both organizations seek to capitalize on their complementarity wherever possible to achieve greater impact and work closely with technical departments of the Ministries of Agricultural and Rural Development as well as with NGO partners.

198. Collaboration between United Nations agencies has occasionally been inhibited by the fragmented nature of funding flows and the way in which some donors focus on individual agencies to deliver on their own priorities.²⁵² In extreme cases, donor behaviour has actually created perceived disincentives for United Nations agencies to collaborate. For example, a call was made by the European Commission's Department of Humanitarian Aid and Civil Protection (ECHO) and the United Kingdom's Department for International Development (DFID) for a single agency to be responsible for providing cash grants to beneficiaries in Lebanon and this was considered contentious.²⁵³ Interviews suggest that it caused difficulties between WFP and UNHCR in particular, and that the impact in terms of their willingness to collaborate was also felt in contexts beyond Lebanon.

199. In general, however, donors voice support for joint programming and offer practical incentives. In the case of WFP, there are a number of examples where donor funding has been used practically in order to encourage or enforce joint approaches. Donors have used their resources to leverage joint programming in the area of resilience in particular – as the example of BMZ funding for resilience in the Sahel region demonstrates (see Section 2.3.1). Pooled funding has also been used to drive joint programming. For example, the Sustainable Development Goal Fund only supports multi-dimensional joint programmes, which have on average brought together three United Nations agencies per grant.²⁵⁴ As of October 2019, WFP was part of 14 concept notes approved by the Sustainable Development Goal Fund for its first round of funding, four of which named WFP as the lead organization.²⁵⁵

200. WFP systems also provide opportunities for collaboration with other organizations. The Country Strategic plan development process, and the consultation process that underpins it, provides country offices with a set of opportunities to identify synergies with partners and develop joint programmes and resource-mobilization strategies.²⁵⁶ As WFP, other United Nations agencies and donors increasingly orient their work to fit within the Sustainable Development Goal framework approach, additional opportunities and incentives to collaborate are likely to emerge. Enough good practice exists within WFP to indicate that the organization has the experience and the wherewithal to capitalize on them. However, challenges and competition for limited resources still exist; and WFP performance in joint programming/resource mobilization has predominantly been visible at project level without consistently strong strategic backing. Personalities have played an important part in ensuring successful collaboration on the ground, highlighting the need for strong leadership and institutionalization of good practice, including some form of corporate guidance setting out the opportunities, expectations and parameters of joint programming. New investment funding through the critical corporate initiative for programme and partnership support within the WFP Management Plan (2020-2022) intends to address aspects of improved joint

²⁵¹ The project title is "Fostering resilience and sustainable livelihood systems in North and South Ubangi".

²⁵² Multilateral Organization Performance Assessment Network (MOPAN) (2019) Country level collaboration between FAO, IFAD and WFP. Synthesis Report, August 2019.

²⁵³ Bailey, S. & Harvey, P. (2017) The DFID/ECHO approach to cash assistance for refugees in Lebanon. Documenting the process. London: ODI.

²⁵⁴ See: Sustainable Development Goals Fund (SDGF) [here](#).

²⁵⁵ Information provided by interview. Volumes of funding approved by the SDG Fund are small at this stage. As of 16 January 2020, WFP had only received USD 2.8 million of SDG Fund resources. See: <http://mptf.undp.org/factsheet/fund/SDG00>.

²⁵⁶ WFP (2019) WFP Management Plan (2020-2022).

programming and associated resource mobilization, particularly in relation to the Rome-based agencies (see Section 2.2.2).

2.2.6 Opportunities or Challenges from United Nations Reform for Attracting Funding to WFP

Finding 14: WFP has engaged in a number of different workstreams of United Nations reform and has made progress in aligning with United Nations planning processes. However, as yet there has been little evidence of change in terms of attracting additional or more appropriate funding for WFP. More significant impact can be expected in the future, in terms of both opportunities and challenges for positioning, making the case for sustained WFP engagement.

201. WFP has invested considerable staff time and resources in staying abreast of the latest developments within the United Nations reform agenda and contributing where opportunities arise.²⁵⁷ The organization has engaged in certain detailed workstreams of United Nations reform, including: co-leadership of the business innovation group aimed at finding efficiencies in operations and back-office support; chairing of the task team on common premises; and the development of methodologies to enable the United Nations Development System to gather and report on collective results.²⁵⁸ In addition, WFP has been designing a costed model for end-to-end service provision to other United Nations agencies, which should result in cost efficiencies for the United Nations system as a whole, while simultaneously generating revenue for WFP.²⁵⁹

202. At a more strategic level, changes to the Resident Coordinator system, and specifically the separation of functions of the Resident Coordinator and the United Nations Development Programme (UNDP) Resident Representative, provide new opportunities for country offices and Country Directors to position WFP within a shifting United Nations Development System, but have also come with additional costs for the organization.²⁶⁰ Revisions at the country level to the United Nations Development Assistance Framework (UNDAF) – now renamed the United Nations Sustainable Development Cooperation Framework (UNSDCF) – also provide a chance for WFP to more assertively articulate its role in resilience and development and potentially generate associated funding through the new UNSDCF Funding Frameworks,²⁶¹ ideally in support of integrated national financing frameworks.²⁶² Work has already taken place to progressively align country strategic plan cycles with those of UNDAFs/UNSDCF, providing more opportunity for synergies and harmonization, with both United Nations strategic planning exercises and national policy review processes.²⁶³ There is a long way to go before full alignment, however,²⁶⁴ and it can be considered a strategic error not to have maximized the potential for increased harmonization of country strategic plans and UNDAFs from the outset.

203. The adoption of the Funding Compact and its mutual commitments between the United Nations and Member States are ultimately expected to result in more flexible, predictable and coherent United Nations funding in development contexts, benefiting all United Nations agencies, WFP included.²⁶⁵ Less impact is anticipated for WFP than some of its peers from the 1 percent levy on all tightly earmarked development contributions, designed to finance changes to the Resident Coordinator system and

²⁵⁷ The current WFP Management (2020-2022) sets aside USD 8.1 million for WFP contributions to United Nations reform initiatives.

²⁵⁸ WFP (2019) WFP Management Plan (2020-2022).

²⁵⁹ WFP (2019) WFP Management Plan (2020-2022).

²⁶⁰ The WFP Management Plan (2020-2022) sets aside USD 3.15 million as WFP cost-share contributions for the RC system – double the amount the organization has contributed previously (approximately USD 1.5 million).

²⁶¹ United Nations Sustainable Development Group (2019) United Nations Sustainable Development Cooperation Framework. Final Internal Guidance, edited version 3 June 2019.

²⁶² United Nations Sustainable Development Group, Foundational Primer on the 2030 Agenda for Sustainable Development.

²⁶³ WFP (2018) Strategic Evaluation of the Pilot Country Strategic Plans.

²⁶⁴ At the time of the WFP Strategic Evaluation of the Pilot Country Strategic Plans (2018), only 45 percent of country strategic plans and interim country strategic plans in countries with UNDAFs were aligned with the termination dates of those UNDAF.

²⁶⁵ United Nations (2019) Pre-final draft Funding Compact, 22 February 2019.

provide more incentives for flexible funding.²⁶⁶ However, if the organization's ambitions to increase its access to development funding bear fruit, WFP should prepare itself for the additional work and costs involved in administering the levy, beyond the costs already incurred through putting a system in place. Based on the experiences of other organizations, WFP can expect the transactional costs to be high.

204. Overall, there is a general sense that reform processes are moving slowly, with little demonstrable change as yet on funding for WFP. However, there is also a consensus that WFP needs to stay closely involved in reform processes, since a more significant impact can be expected in the near future. The "Decade of Action", starting in 2020, is expected to bring an accelerated push for sustainable solutions, including efforts to "close the finance gap".²⁶⁷ Next steps in the reform process will likely include a push for stronger regional engagement, stemming from the ongoing United Nations reform regional and multi-country office reviews. Additional support for country offices and regional bureaux is likely to be required as additional United Nations system-wide changes are operationalized and scaled up.

2.2.7 Influence of Innovation, Efficiency and Localization Initiatives on WFP Funding

205. There are pressures from both within the organization and externally to improve the way that WFP does business, to make its work more effective, efficient, progressive and forward-thinking. This section - generated from the evaluation question surrounding the areas of efficiency, innovation and localization - looks at where there have been internal and external pressures to improve and considers whether progress in these areas has resulted in more donor support for WFP.

Finding 15: WFP has taken considerable steps to improve the way in which it works – embracing innovation and looking for time and cost-efficiencies wherever possible. The organization's progress on localization has been more mixed. Efforts in all these areas are well appreciated by external stakeholders. There is no clear evidence, however, to show that progress has resulted in more or different funding for WFP, nor for its partners.

Efficiency

206. Efficiency is clearly a high priority for donors and the evaluation team noted from interviews with donors that they highly appreciate efforts on the part of WFP to improve the efficiency of its operations. There are a number of other attributes that donors also value (see Section 2.2.4), however, some of which are at odds with efficiency. For example, the field presence of WFP and its reach as an organization – including its ability to access hard-to-reach areas and populations – were generally considered by donors to be more important than keeping costs down. That said, there are a number of examples of Executive Board meetings where Board Members have complemented WFP efforts to be more cost-efficient.

207. While efficiency from a timeliness perspective is clearly valued in emergency settings (and was noted as one of the key attributes of WFP by a number of external interviewees), speed is generally less critical in resilience and development contexts. In fact, the success of longer-term efforts to build resilience often relies on more consultative and participatory approaches, requiring time and patience to implement effectively. This was recognized, both within WFP and externally, and a lack of speed in development settings was not therefore flagged as problematic.

Innovation

208. There are several examples of WFP investing in innovative ways of working. These include:

- Experimenting with new agricultural techniques to maximize productivity: for example, H2Grow - piloting of hydroponics (soilless cultivation) in Algeria, Chad, Lima and Jordan to enable plant growth in non-fertile or urban areas²⁶⁸
- The use of new technology to improve existing programmes: for example, deployment of

²⁶⁶ Dag Hammarskjöld Foundation and United Nations MPTF Office (2019) Financing for the United Nation Development System. Time for Hard Choices. New York: Dag Hammarskjöld and United Nations.

²⁶⁷ For more on the Decade of Action see <https://www.un.org/sustainabledevelopment/decade-of-action/>.

²⁶⁸ <https://innovation.wfp.org/project/h2grow-hydroponics>.

blockchain technology, 'Building Blocks', to improve the speed and security of cash transfers to refugees in Jordan and save on transaction fees²⁶⁹

- Different ways of working with beneficiaries and expansion into new areas of livelihoods: for example, the EMPACT initiative, which aims to build the digital skills of refugees and host communities in Lebanon and Iraq, particularly women and youth, through vocational training in partnership with leading tech firms²⁷⁰
- Increased efforts to understand needs and reach vulnerable populations in hard-to-reach areas: for example, the WFP mobile vulnerability and analysis mapping (mVAM) project, which started in the Democratic Republic of the Congo and Somalia in 2013. It uses mobile technology for real-time food security tracking²⁷¹
- The ShareTheMeal app – described by WFP as “the world’s first app against global hunger” (for more on ShareTheMeal see Section 2.2.1).

209. The WFP Innovation Accelerator has served an important purpose in terms of generating and incubating new innovations. Based in Munich, Germany, the Accelerator is jointly funded by the German Government and Bavarian Federal Ministry of Food and Agriculture. Innovative ideas are shortlisted against a set of criteria, for example, feasibility and cost effectiveness and those that are successful are discussed and developed further in a week-long “boot camp”. Ideas that are deemed viable after that point receive seed funding for piloting and may later graduate to scale-up. The dedicated WFP Innovation Fund provides funding for the Innovation Accelerator and other parts of the organization that foster innovation.²⁷²

210. The three WFP Centres of Excellence – in China, Brazil and Côte d'Ivoire – have differing remits but all to some extent promote knowledge sharing between countries through South-South and triangular cooperation on policies and programmes related to zero hunger. The WFP Centre of Excellence Against Hunger in Brazil, for example, supported Bangladesh in developing a school feeding programme linked to local producers.²⁷³

211. Interviews with donors indicated that they are generally aware of WFP investment in innovations and view them positively. Anecdotal evidence suggests that innovations have helped to build an image of WFP as a forward-thinking organization looking for better, more efficient and effective ways of working. However, there are no clear data to prove that innovations have generated more overall funding for WFP, other than the funding provided for innovations themselves and support from host governments for the Innovation Accelerator and WFP Centres of Excellence. A few donors indicated that they would like to be involved in the development of innovations earlier, rather than being asked for funding later in the process when ideas are already fully formed. Doing so may encourage a greater sense of partnership and shared endeavour, possibly resulting in additional financial support.

212. Within WFP, there were also calls for more field-driven innovations and questions about when an innovation stops being an innovation and becomes part of the organization’s core way of doing business. This has an impact on where the funding comes from to sustain innovations through to scale-up and where the responsibility lies for integrating new ideas into day-to-day WFP operations and approaches.

Localization

213. A renewed drive for greater localization of humanitarian response emerged strongly from the 2030 Agenda and the World Humanitarian Summit in 2016. Localization also closely aligns with the WFP stated strategy of investing in the capacities of national and local responders and its “whole of society” approach to building sustainable and locally driven systems and services.^{274,275}

214. There are several examples of WFP commitments to localization through support for national

²⁶⁹ WFP (2018) Operational resourcing update 2018.

²⁷⁰ See: EMPACT website [here](#).

²⁷¹ See: https://vam.wfp.org/sites/mvam_monitoring/.

²⁷² WFP (2018) Operational resourcing update 2018.

²⁷³ WFP (2014) South-South and Triangular Cooperation Policy.

²⁷⁴ WFP (2017) WFP Strategic Plan (2017-2021).

²⁷⁵ WFP (2019) WFP Management Plan (2020-2022).

governments and systems. The evaluation of WFP support for resilience highlighted the significant WFP commitment to strengthening government capacities in a range of areas, including school feeding, nutrition, food security, livelihoods, emergency preparedness, supply chain and support for smallholder farmers.²⁷⁶

215. An Overseas Development Institute (ODI) study commissioned by WFP in 2016 indicated that the organization's model of partnering with non-governmental organizations was, "ad hoc and restrictive, and its approach to capacity strengthening unsystematic and highly decentralized, with minimal corporate oversight".²⁷⁷ Among other things, it recommended making national and local partnerships a corporate strategic priority, developing a WFP-national non-governmental organization (NNGO) partnership model and "recasting NNGO capacity strengthening as an investment rather than a cost".²⁷⁸ The WFP policy evaluation of the Corporate Partnerships Strategy (2014-2017) concluded that more investment is needed to build capacity and support coordination mechanisms between national and international actors, as well as to move away from purely contractual relationships.²⁷⁹ Indeed, the 2018 Corporate Guidance on WFP Management of NGO Partnerships takes a number of these suggestions on board and describes an approach to partnerships with local civil society that is "less transactional, more collaborative, more long-term".²⁸⁰
216. Interviews indicated that changes to ways of working with national non-governmental organizations are still very much a work in progress. In Niger, as part of WFP resilience programming, discussions were underway to agree longer-term field level agreements with non-governmental organization partners (both international and national), beyond the usual one-year agreements. However, budgets would still need to be agreed and disbursed annually, resulting in little real change in terms of the predictability of funding for non-governmental organization partners.
217. The issue of funding has tended to dominate discussions on localization since the World Humanitarian Summit, particularly since the inclusion in the Grand Bargain commitments of a target of at least 25 percent of humanitarian funding to go to local and national responders as directly as possible. In terms of direct funding to local and national actors, actual numbers fall far below the aspirations. According to the Global Humanitarian Assistance Report 2019, just 3.1 percent of all international humanitarian assistance was channeled directly to local and national responders in 2018 (an increase from 2.0 percent in 2016).²⁸¹ Much more is channeled indirectly, but data limitations prevent any meaningful estimates at present.
218. WFP estimates that it passes around 20 percent of its overall expenditure to national non-governmental organizations as implementing partners, with a commitment to increase the proportion to 25 percent by 2020 as part of its commitments under the Grand Bargain.^{282,283} Indeed, the amount of funding that WFP provides to national non-governmental organizations more than doubled between 2013 and 2018 – increasing from USD 81.8 million to USD 185.7 million. Funding from WFP to host governments also increased in the same period, from USD 33.1 million in 2013 to USD 62.4 million in 2018.²⁸⁴
219. While a number of donors have made it clear that they expect to see progress from WFP on localization (along with other United Nations agencies), the evaluation did not generally find that donors were using their funding as leverage to incentivize greater progress. A number of donors raised questions about the added value of WFP within the funding chain but did not indicate any imminent change in their funding model, for example, shifting to funding of national and local organizations directly. Within donor

²⁷⁶ WFP (2019) Strategic Evaluation of WFP Support for Enhanced Resilience, January 2019.

²⁷⁷ Wake, C. et al. *Capacity strengthening of national and local non-governmental organizations: opportunities and challenges for WFP*. London: HPG, ODI.

²⁷⁸ Wake, C. et al. *Capacity strengthening of national and local non-governmental organizations: opportunities and challenges for WFP*. London: HPG, ODI.

²⁷⁹ WFP (2017) Policy Evaluation of the Corporate Partnership Strategy (2014-2017), March 2017.

²⁸⁰ WFP (2018) Corporate Guidance on WFP Management of NGO Partnerships. 16 January 2018. OED2018/004.

²⁸¹ Development Initiatives (2019) Global Humanitarian Assistance Report 2019. Bristol: Development Initiatives.

²⁸² WFP (2018) Corporate Guidance on WFP Management of NGO Partnerships. 16 January 2018. OED2018/004.

²⁸³ WFP calculates the value of funding passed on to its implementing partners (national and international) by counting a proportion of the total transfer value of commodities for projects where partners play a role in delivering assistance. This includes delivery of cash-based transfers in cases where partners are engaged in registration and/or distribution.

²⁸⁴ Internal WFP data provided to the evaluation team.

discussions on localization, there appears to be less focus on volumes of funding being passed on to local and national actors and more emphasis on quality aspects, such as predictability and flexibility. In particular, United Nations agencies are encouraged to pass on any multi-year funding that they receive in order to build relationships with partners over longer periods, avoid breaks in partnership agreements and allow for institutional capacity building. In order to comply, donors will need to increase (rather than decrease) multi-year contributions to WFP. On the part of WFP, a rethink is required of its approach to annual budgeting and revisions to the way that it manages its agreements with cooperating partners.

2.3 EFFECTS OF THE INTEGRATED ROAD MAP ON RESOURCE MOBILIZATION AND FUTURE OPPORTUNITIES

220. Implementation of the Integrated Road Map, now at the development stage of second generation country strategic plans, has coincided with significant changes in the United Nations development system (see Section 2.2.6 on United Nations reform) and renewed efforts to access more diverse funding sources, along with other organizational changes and processes.²⁸⁵ This has placed a heavy burden on the organization and on country offices in particular. This evaluation question related to this section looks at the extent to which the roll-out of the WFP Integrated Road Map has helped or hindered the organization's mobilization of adequate and appropriate resources, and what opportunities may exist in the future.

2.3.1 Ability to Communicate the WFP Dual Mandate to Existing and Potential Donors

Finding 16: The general consensus, both within the organization and externally, is that the Integrated Road Map process is conceptually sound. Country strategic plans mostly provide a clear line of sight from the activities to the outcomes that WFP expects to achieve over a five-year period and present a cohesive package of interventions across the WFP dual mandate. However, it is not possible to confidently link changes in funding for the WFP dual mandate given the multiple other factors also at play. Early high expectations by some internal stakeholders that the Integrated Road Map would lead to more flexible and consistent donor support for WFP work in resilience and development have not been met.

221. Some donors have generously supported the role of WFP in building resilience and addressing the root causes of hunger. BMZ within the German Government, for example, has been a strong advocate and source of funding for WFP resilience work, particularly in the Sahel region. USAID was also an early supporter of the role of WFP in resilience building, even prior to implementation of the Integrated Road Map (see Box 5).

Box 5: Resilience building in the Sahel

The Sahel region provides strong examples of where WFP is implementing resilience programmes alongside national governments and partners and is increasingly gaining donor support, including multi-year funding. Since 2013/2014, with support from USAID, WFP has been working closely with partners and governments in Niger and Burkina Faso to deliver a package of integrated resilience activities to the same communities over multiple years: for example, asset creation, nutrition specific and sensitive activities, capacity strengthening and smallholder farmer support.

Building upon good practices in Niger and neighbouring countries and with support from Germany's BMZ, WFP embarked on a massive scale-up of its integrated resilience programmes in the G5 Sahel (Burkina Faso, Chad, Mali, Mauritania and Niger) in 2018. Representing a major shift away from decades of interventions that were often dispersed, poorly coordinated and short-term, four building blocks were identified to guide the scale-up: convergence of WFP and partner activities; concentration of WFP activities over multiple years; coverage of resources and outreach; and capacity to support communities and governments in coalition building and knowledge sharing.

²⁸⁵ WFP (2019) WFP Management Plan (2020-2022).

With government counterparts driving implementation, WFP is working with more than 70 non-governmental organization partners on the ground. The programme is designed to complement the work of other United Nations and non-United Nations actors, such as UNICEF, FAO, IFAD, World Vision, RISE II;²⁸⁶ and there are additional synergies with support provided by the World Bank on social protection.

With the resilience scale-up, WFP aims to achieve transformative change by assisting 2 million people by 2023, creating between 250,000 and 500,000 jobs across the region, restoring 0.5 million hectares of degraded land, producing an extra 500,000 to 1 million tons of cereals, fresh vegetables, and fruits, and reducing unsafe migration in at least 70 percent of communities.²⁸⁷

222. Not all key stakeholders are supportive of the renewed emphasis by WFP on resilience and development, however. The evaluation team came across significant resistance on the part of some donors, as well as (to a lesser extent) from within WFP. Some of the major WFP donors expressed concern that the Integrated Road Map had pushed the organization to a point beyond its area of core expertise, which risked detracting from its strong performance in emergency response. Examples were also given of where WFP is perceived to have lost its flexibility and responsiveness due to an emphasis on longer-term planning.

223. WFP interviewees highlighted that country strategic plans had improved how they conceptualized and articulated their programming, particularly in the areas of resilience and development. This in turn has facilitated a way of more clearly articulating the WFP role in resilience building and responding to the root causes of hunger - offering opportunities to work more closely with host governments, understand and align with their development priorities, and make links with other actors, including for the purposes of joint resource mobilization and joint programming (see Section 2.2.5). Beyond this, however, the evaluation was unable to find clear patterns that can attribute actual changes in funding for WFP work to the Integrated Road Map. Broader trends in donor and global priorities have also undoubtedly played a part in changing donor behaviour, particularly in terms of orienting funding towards the collective vision of the Sustainable Development Goals, which will take time to result in changes to the way that WFP is funded. It is therefore difficult to confidently state what is driving change and the evaluation can only make a theoretical link between the Integrated Road Map and support across the WFP dual mandate.

224. Senior WFP leadership hoped that by presenting a more holistic overview of WFP funding needs within country strategic plans, funding would be better balanced across the organization's different priorities. Donor choices have continued to prioritize life-saving operations, however; with less funding directed towards resilience-building and development-oriented activities. The difference between expectations on funding and reality has led to a sense among some staff of "broken promises" around the Integrated Road Map. Certain staff interviewed described the Integrated Road Map as a joint venture - wherein WFP would give more visibility and transparency of its work and donors would fund that work more comprehensively - and expressed disappointment that donors "had not kept their part of the bargain". It is not clear how this sense of a "compact" came about, nor how it will be resolved other than through continued dialogue between WFP and its donors at country, regional and global levels.

2.3.2 Ability to Fulfil the Accountability and Transparency Requirements of Funders

Finding 17: There have been weaknesses in the ability of WFP to substantively report on the results of its work, missing the opportunity to link resources to results as set out in country strategic plans. The link between financial expenditures and outputs as well as results on gender equality have not been consistently demonstrated. Despite donor commitments to harmonize reporting requirements, and corporate positions that only standardized reporting will be provided to donors, ad-hoc and specialized reporting requests continue to overload busy country office staff.

²⁸⁶ A USAID supported initiative that aims to address the root causes of persistent vulnerability as well as in the Sahel Resilience Learning Project (SAREL), which bolsters collaboration, learning and adaptation across the RISE platform.

²⁸⁷ Sources: WFP (2019) Sahel transformed — Excerpts from the field: Good Practices of integrated resilience activities in the G5 Sahel; WFP (2019) Resilience Scale-up Plan for the G5 Sahel, WFP regional bureau for West & Central Africa, Oct 2019; Interviews with key informants from WFP staff and partners in Dakar and Niger in October 2019.

225. While the concept of the Integrated Road Map was generally appreciated, its roll-out was widely perceived as ambitious. When the transition to country strategic plans began in 2017, not all the necessary systems and structures were fully in place – putting a strain on country offices and increasing transaction costs at all levels of the organization.²⁸⁸ This had the effect of complicating regular planning and budgeting exercises and is purported to have had a negative impact on the transparency of WFP and its accountability to donors, albeit in the short term.

226. In general, the evaluation found that donor governments valued the open and frequent communications of WFP. However, several issues were raised with regard to formal reporting and compliance with grant requirements. The Corporate Results Framework presents the logic of the chain of results within programmes. Reporting on the implementation and performance of each country strategic plan is covered by annual country reports, and those results are then aggregated in the corporate annual performance report, which is presented at the Executive Board's annual session.²⁸⁹ Additional in-depth thematic reporting is planned, funded through a dedicated WFP Trust Fund and targeted at Executive Board membership, donors, WFP and academia.²⁹⁰ Many donors noted that annual country reports and the annual performance report did not fully meet their requirements and they had frequently requested additional information from WFP either at country or global level or both. Additional thematic reporting is unlikely to satisfy donor needs in this regard, since it is not intended to report on specific donor contributions. Where specialized reporting is agreed ahead of time, it is built into grant agreements and budgets can then cater for the additional staff time required. Indeed, a number of donors interviewed did state their willingness to cover additional costs related to specialized reporting if raised early in funding discussions. Where this has not happened and requests for supplementary information and customized reporting have been ad-hoc or, in cases that the evaluation team encountered, where WFP had underestimated the staff time needed to meet requests for customized reporting, a considerable strain has been put on WFP staff, particularly at country level. In addition, the country strategic plan policy makes evaluations mandatory at the end of every country strategic plan cycle, further adding to heavy workloads.²⁹¹

227. Donors have made strong commitments to harmonize compliance requests and requirements. The Grand Bargain includes a specific commitment to “harmonize and simplify reporting requirements” and “reduce duplication and management costs with periodic functional reviews”.²⁹² Some progress has been made, including the introduction of a common pilot reporting format.²⁹³ However, the most recent annual independent report on the Grand Bargain indicates that, “as yet (there has been) no system-wide shift from donors to reduce and simplify reporting requirements”; and only limited progress has been achieved in some areas related to reducing duplication and management costs.²⁹⁴

228. Many interviewees suggested that the compliance requirements of donors had in fact increased in recent years – driven in large part by a need for donors to be accountable to their parliaments and parliamentary committees²⁹⁵ and intensified by the increased earmarking of funds (requiring more precise financial and narrative reporting). Research indicates that donors are increasingly imposing additional reporting and compliance requirements.²⁹⁶ Additional counter-terrorism measures, due diligence and auditing requirements have all put a further burden on humanitarian organizations and emphasized financial accountability over programme quality.²⁹⁷ Difficulties complying with donor requirements are not unique to WFP; other organizations consulted expressed similar concerns.

229. Donors are a diverse group and some have made considerable efforts to minimize the reporting and

²⁸⁸ WFP (2018) Strategic Evaluation of the Pilot Country Strategic Plans.

²⁸⁹ WFP (2018) Revised Corporate Results Framework (2017–2021). WFP/EB.2/2018/5-B/Rev.1.

²⁹⁰ Internal documentation on creation of a new Trust Fund for thematic reporting.

²⁹¹ WFP (2016) Policy on Country Strategic Plans. Executive Board, Second Regular Session, Rome 14-18 November 2016.

WFP/EB.2/2016/4-C/1/Rev.1*.

²⁹² See: <https://interagencystandingcommittee.org/grand-bargain>.

²⁹³ Referred to as the “8+3 reporting template”.

²⁹⁴ Metcalfe-Hough, V. et al (2019) Grand Bargain annual independent report 2019. HPG commissioned report. June 2019. London: ODI.

²⁹⁵ United Nations Joint Inspection Unit (2014) An Analysis of the Resource Mobilization Function within the United Nations System.

²⁹⁶ United Nations Joint Inspection Unit (2014) Donor-Led Assessments of the United Nations System Organizations.

²⁹⁷ IASC Humanitarian Financing Task Team (2016) Donor Conditions and their Implications for Humanitarian Response.

compliance burden on humanitarian organizations, including WFP. Others however are perceived as intensifying their requirements as part of a general de-risking of aid. ECHO and DFID were singled out by many – both in interviews and in background documents – as being particularly demanding donors from a reporting and compliance perspective.²⁹⁸ Box 6, on DFID use of a “payment by results” system, demonstrates a way of increasing United Nations accountability for funding from the United Kingdom Government.

Box 6: The DFID system of payment by results

The DFID system of “payment by results” involves retaining a portion of its funding conditional on the achievement of certain pre-agreed results. Since 2017, DFID core funding to United Nations humanitarian agencies, including WFP, has included an agreement to make 30 percent of the funding conditional on satisfactory collective progress towards a set of reform objectives derived from the World Humanitarian Summit and Grand Bargain commitments. Transaction costs associated with the payment by results model are considered to be high – both for WFP and for DFID – though are expected to level off as the system becomes increasingly embedded and predictable.²⁹⁹

230. WFP defines “resources to results” as “the ability to clearly and transparently i) support managers in their efforts to define priorities and manage operational performance; (ii) demonstrate the results that WFP achieves with available funds; and (iii) demonstrate accountability.”³⁰⁰ One of the initial aims of the Integrated Road Map was to create a clearer, more visible, line of sight linking resources to results throughout the logical frameworks of each country strategic plan. The MOPAN Assessment of WFP (2017-2018) concluded that the efforts undertaken to implement the Integrated Road Map have “progressively strengthened the manner in which WFP’s planning, budgeting and management systems deliver the intended results and are geared towards the long-term vision.”³⁰¹

231. Nevertheless, lessons learned from the initial two years of country strategic plan and country portfolio budget implementation highlighted areas requiring additional work to increase the visibility of links between WFP financial resource and its performance results.³⁰² Notably, the initial tools developed to support country office budget planning allowed tracking budgets at activity and outcome levels but not at output level. The practice of “bundling” of country strategic plan activities has also had a negative effect on the ability of WFP to clearly link resources to results (see also Section 2.3.3 on “bundling”). Moreover, the overall complexity of budget planning tools and systems has frequently been cited as a burden on country offices, including in a 2019 report of the External Auditor.³⁰³

232. In 2019, the Resource Management Department established a task team to consider improvements in the budget planning process to further enhance the ability of WFP to demonstrate the link between resources and results and to find ways to simplify the complexities of Integrated Road Map planning and budgeting processes. As part of the process, WFP engaged the services of Tango International to determine the feasibility of attributing resources to outputs within country strategic plans and summarizing overall results at outcome and output levels.³⁰⁴ Since then, WFP has introduced new tools and a support structure for country offices to analyse and explain their high-level outcomes and output achievements in relation to budgetary and expenditure information. These will be piloted during the compiling of the 2019 annual country reports (in 2020) and reflected upon and refined thereafter. The work continues to be challenging, however, and important decisions remain for senior management in

²⁹⁸ IASC Humanitarian Financing Task Team (2016) Donor Conditions and their Implications for Humanitarian Response; Independent Commission for Aid Impact (ICAI) (2018) The UK’s approach to funding the UN humanitarian system. A performance review. London: ICAI.

²⁹⁹ Independent Commission for Aid Impact (ICAI) (2018) The UK’s approach to funding the UN humanitarian system. A performance review. London: ICAI.

³⁰⁰ WFP (2019) RM Position Paper on Resources to Results (R2R), February 2019.

³⁰¹ MOPAN (2019) Assessment of WFP (2017-2018), February 2019.

³⁰² WFP (2019) RM Position Paper on Resources to Results (R2R), February 2019.

³⁰³ WFP (2019) Report of the External Auditor on Country Portfolio Budgets, Executive Board Annual Session, June 2019, WFP/EB.A/2019/6-E/1. The audit report also identified various improvements to strengthen the CSP data portal to provide transparency and called for “rationalizing the coexistence of the [four] different information portals relating to country strategic plans”.

³⁰⁴ WFP and Tango International (2019) Review of Methodologies for Linking Resources to Results (R2R). Final Report, 12 July 2019.

terms of whether and how to invest in the evolution of systems and approaches – related to both reporting on results and organizing resources – in order to provide a clear line of sight from resources to results.

233. The Resource Management Department has also been working on improvements to information platforms and dashboards to further enhance transparency and visibility. At the November 2019 Executive Board meeting, management reported on the country strategic plan data portal created to provide Member States with budgetary, financial and performance information for each approved country strategic plan and interim country strategic plan. These improvements include more frequent updates to expenditure data (including allocations from the programme support and administrative budget), percentages of direct and indirect support costs, and more detailed information on the requirements related to the needs-based and implementation plans and resource situation.³⁰⁵
234. As covered in Section 2.2.1, the identification of resources for promoting gender equality and women's empowerment in country strategic plan budgets has been positive and goes some way to meeting accountability requirements to donors. However, it is only meaningful if WFP is able to apply an approach that effectively links financial expenditures with results on gender equality. Work is underway within the organization to address this. Draft guidance materials and templates have been developed to assist country offices with tracking expenditures on activities that contribute to gender equality.³⁰⁶ The guidance contains practical examples of the types of activities that could be considered as contributing to gender equality and instructions on how to apportion costs for activities that include gender activities as part of broader assistance. A certain level of judgement will always be required, however, and, noting gaps in capacity within the organization on gender-related issues (as outlined in Section 2.2.1), country offices will need a considerable level of support from regional bureaux and headquarters in order to effectively and consistently apply the proposed methodology. In order to anticipate some of the challenges, the tracking exercise has been piloted with the Jordan country office and guidance materials and WFP systems (including WINGS) are being adapted accordingly.
235. Expectations for generating evidence aligned to resilience and development outcomes are higher compared with WFP emergency interventions. While reporting on the number of people reached or the amount of assistance delivered may satisfy donor requirements in the midst of a crisis situation, for longer-term programming donors expect WFP to lift the level of its evidence generation to results that have been achieved and the impact of those interventions on the people affected. This is clearly a work in progress for WFP and there is much to be learned from peer organizations with more experience of working in development contexts. Some good practice also exists within the organization. For example, WFP efforts to monitor the impact of its resilience interventions in Mali and Niger (see Box 7) and monitoring of the Kenya resilience framework. It will be important to build on and learn from experiences of this kind – not only to satisfy the accountability requirements of donors, but also to develop WFP institutional learning. Learning from such experiences will also help demonstrate the impact of WFP work and attract additional funding across the dual mandate as expressed within the Integrated Road Map. The WFP Impact Evaluation Strategy (2019-2026) indicates a recognition that greater evidence is needed on the organization's contribution to zero hunger. The strategy sets out a clear plan with associated funding to build a stronger evidence base, not only for WFP but also for the global sector.³⁰⁷ This echoes the emphasis on the Integrated Road Map to strengthen the organization's work around strategic priorities and encourage country offices to more consistently demonstrate the results that they are able to deliver.

Box 7: Measuring impact and change of resilience interventions

To measure long-term impact and change, a BMZ-financed impact evaluation is currently being carried out in collaboration with the World Bank Development Impact Evaluation (DIME) Group. A workshop with DIME, WFP country offices, regional bureaux and the Evaluation Unit, as well as UNICEF and BMZ took place in September 2019 to develop country-level impact evaluation designs. Mali and Niger were proposed as the

³⁰⁵ WFP (2019) Update on the Integrated Road Map, Executive Board Second Regular Session, November 2019, WFP/EB.2/2019/4-D-1.

³⁰⁶ WFP (updated) CSP Gender Equality Expenditure Tracking, WFP Gender Office (draft).

³⁰⁷ WFP (2019) WFP Impact Evaluation Strategy (2019-2026), WFP Office of Evaluation.

first countries to start evaluation activities, and a third country may be considered at a later stage. All countries will be provided technical assistance to tailor their monitoring and evaluation systems to measure key resilience outcomes.

2.3.3 Ability of Country Offices to Develop Ways to Address Funding Level and Flexibility Constraints

Finding 18: Despite commitments from donors, WFP has not yet experienced the expected benefits of unearmarked and multi-year funding in terms of more flexibility, continuity and predictability. Country offices have felt increasingly constrained by a lack of funding, particularly those in non-emergency settings. Flexible funding has been a particular challenge and country offices have taken a series of steps to attract additional resources and create flexibility within existing budgets.

Funding levels

236. Levels of funding against stated requirements differ significantly between country offices. Country strategic plans in large emergencies, particularly those classified as L3, are typically much better funded than those covering smaller emergencies, including smaller complex emergencies, and non-emergency situations. In Syria, for example, the requirements for the 2019-2020 interim country strategic plan were already 60 percent funded (USD 834 million allocated contributions) by the end of 2019; compared with 10 percent (USD 8 million allocated contributions) for the 2019-2024 Tajikistan country strategic plan in the same region. This is not surprising given the scale and severity of humanitarian needs in Syria, the high levels of media attention, and the strong organizational push from WFP at headquarter, regional bureaux and country office levels to lobby donors for additional funding.

237. Twenty-three country offices had no activities linked to crisis response in their plans, though the total needs-based funding requirements for these offices only represents 1.5 percent of total WFP requirements.³⁰⁸ Table 4 shows that on average the offices with no crisis response activities had a 13 percent larger relative funding gap, though for plans starting in 2018 these country offices have had a 3 percent relative smaller funding gap than country offices with crisis response activities.

Table 4: Percentage of needs-based plans funded for countries with and without crisis response³⁰⁹

Country offices	Total needs-based plan (USD millions)	Percentage of plan / budget met by start year			Total percentage met
		2017	2018	2019	
With crisis response	31,030	56%	42%	37%	41%
Without crisis response	479	43%	45%	21%	28%
Total	31,509	56%	42%	36%	41%

Source: Data extracted by the Public Partnerships and Resourcing Division, analysed by evaluation team.

238. In situations where funding is constrained, country offices have tended to fall back on stock ways of either mobilizing additional funding – using the Project Pipeline Tool for example (see Section 2.2.1), or using the country strategic plan itself as a resource-mobilization tool. Experiences with the latter have been mixed. While stakeholders consulted for this evaluation were generally positive about country strategic plans in terms of the overview they provide across WFP work, some also commented on their limitations when it comes to fundraising. In particular, a number of donors described the country strategic plan as unsuited for the purposes of informing detailed funding decisions, where a greater level of detail is often needed and project proposals are then requested in addition.

239. More drastic action has been required in cases where funding has fallen well short of requirements. Lack of resources has led country offices to scale back operations – cutting coverage, narrowing the targeting of programmes and/or reducing rations or the value of the assistance provided. Funding shortages have also led country offices to cut back on staff positions and look for savings elsewhere within running costs.

³⁰⁸ In total 9 of the 23 were in the regional bureau in Bangkok, 6 in the regional bureau in Cairo, 5 in the regional bureau in Dakar and 3 in the regional bureau in Panama.

³⁰⁹ Includes budgets for indirect and adjusted direct support costs.

In more severe cases, where large funding gaps have emerged and additional core funding is unavailable, WFP has implemented alternative country office models – such as operating without a Country Director, sharing a Country Director across one or more other country offices, or managing WFP interventions from the regional bureau.³¹⁰ Other models for a cheaper operating presence may also become viable in the future: locating a technical advisor in the Resident Coordinator's office or with the host government, for example, or leveraging common back office functions as part of the United Nations reform process (see Section 2.2.6).³¹¹

240. In order to avoid funding cuts, country offices have enhanced their ability to understand and respond to the funding contexts in which they are operating by developing partnership action plans. Partnership action plans, in one guise or another, are now being used across WFP to map out the funding landscape in particular country contexts. Current and prospective partnerships and fundraising opportunities are mapped against the different activities of country strategic plans, accompanied by detailed action plans setting out how and when WFP will follow up with donors. Early feedback suggests that developing a partnership action plan is a useful exercise in and of itself³¹² – building a more nuanced understanding of the opportunities that exist, identifying new partners to engage with and sharpening messages for more effective communication with donors. It also provides the opportunity to link with broader United Nations efforts to assess the financing needs and capacities of a country, though the evaluation team found little evidence of this happening in practice. Developing a partnership action plan requires dedicated time and specialist knowledge – often in short supply in small country offices. While the partnership action plan process should be driven by a country office team, regional bureaux and headquarters will need to continue to be involved and additional support is likely to be required as the mapping of private-sector partners is more comprehensively incorporated into partnership action plans. Particular support will be required for more comprehensive mapping of partnerships with private-sector actors.

Flexible funding

241. A lack of flexible funding (see Section 1.3) has also impacted on country offices. By centring country strategic plans on strategic outcomes and national results, the intention was to move away from a focus on activities and attract a greater degree of high-level, flexible funding.³¹³ However, interviewees frequently noted that the added visibility of the activity-based structure of country strategic plans makes it easier for donors to earmark their contributions. The evaluation team heard consistently from WFP staff during interviews, particularly those working at country level, both that more funding is earmarked and that the earmarking has become increasingly tight – linked in some cases to sub-activities or secondary conditions within activities: for example, specific geographic locations, modalities, beneficiary groups and purchasing restrictions.³¹⁴

242. As described in Section 1.3, the proportion of WFP funding that is directed (rather than flexible) has indeed increased. However, preliminary data do not support the perception of increasingly tight earmarking. In fact, it shows marginally less tight earmarking in 2019 compared with 2018 (see Figure 11, Section 1.3), albeit linked to large contributions of a few donors in a select number of contexts.

243. In addition, there was actually a decrease in activity-level earmarking across country strategic plans for the respective years in which they were rolled-out. For example, for the country strategic plans that started in 2017, their share of total contributions earmarked at the activity level that year decreased to 76 percent, compared with 94 percent activity-level earmarking in 2016. The data fluctuate, however, and it is not possible to confidently link the roll-out of the country strategic plans to changes in earmarking practice as oppose to general shifts in donor funding behaviour.

244. As a way of mitigating earmarked funding, country offices have frequently resorted to the “bundling” of

³¹⁰ Internal WFP presentation: Enhancing Organizational Effectiveness: Results to date of the HQ/RB review & way forward, 1 March 2019.

³¹¹ Internal WFP presentation: Enhancing Organizational Effectiveness: Results to date of the HQ/RB review & way forward, 1 March 2019.

³¹² WFP (2019) Partnership Action Plan: Lessons Learned Exercise. Executive Summary and Recommendations.

³¹³ WFP (undated) Impact of earmarking in the IRM framework. Internal, draft document.

³¹⁴ WFP, Impact of Earmarking in the IRM Framework. Internal document.

activities – effectively combining activities into fewer activity categories.³¹⁵ Bundling is primarily done as a way of resourcing areas of the budget that are more difficult to fundraise for, including some staff positions, and packaging them with activities that are considered more likely to attract funding. This appears to have had the effect of increasing rather than decreasing levels of earmarking as donors have sought to direct their contributions to even lower activity levels, often to sub-activities. It has also made it more difficult to clearly view the link between resources and results, thereby hindering the ability of WFP to present an evidence-based narrative on its work (covered in Section 2.3.2).

245. Moreover, inflexibility across budget lines is perceived to have worsened since the roll-out of the Integrated Road Map, according to a number of WFP staff interviewed – with the complex structure of budgets within country portfolio budgets making it more difficult to move funds around without getting prior consent from donors. This has been particularly challenging in relation to staff costs for under-funded activities of country strategic plans - for example, capacity strengthening. Whereas these were previously covered by the direct support costs and could be spread across budgets, within the current country portfolio budget model they are now budgeted by activity. When funding for certain activities has been limited, this model has made it more difficult to sustain certain staff positions and functions, compromising the effectiveness of the country strategic plan overall.

246. WFP has also found ways of mitigating the impact of short-term funding for longer-term operations. For example, there is a practice of “exchanging” contributions with short terminal obligation dates/terminal disbursement dates for more flexible contributions, but this has raised concern among some donors and is considered a sporadic work-around to a larger problem. Overall, WFP has not yet experienced the expected benefits of multi-year funding in terms of more continuity and predictability of funding.³¹⁶ Nor, as a result, has it been able to make significant changes to the way it relates and passes on funding to its cooperating partners.

2.3.4 Helping National Partners Secure Financing for their National Sustainable Development Goal Plans

Finding 19: WFP has engaged in some efforts to secure financing on behalf of national partners, though it has not been a major focus for the organization and the work is largely uncaptured in WFP reporting. Targets for the organization’s future ambitions in this direction are not clear and a lack of clear indicators will impede WFP from monitoring its future progress in leveraging larger financial flows against national development plans.

247. Strategic Result 7 (SR7) within the WFP Corporate Results Framework aims to support “Developing countries access a range of financial resources for development investment”. It links to SDG 17.3 to mobilize additional financial resources for developing countries from multiple sources. Implicit in SR7 is a shift from “funding to financing”, which entails looking beyond the resources that flow directly through the United Nations (funding) and thinking instead about how United Nations organizations can facilitate greater overall support for the Sustainable Development Goals (financing).³¹⁷ As such, it provides an opportunity to link to joint efforts to generate funding through UNSDCF funding frameworks in support of integrated national financing frameworks (see Section 2.2.6).³¹⁸

248. The evaluation found that this area of WFP work is largely undocumented. The WFP Management Plan (2020-2022) cites a sum of USD 1 billion that the organization aims to mobilize in overall development and thematic financing, though this is presumably for its own activities rather than for broader

³¹⁵ An internal WFP document on linking resources to results explains that “each CSP activity must be linked to one of 13 corporate activity categories listed in the CRF. Activities provide the basis for budget planning and financial reporting, while results reporting is done in line with output and outcome categories.” “Bundling” involves combining activities into a few activity categories. WFP (2019) RM Position Paper on Resources to Results (R2R). 22 February 2019. Internal working document.

³¹⁶ There are notable exceptions to this trend, including funding from the Government of Canada in response to the regional Syria crisis. The Canadian contribution was provided for a three-year period – from 2019 to 2021 – allowing WFP to allocate and manage funding according to needs in Syria, Jordan, Lebanon and Iraq in a flexible manner.

³¹⁷ UNDG DOCO (undated) Funding to Financing. UNDAF Companion Guidance.

³¹⁸ United Nations Sustainable Development Group (2019) United Nations Sustainable Development Cooperation Framework. Final Internal Guidance, edited version 3 June 2019.

development by governments and other actors.³¹⁹ Only one country strategic plan (China) is currently implementing activities under SR7, primarily in relation to technical assistance provided to the Government of China, for example, for the development of new public fundraising platforms.³²⁰ During interviews, however, the evaluation team heard of several initiatives to catalyse resources on behalf of government partners. In Armenia, for example, WFP has been working with donors to encourage funding for development through line ministries. The WFP SOLVE initiative in Kenya³²¹ aims to accelerate the Government's agenda for universal health coverage and has provided opportunities for the Government to meet with the donor community to jointly find solutions.³²² Globally, discussions with the Asia Infrastructure Development Bank are also ongoing, with WFP positioning itself to play a role in encouraging and enabling loans and grants in various country contexts.

249. The WFP School Feeding Strategy (2020-2030) is one of the few programmatic strategy documents within WFP that explicitly sets out to leverage resources for national government programmes.³²³ Particularly in middle-income countries, the strategy commits WFP to identifying sources of funding for technical assistance and capacity strengthening to allow governments to sustainably expand their national school feeding programmes and move away from reliance on WFP and other international actors.

250. The Strategic Partnership Division has developed the concept of Strategic Partnerships for Sustainable Development and Zero Hunger, which situates WFP as a catalyst for longer-term solutions and describes its role in leveraging investment for national capacities and systems.³²⁴ The concept note includes a target of USD 500 million per year that WFP will mobilize in new resources for countries to help achieve zero hunger. However, there is no documented target for the amount of broader financing that WFP seeks to broker on behalf of governments and other national partners. Nor are there indicators that would allow WFP to monitor its progress against this loftier goal of leveraging larger financial flows.

251. WFP work in capacity strengthening of national partners is somewhat better documented and is often loosely affiliated to this strategic result area (though usually not formally connected as part of the Corporate Results Framework). Examples include: strengthening national capacities to enhance the government-run school meals programmes (where WFP has handed over implementation responsibility but still advocates for funding and provides technical support); supporting policies and practices that build income-generating opportunities for stallholder farmers; and capacity enhancement of health personnel for the treatment of malnutrition.³²⁵ In the Panama region, for example, technical assistance and research initiatives have been geared towards improving systems and supporting financing for improved nutrition, mostly through advocating for internal government resource allocation.

252. Funding shortfalls often constrain WFP capacity strengthening efforts and, in some cases, have prevented the organization from delivering on its commitments to governments.³²⁶ Even when funding has been received, it has not always been easy to effectively programme the resources. One WFP staff member commented that it is "easier to spend USD 200 million on food distribution than it is to spend USD 5 million on capacity strengthening". That said, there is considerable experience within WFP to draw on. In the Asia region, for example, where WFP predominantly supports middle-income countries, there is a strong focus on strengthening national capacities for emergency preparedness; similarly, in Central and South America there is a wealth of good practice to draw on.

253. The complexities of working closely with national governments should also be noted here, though it is difficult to quantify how many contexts are affected. The nature of WFP work means that it often operates in complex, conflict-affected contexts, including in situations where the government itself is a party to the conflict. Issues of corruption and good governance can also complicate relations with national government counterparts. In such contexts, there is a justifiable hesitancy on the part of WFP to work too closely with governments and to broker financing on their behalf, given the need to adhere to

³¹⁹ WFP Management Plan (2020-2022), Executive Board Second Regular Session, November 2019, WFP/EB.2/2019/5-A/1*.

³²⁰ WFP (2017) China Country Strategic Plan (2017-2021).

³²¹ WFP's Supply Optimization through Logistics, Visibility and Evolution (SOLVE) initiative.

³²² See: <https://reliefweb.int/report/kenya/wfp-kenya-country-brief-january-2019>.

³²³ WFP (2020) A Chance for Every Schoolchild. Partnering to Scale Up School Health and Nutrition for Human Capital. WFP School Feeding Strategy 2020-2030, January 2020.

³²⁴ WFP (2019) Concept Note: Strategic Partnerships for Sustainable Development and Zero Hunger.

³²⁵ WFP (2017) Development Resourcing Update. A Snapshot of WFP's Main Needs and Funding Shortfalls. February 2017.

³²⁶ WFP (2017) Development Resourcing Update. A Snapshot of WFP's Main Needs and Funding Shortfalls. February 2017.

humanitarian principles and concerns related to the use of funds. In such contexts, where a UNSDCF is in place – representing a partnership with the government and anchored in national development priorities (see Section 2.2.6) – the complexities are multiplied.

2.4 INTERNAL RESOURCE-ALLOCATION MECHANISMS – MEETING ORGANIZATIONAL PRIORITY NEEDS ON TIME

254. The evaluation question covered in this section looks at how WFP allocates multilateral contributions, revenue from indirect support costs charges against contributions and other flexible sources of funding. It includes an assessment of timeliness, clarity and transparency of the Strategic Resource Allocation Committee mechanism (for programme support and administrative budget allocations and critical corporate initiatives), internal budget development, advance financing decisions and the extent to which such allocations match organizational priorities. The WFP internal resource allocation mechanisms are intended to enable funding for core functions and strategic initiatives and to limit the negative effects of temporary funding shortfalls for operations and programmes. Allocation decisions also help inform resource-mobilization actions.

2.4.1 Clarity and Direction from Strategies, Policies and Plans to Establish Funding Priorities

Finding 20: WFP funding priorities are expressed in multiple strategic documents and plans. While the overall direction of WFP is roughly aligned across different strategies and plans, there is little guidance or leadership on what to prioritize in outreach to donors. In the case of funding gaps, criteria for allocating advance financing and other multilateral resources often give preference to “life-saving” activities. This, combined with the limited scale of multilateral resources, means that it is often resilience- and development-oriented activities that are constrained by funding shortages. Gaps are alleviated to some extent by internal resource-allocation funding, but the limited scale of those mechanisms prevents the organization from addressing imbalances. Coupled with dependence on government donors, the funding model has inherently allowed donor preferences to dictate priorities, with funding driving strategy rather than strategy driving funding.

255. WFP funding priorities are covered in multiple key documents. The strategic plan, the current version of which covers the period 2017-2021, provides a planning framework for the organization.³²⁷ It builds on the activities approved by the Executive Board and the various policies that exist to set out a direction for how WFP will achieve its strategic goals. Strategic plans present a series of different goals for the organization over the coming period, without necessarily prioritizing one goal over another or suggesting sequencing for what to do first. As such, they provide little direction for the organization in terms of relative funding priorities.

256. The strategic plan is intended to broadly guide the development and implementation of country strategic plans, but there is a strong “bottom-up” approach to priority setting in the country strategic plan planning and budgeting process. WFP priorities at the country level must be linked back to one of the corporate strategic objectives and activities should be selected from a list included in the Corporate Results Framework. However, country offices are expected to work with partners, building on the consultations during their strategic reviews, to identify priorities most relevant for the country context – a combination of specific needs within the country and the strengths of WFP to respond. Expected contributions to combined country portfolio budgets form the vast majority of the WFP global budget and in turn determine projections for indirect support cost income. These projections establish the planning parameters for the programme support and administrative budget, the second largest component of the organization’s overall budget. Thus, by design, assessments of needs at country level and country strategic plans are the primary drivers of funding priorities for WFP, while strategies and policies simply establish the frameworks for organizing these priorities.

257. Overall, this approach is not fully different than the pre-Integrated Road Map system of budgeting in terms of bottom-up drivers of priority setting. The WFP budget has always followed a similar pattern overall, with project and operational budgets established at country level serving as the most influential

³²⁷ WFP (2017) WFP Strategic Plan (2017-2021).

driver of the overall budget.

258. The WFP management plan, covering a three-year period but updated annually, consolidates the operational requirements set forth by country strategic plans and country portfolio budgets within the frameworks established by the strategic plan. It begins to prioritize in that it describes the core resource allocations in the programme support and administrative budget and the non-recurring investments to be funded from the Programme Support and Administrative Equalization Account. However, it uses forecasted revenues as the basis for planning. While it identifies the likelihood of funding gaps, it does not provide any real guidance on how they should be addressed through a process of relative internal prioritization.
259. Other priorities exist within WFP and are articulated in various ways. The Executive Director outlined his priorities for the organization, which were later included in the WFP Management Plan (2020-2022).³²⁸ While the Executive Director's priorities are not fully aligned with the strategic plan, nor are they particularly at odds with it (according to a number of WFP interviewees). The influence of these priorities on fund allocations is most visible in budgets for specific critical corporate initiatives, though some shifts in headquarters department and division budgets could also be linked back to these priorities (see Section 2.4.2). Programme, policy and operational departments within WFP also have their own priorities, which they use as the basis for their own resource-mobilization efforts. The evaluation found that there is little relative reconciliation between priorities at different levels and across the different technical areas of expertise within WFP.
260. Even within WFP senior leadership, there are different narratives on where funding is most needed. The differences are particularly stark when it comes to prioritization of responding to emergencies versus WFP commitments to reducing humanitarian need through resilience building and addressing the root causes of hunger and malnutrition. The management plan presents a clear breakdown of the requirements according to the three areas of WFP work (for 2020-2022, 74 percent of requirements are allocated to emergencies; 21 percent for resilience building; and 5 percent for root causes). However, in response to actual revenues, and when funding gaps emerge, it is consistently the budgets for medium to longer term aspects of WFP work that are disproportionately underfunded (see Section 2.1.3 for fuller coverage of this issue).
261. Donors described being approached by various Country Directors with requests for funding, while simultaneously receiving funding proposals from the various programme and policy teams within WFP. They also commented on a lack of clarity about overall strategic priorities of the organization and its relative focus within the humanitarian-development nexus. Without a clear and common message from WFP on its priorities, donors are given even greater license to allocate funding according to their own areas of interest. This is inevitable, since donors are always free to allocate funding according to their own set of prioritizing criteria. As a result, the evaluation found a strong sense within WFP, and to some extent externally, that funding has driven the priorities of the organization rather than priorities having driven funding.

2.4.2 Extent to which Allocation Reflects Corporate Priorities and Core Needs of WFP

Finding 21: The programme support and administrative budget has increased over recent years, but has not kept pace with the total organizational budget. There have been some moderate increases in the proportion of programme support and administrative budget allocations to country office level and corresponding proportional decreases in allocations to headquarters. Notable increases in funding for particular units in WFP headquarters have generally aligned with organizational priorities.

262. The WFP programme support and administrative budget is the primary funding mechanism for WFP "core" functions at headquarters and also supports a portion of regional bureau and country office core costs (see also Section 1.4). In 2018, indirect support cost income totaled USD 440 million, of which USD 335 million was used to fund the programme support and administrative budget. The year-end balance

³²⁸ Described as "corporate priorities" they are: "leadership in emergencies, excellence in programming, funding and partnerships for zero hunger, digital transformation, simplification and efficiency in WFP processes, and people and culture". WFP (2019) WFP Management Plan (2020-2022).

of the Programme Support and Administrative Equalization Account saw a reduction of USD 10 million due to strategic non-recurring investments after three years of substantial growth in account balances.³²⁹

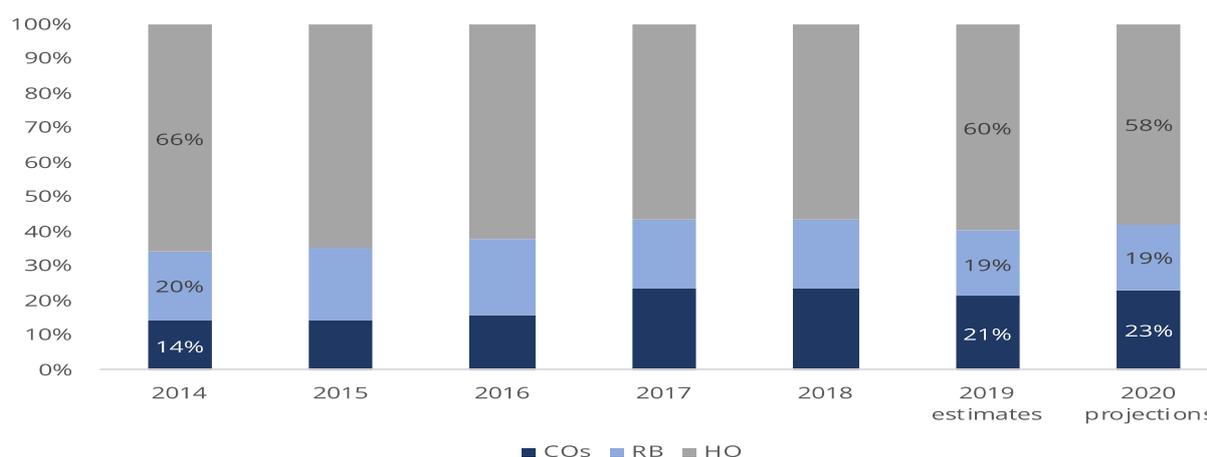
263. The programme support and administrative budget has increased over recent years, but not at the same rate as the total organizational budget. As shown in Figure 19, the level of programme support and administrative costs increased from USD 281.8 million in 2014 to USD 385.1 million in 2019 – an increase of 37 percent. Figure 20 shows the distribution of programme support and administrative allocations according to the structural breakdown of the organization, i.e. headquarters, regional bureaux and country offices. Between 2014 and 2019, there have been some moderate increases in the proportion of programme support and administrative budget allocations to country office level (and corresponding proportional decreases in allocations to headquarters), which were explicitly supported by the Executive Board. However, the programme support and administrative budget alone is insufficient to fund core functions in headquarters, regional bureaux and country offices and key informants at all levels of the organization noted that they must seek donor funding to augment their core funding requirements.

Figure 19: Nominal programme support and administrative budget allocations by organizational level



Source: WFP management plans.

Figure 20: Relative programme support and administrative budget allocations by organizational level



Source: WFP Management Plans.

264. Analysis of the changes in programme support and administrative budget allocations in headquarters between 2014 and 2019 and between 2019 estimates and 2020 projections shows that some units

³²⁹ At the end of 2017 the Programme Support and Administrative Equalization Account had a balance of USD 256.8 million, up from USD 138.3 million in 2015.

benefited from above average growth in their funding. This analysis is somewhat complicated by the fact that the headquarters organizational structure has changed multiple times since 2014, resulting in the realignment of functions and individual positions across divisions and departments. For the functions that can be mapped relatively consistently across years the evaluation team constructed a heatmap to show the changes in programme support and administrative budgets by unit over time. Figure 21 shows the units that have experienced above average growth in their programme support and administrative budgets. Annex 11 contains a more complete analysis.

Figure 21: Headquarters units benefiting from above average growth in their programme support and administrative (PSA) budgets

Global office	2014	2019 estimates	Nominal change 2014-2019	Percentage change 2014-2019	2020 projections	Nominal change 2019-2020	Percentage change 2019-2020
Executive Director							
Ethics Office	0.5	1.5	1	200%	1.8	0.3	20%
Inspector General and Oversight Office	7.9	11	3.1	39%	12.4	1.4	13%
Legal Office	3.7	6	2.3	62%	6.1	0.1	2%
Office of Evaluation	6	10.4	4.4	73%	12.2	1.8	17%
Office of the Ombudsman	0.6	1.3	0.7	117%	1.4	0.1	8%
Operations Management Department							
Innovation and Knowledge Management	0	1.4	1.4	n/a	1.8	0.4	29%
Operations Management Support	1.1	1.2	0.1	9%	1.5	0.3	25%
Deputy Executive Director							
Emergencies*	2.2	5.8	3.6	164%	9.1	3.3	57%
Security	1	3.8	2.8	280%	4.3	0.5	13%
Programme & Policy Development Department							
Cash-Based Transfers	0	0.5	0.5	n/a	0.5	0	0%
Gender	0.9	1.8	0.9	100%	1.7	-0.1	-6%
NGO Partnership Unit	0.4	0.4	0	0%	1	0.6	150%
Nutrition	0.5	2.1	1.6	320%	2	-0.1	-5%
Programme - Humanitarian & Development**	9.1	10.5	1.4	15%	14.2	3.7	35%
Research, Assessment and Monitoring	0	3	3	n/a	2.9	-0.1	-3%
Partnerships & Advocacy Department							
Public Partnerships & Resourcing***	9.3	12.3	3	32%	13	0.7	6%
Brussels Office	1.9	2.6	0.7	37%	2.5	-0.1	-4%
Communications Advocacy and Marketing	8.2	10.7	2.5	30%	10.4	-0.3	-3%
Partnerships & Advocacy	0.1	1.6	1.5	1500%	1.6	0	0%
UN System, AU & Multilateral Engagement NY Office	2.3	3.1	0.8	35%	3	-0.1	-3%
UN System, AU & Multilateral Engagement GVA Office	1.1	1.5	0.4	36%	1.4	-0.1	-7%
Washington Office	2.3	3.5	1.2	52%	3.4	-0.1	-3%
Resource Management Department							
Enterprise Risk Management	0	3.3	3.3	n/a	3.7	0.4	12%
Finance & Treasury	7.8	10.2	2.4	31%	10.1	-0.1	-1%
Staff Wellness	0.5	1.9	1.4	280%	2.2	0.3	16%
Total PSA Budget	185.3	230.2	44.9	24%	244.9	14.7	6%

*Does not include Emergencies & Supply Chain Operations budgeted separately beginning in 2019 at USD 0.9m

**Formerly Policy and Programme, includes figures for School Feeding which was elevated to a separate service in 2018 and is separately budgeted beginning in 2019 at USD 2.5m

***Includes WFP Offices in Berlin, London, Paris, Seoul, Tokyo, UAE

Key:	= average % growth in PSA budget
over 100% greater growth than average and n/a	between 1% and 25% lower growth than average
between 76% and 100% greater growth than average	between 26% and 50% lower growth than average
between 51% and 75% greater growth than average	between 51% and 75% lower growth than average
between 26% and 50% greater growth than average	between 76% and 100% lower growth than average
between 1% and 25% greater growth than average	over 100% lower growth than average

Source: WFP management plans.

265. The heatmap shown in Figure 21 shows that the programme support and administrative budget increased 24 percent between 2014 and 2019 and is expected to further increase by 6 percent in 2020. Oversight functions experienced greater than average growth in their programme support and administrative funding overall, most notably the Ethics Office and Office of the Ombudsman. The Emergencies Department, Security Office, Gender Office and Nutrition Department all experienced 100 percent or greater growth in their programme support and administrative budgets from 2014 to 2019, with the Emergencies Department projected to receive an additional 57 percent increase in 2020,

primarily linked to the corporate priority of enhancing WFP global surge capacity. Units under the Partnerships and Advocacy Department all experienced greater than average increases in their programme support and administrative budgets with the exception of the Private Partnerships and Fundraising Department³³⁰ and the Rome-based agencies unit. Staff Wellness also saw a substantial proportional increase in its budget, albeit from a relatively low starting point. A number of headquarters functions also saw their first dedicated programme support and administrative budget lines during the period of 2014-2019, including enterprise risk management, research, assessment and monitoring, cash-based transfers and innovation and knowledge management.

266. The evaluation found that in the instances where programme support and administrative budgets rose for particular units faster than the overall programme support and administrative budget, these functions generally match some form of organizational priority. For example, demand for increased investment in oversight functions has been a consistent priority for donors – regularly cited in audit and evaluation recommendations, paralleling the overall trend towards increasing demand for evidence, accountability and controls. A further example is that allocation of resources to emergency, gender and nutrition functions addresses concerns raised in corporate evaluations and by Executive Board members.

Finding 22: Allocations from the Programme Support and Administrative Equalization Account have strengthened the institutional capacity of WFP and augmented contributions to the Immediate Response Account. However, chronic gaps exist in funding across many departments and units within WFP that have historically been filled through ad-hoc, earmarked contributions from donors. The forthcoming bottom-up budgeting exercise is an opportunity for WFP to fundamentally reassess how it allocates its indirect support cost income and multilateral resources, ensuring adequate and appropriate levels of funding for recalibrated roles and responsibilities across the organization.

267. During the period of the evaluation, indirect support cost revenue has continuously grown, leading to a healthy balance in the Programme Support and Administrative Equalization Account (estimated to end 2019 with USD 236.7 million³³¹) and preventing the need to use it for its primary intended purpose of covering gaps in the programme support and administrative budget. A wide range of critical corporate initiatives have been funded through the Programme Support and Administrative Equalization Account based on priorities proposed by the Strategic Resource Allocation Committee and approved by the Executive Director and Executive Board focusing on strengthening the institutional capacity of WFP and augmenting contributions to the Immediate Response Account.

268. Despite the growth in the programme support and administrative budget, many headquarter units feel the need to seek additional funding to resource their functions. Some additional funding is provided by decisions of the Strategic Resource Allocation Committee to allocate multilateral contributions based on investment case proposals. Records of these decisions were not available at the time of writing so the evaluation was unable to analyse how these allocation decisions compared with corporate priorities.

269. The evaluation team found sporadic examples of donors augmenting the programme support and administrative budget with earmarked contributions for strengthening of certain core functions, for example, for oversight functions or for specific programmatic areas. While the additional funding was clearly welcomed by WFP and in overall alignment with the proposed use of programme support and administrative funding, the earmarked nature of the contributions poses questions about the nature of core budgeting within WFP. Some key informants suggested that programme support and administrative budget allocation decisions are to a degree based on management assumptions about what donors may be willing to fund through earmarked contributions, resulting in a system where significant “core” costs are covered by direct contributions and are not well documented. While this was viewed by some as pragmatic, others believed that WFP should present a full and transparent core budget and then determine the best way to resource it.

270. Programme support and administrative budgeting was described by stakeholders as mostly an

³³⁰ The lack of investment in the Private Partnerships and Fundraising Department can be directly linked to limited projections for growth in WFP private income (see Section 2.1.3). This is particularly relevant for engagement with corporate partners and foundations that are only funded from the programme support and administrative budget and are not supported by the critical corporate Initiative/loan arrangement to support growth in individual giving.

³³¹ WFP Management Plan (2020-2022), Executive Board Second Regular Session, November 2019, WFP/EB.2/2019/5-A/1*.

incremental process, where all existing units seek to justify an increase in their budgets without a comprehensive strategic review of how resources are allocated in regards to corporate strategic priorities. To address these questions the WFP Management Plan (2020-2022) includes plans for a “bottom-up strategic budgeting exercise” to inform the programme support and administrative budget for 2021. Organizational units at headquarters and regional bureaux will provide details and justifications for all expenses (not just programme support and administrative), allowing the organization to clearly identify where programme support and administrative resources are most urgently required. It is hoped that the exercise will allow WFP to fundamentally reassess how it allocates its indirect support cost income and multilateral resources – aligning programme support and administrative allocations with its new organizational structure, and ensuring adequate and appropriate levels of funding for the recalibrated roles and responsibilities of headquarters and regional bureaux (see Section 2.1.2 for details of the ongoing review of headquarter and regional bureaux terms of reference). In order to be truly valuable, the budgeting exercise should include all staff costs and other overheads, not just those covered by the programme support and administrative budget (see Section 2.1.4 on costs outside of the programme support and administrative budget).

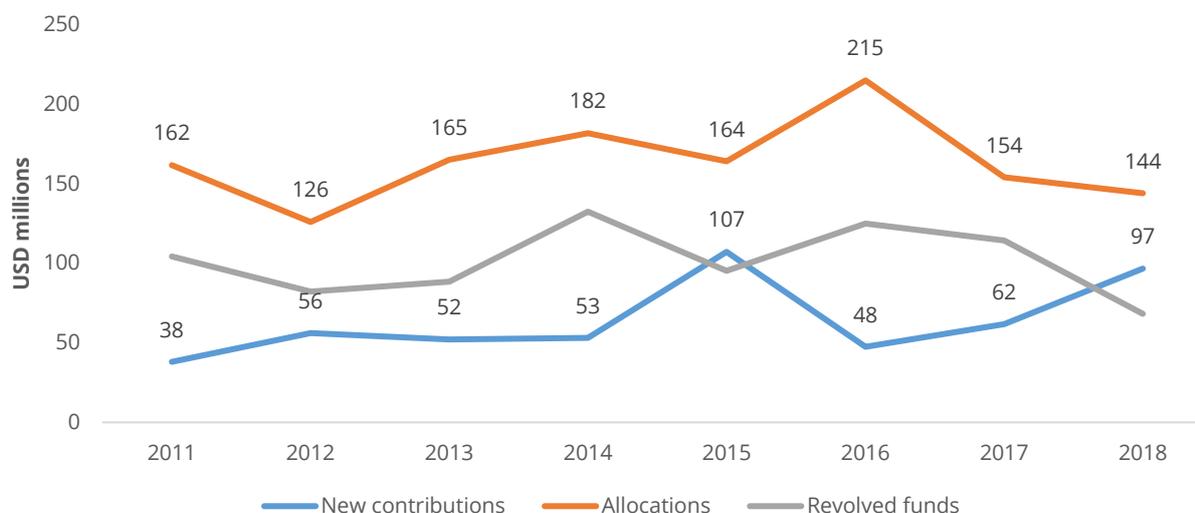
2.4.3 Timeliness, Clarity and Transparency of Allocation Decisions

Finding 23: The WFP advance financing mechanisms have facilitated more timely and effective responses and enhanced the operational effectiveness of the organization, putting the organization ahead of many of its peers in the United Nations system in this regard. Advance financing has worked more effectively for large and highly visible emergencies with a clear life-saving investment case, less so for smaller-scale crises or for resilience- or development-oriented activities. Work is underway to further improve the responsiveness of the Immediate Response Account and strengthen its emphasis on pre-emptive action. Shortfalls in both contributions to the Immediate Response Account and repayment of allocated loans has created a liquidity problem, requiring extraordinary allocations from corporate reserves. While the Strategic Resource Allocation Committee has fulfilled an important function within the organization, transparent decision-making, communications and follow-up are all areas for improvement.

271. As described in Section 1.4, WFP has an array of advance financing mechanisms that counter-balance its full dependency on voluntary contributions and allow the organization to respond quickly in emergencies; provide continuity to bridge temporary delays in funding and commodities; and enhance operational efficiency.

272. The Immediate Response Account is one of the primary WFP advance financing mechanisms. It is replenished through direct donor contributions and donors are at license to decide whether their funding is eligible to repay Immediate Response Account loans or not. New contributions to the Immediate Response Account have fluctuated over the years, as shown in Figure 22. A reduction in new contributions from donors (from USD 51 million in 2011 to USD 29 million in 2018) has been countered by allocations from the Programme Support and Administrative Equalization Account to boost the balance of the account. For example, the USD 97 million of new contributions to the Immediate Response Account in 2018 shown in Figure 23 included USD 44 million from the Programme Support and Administrative Equalization Account. Similarly in 2020, the WFP Management Plan (2020-2022) recommended a transfer of USD 22.5 million to the Immediate Response Account. While waning donor contributions to the Immediate Response Account have caused concern in some quarters, others in WFP have anecdotally characterized the decrease more as a shift in donor behaviour – notably some Nordic countries have shifted towards giving more core, multilateral funding overall (which, while fully flexible, is not targeted to fund the Immediate Response Account).

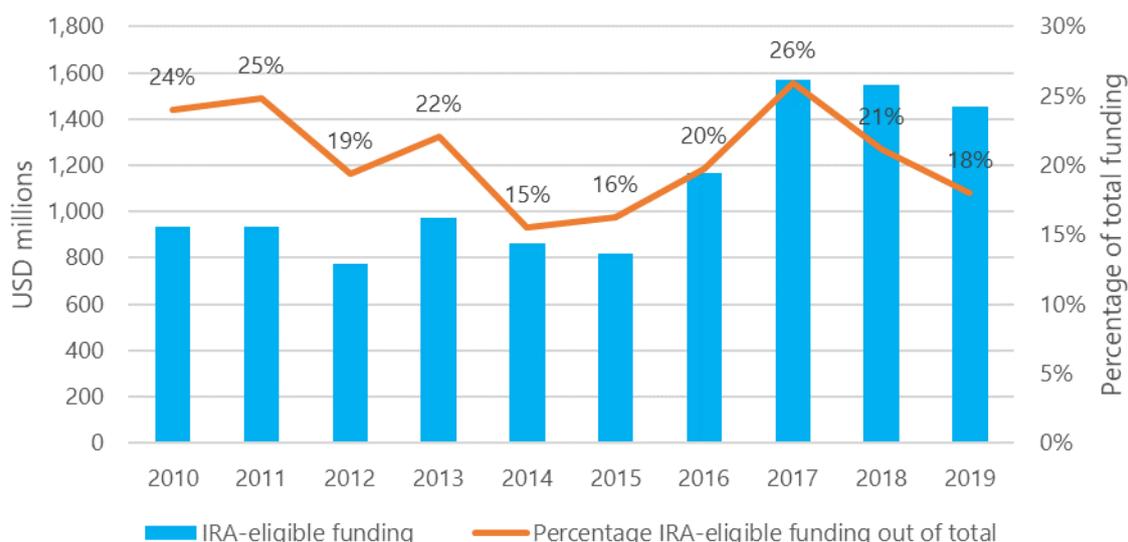
Figure 22: New contributions, allocations and revolved funds to the Immediate Response Account 2011-2018



Source: WFP, "Report on the utilization of WFP's advance financing mechanisms during the period 1 January - 31 December 2018", Executive Board Annual Session, June 2019, WFP/EB.A/2019/6-H/1.

273. When donors make contributions to WFP they are explicitly asked whether those contribution can be used to repay advances, if any, from the Immediate Response Account for related programme expenditures. The majority of contributions are not designated by donors as eligible for repaying Immediate Response Account advances, though volumes and proportions have fluctuated over time (see Figure 23). Since 2017, there has been a noticeable decline in the proportion of total contributions to WFP that are eligible for Immediate Response Account repayment – from 26 percent in 2017 down to 21 percent in 2018 and 18 percent in 2019.

Figure 23: Volume of Immediate Response Account repayment eligible funding and percent as a proportion of total funding, 2010-2019



Source: WINGS data as of 31 January 2020.

274. The Management Plan (2020-2022) says:

“Contributions eligible for use in internal project lending decreased from USD 3.7 billion in 2017 to USD 3.1 billion in 2018, accounting for 42 percent of all contributions, with similar figures forecasted for the 2019–2021 period. By mid-August 2019, USD 1.9 billion in contribution revenue was available for internal

project lending, representing 40 percent of 2019 contribution revenue to date. WFP will therefore continue to encourage donors to provide contributions that can be used in internal project lending, which is fundamental to ensuring the timely provision of support to beneficiaries, and is monitoring trends.”

275. Within WFP, the concept and application of advance financing mechanisms are generally viewed positively. Externally, a number of actors also commented on the organization’s innovative use of advance financing and noted that WFP is ahead of many of its peers in the United Nations system in this regard. The Global Commodity Management Facility is considered to have played an important role in reaching beneficiaries more quickly and demonstrating considerable value for money.³³² In Yemen, for example, Global Commodity Management Facility funding allowed WFP to distribute over 600,000 metric tons of food to an estimated 4.4 million people with an average lead time of only 26 days.³³³ Internal stakeholders, and several previous WFP evaluations, highlighted that WFP has considerably improved the speed of Immediate Response Account and Internal Project Lending (IPL) Facility decisions and the release of funds.³³⁴ Internally in WFP, discussions are ongoing regarding ways to restructure the Immediate Response Account to improve its responsiveness – consolidating different subfacilities within the overall account, all of which currently operate with different criteria and approval processes; and shifting the predominant focus from reactive response to more early warning and early action, including readiness measures to preposition stocks before risks have fully materialized.³³⁵

276. WFP staff understand the need for centralized decision-making on advance financing requests and the importance of risk analysis given the potential fiduciary challenges if repayment problems became prevalent. The repayment of Immediate Response Account loans has been identified as a problem area in the past, reducing the availability of funding for other emergencies.³³⁶ Repayment of Immediate Response Account advances remains a challenge. Between 2011 and 2018 new Immediate Response Account allocations exceeded repayments by an average of USD 67.2 million;³³⁷ and 58 allocations totalling USD 79.5 million were converted from loans to grants during 2017 and 2018.³³⁸ In interviews a few staff highlighted a lack of clarity still on the incentives and requirements for paying back advance financing.

277. Stakeholders noted that donors often voiced conceptual support for advance financing but were reluctant to provide actual funding for the mechanisms. There were concerns that advanced financing had the effect of masking the true financial needs and the urgency of meeting funding gaps within the organization. Internal interviewees reported that donors had occasionally been “demotivated” when they saw needs covered by advance financing – indicating that WFP needs to improve the way it communicates advance financing as a “stop-gap” measure, not a longer-term approach to ensuring that needs are met. Some donors noted concerns that with the addition of advance financing information to pipeline forecasting, WFP has had difficulty in some places communicating when money will run out. One suggestion was to create two pipeline tools: one to include advance financing allocations; and another without, primarily to give WFP and donors a better tool for raising the alarm regarding funding shortfalls.

278. The WFP system of advance financing is perceived to work more effectively in the case of large and highly visible emergencies with a clear life-saving investment case; less so for smaller-scale crises or for resilience- or development-oriented activities. The Macro Advance Financing mechanism was piloted between 2016 and 2018 in a few countries as a way of increasing the predictability of resourcing for such programmes, which are typically more challenging from a fundraising perspective. As such, it typically

³³² WFP (2019) Report on the utilization of WFP’s advance financing mechanisms during the period 1 January–31 December 2018. WFP/EB.A/2019/6-H/1.

³³³ Ibid.

³³⁴ WFP (2015) Synthesis Report of the Evaluation Series of WFP’s Emergency Preparedness and Response (2012–2015). OEV/2015/020.

³³⁵ A joint exercise between the Emergency Operations Division, Resource Management Department and Partnerships and Advocacy Department is underway to review the Immediate Response Account and consider options for modifying the current mechanism into a consolidated and regularly replenished advanced financing facility allowing WFP to operate in a more pre-emptive manner. Early details of the ongoing exercise were shared with the evaluation team anecdotally.

³³⁶ WFP (2015) WFP’s Preparedness and Response Enhancement Programme: A Strategic Evaluation (2011–2014). OEV/2014/14.

³³⁷ WFP (2019) Report on the utilization of WFP’s advance financing mechanisms during the period 1 January–31 December 2018. WFP/EB.A/2019/6-H/1.

³³⁸ Ibid.

provided seed funding for development/resilience interventions on the basis of overall historical funding data and projections. Internal feedback from the Macro Advance Financing mechanism pilot was that the system was overly complicated – particularly in terms of the repayment process to match Macro Advance Financing mechanism expenditures with donor conditions – and generated minimal results with regards to the workload involved.³³⁹ The earmarking of contributions for specific activities also complicated the ability to repay advances made to other activities through the Macro Advance Financing mechanism.³⁴⁰

279. That said, staff noted an important gap within WFP in its advance financing mechanisms for development and resilience work, particularly since the introduction of the Integrated Road Map. The WFP 2030 Fund is designed to fill that gap to some extent (see also Section 2.2.2). However, feedback from staff during the evaluation indicated that the 2030 Fund is not well enough resourced (it is considerably more modest in scale than the Macro Advance Financing mechanism)³⁴¹ and the criteria for decision-making have been unclear. Overall, the 2030 Fund has been slow to allocate and disburse resources, evidenced by a roll-over of the USD 9 million budgeted for 2019 into 2020.³⁴² Whether through a redesigned (and simplified) version of the Macro Advance Financing mechanism, the 2030 Fund, or through other means, a solution is required that allows seed funding to be advanced while the organization takes measures to generate additional resources through other means.

280. The evaluation team also heard views from staff within WFP about the overall impact of corporate allocation of multilateral contributions. While considered useful as gap-filling injections of funding, some interviewees raised the point that due to strong demand, limited resources and a lack of clarity about how to prioritize, advance financing allocations risked being spread too thinly across the organization. A more strategic approach, with tougher decision-making about what to fund and what not to fund, could ultimately have a greater impact on the ability of WFP to quickly and effectively respond to people in need within the framework of the overall Integrated Road Map.

281. The transparency of decision-making by the Strategic Resource Allocation Committee was an area of concern across the organization, confirmed by evaluation interviews and a recent internal WFP assessment. The Strategic Resource Allocation Committee is responsible for maintaining oversight of funding requirements and shortfalls.³⁴³ The committee takes responsibility for allocation of resources over which management has discretion (including programme support and administrative costs) according to organizational priorities, including the Internal Project Lending Facility and the Immediate Response Account, with responsibility to ensure that allocations are “coherent, transparent and clearly linked to performance criteria”.³⁴⁴ Most staff had a basic understanding of the role of the Strategic Resource Allocation Committee, as well as the criteria used for project selection and the role of regional bureaux in advising on priorities. However, interviewees noted a lack of clarity regarding how decisions on investment cases were made, with a number of staff describing the Strategic Resource Allocation Committee decision-making as a “mystery”. Problems with communicating the rationale for decisions and an overall lack of predictable and timely feedback from the Strategic Resource Allocation Committee increased the overall sense of a lack of transparency. The timeliness of Strategic Resource Allocation Committee decisions on investment cases was also reported as problematic, with decisions often coming late in the year combined with overly tight deadlines for disbursement.³⁴⁵

³³⁹ Ibid.

³⁴⁰ Ibid.

³⁴¹ In 2019, the WFP 2030 Fund was allocated a total of USD 15 million over a two-year period (WFP (2018) WFP Management Plan (2019–2021). WFP/EB.2/2018/6-A/1/Rev.1). This compares with a total ceiling of USD 150-200 million for the Macro Advance Financing mechanism.

³⁴² WFP Management Plan (2020-2022), Executive Board Second Regular Session, November 2019, WFP/EB.2/2019/5-A/1*.

³⁴³ The Strategic Resource Allocation Committee is chaired by the Deputy Executive Director and includes the Chief of Staff and Assistant Executive Directors. The Director of the Budget and Programming Division is an observer member and manages its Secretariat. The Resource Management Department is responsible for implementing the decisions of the Strategic Resource Allocation Committee, including operation of advance financing and the full and timely recovery of advances provided.

³⁴⁴ WFP (2018) Executive Director’s Circular, “Strategic Resource Allocation Committee (SRAC) Governance Structure”, January 2018, OED2018/005.

³⁴⁵ The evaluation team learned that, as of 2020, the timing of Strategic Resource Allocation Committee decisions on allocations for resilience and root causes investment cases took place at the start of the year to better facilitate

2.4.4 Flexibility and Effectiveness of Allocation Mechanisms and Structures

Finding 24: The inability of WFP to apply flexible indirect support cost rates has made it less competitive with other United Nations and non-United Nations organizations. The issue is likely to become increasingly relevant as discussions around value for money within the funding chain for humanitarian and development assistance continue and impact on donor decision-making. Flexibility of adjustments to the programme support and administrative budget are possible in theory but have not been realized in practice.

282. Whereas Section 2.4.3 considered the timeliness, clarity and transparency of allocation decisions, this section looks at aspects of flexibility and effectiveness. For example, lack of follow-up on internal resource-allocation processes (an example of which would be a failure to track whether propositions put forward in investment cases had been completed and could be considered successful) limits the ability of the Strategic Resource Allocation Committee to judge whether decisions were justified. Even in cases where funding is being sought for similar projects in subsequent years, the evaluation found little evidence of Strategic Resource Allocation Committee oversight and follow-up (despite it being part of the committee's terms of reference). This oversight makes it difficult to assess the effectiveness of advance financing mechanisms and structures.

283. As discussed in the Section 2.4.2, the proposed bottom-up strategic budgeting exercise is an opportunity to reassess how the organization allocates its multilateral resources. It is also an opportune moment to assess the overall effectiveness of how resources are distributed across WFP – including addressing internal perceptions encountered during the evaluation about the fairness of the current model with the majority of cost recovery funding allocated to headquarters (see Figure 20). Lastly, it can seek to create flexibility within a system that is seen as becoming increasingly rigid since the roll-out of the Integrated Road Map framework and in the context of increased earmarking of donor contributions.³⁴⁶

284. WFP General Regulations commit to a principle of full-cost recovery, requiring all donors to cover the full operational and supports costs of WFP within their cash contributions.³⁴⁷ The application of a standard indirect support cost rate,³⁴⁸ operationalizes the principle and belief that consistent burden sharing is an important principle across donors. The current standard indirect support cost rate is set at 6.5 percent (as agreed by the Executive Board in 2017 and since reaffirmed) – a reduction on the rate of 7 percent in applications prior to this.

285. The WFP Executive Board has returned to the issue of indirect support cost rates on numerous occasions. In previous discussions, including on the Integrated Road Map and the Financial Framework Review, the Executive Board has considered various issues relating to indirect support cost rates. Already agreed exceptions to the standard indirect support cost rate include:

- Twinning – allowing “a developing country, a country with an economy in transition or other non-traditional donor, as determined by the Executive Board to provide an in-kind contribution without associated costs. The associated costs are then covered by a separate cash contribution from (an) other ‘twinned’ donor(s)”.³⁴⁹ This allows WFP to achieve a combined rate of 6.5 percent indirect support cost. Amendments to the General Rules and Financial Regulations have expanded the twinning concept to also include cash contributions.³⁵⁰
- Contributions from governments to programmes in their own countries, with the rationale that minimal support from headquarters is required for such contributions.³⁵¹ Funding from host governments is currently set at 4 percent. While discussions took place on delegating authority to the Executive Director for exceptions to the 4 percent rate, no change has yet been made and any deviations currently still require Executive Board approval.

implementation during the year, instead of allocating funds throughout the year as contributions are confirmed, as had previously been the case.

³⁴⁶ WFP, Impact of Earmarking in the IRM Framework. Internal document.

³⁴⁷ WFP (2018) General Regulations, General Rules, Financial Regulations, Rules of Procedure of the Executive Board.

³⁴⁸ WFP General Regulations define ISC as: “a cost which supports the execution of projects and activities but cannot be directly linked with their implementation” (page 39). WFP (2018) General Regulations, General Rules, Financial Regulations, Rules of Procedure of the Executive Board.

³⁴⁹ WFP (2019) Guidance on the Application of Full-Cost Recovery. OED2019/001.

³⁵⁰ Ibid.

³⁵¹ Ibid.

286. Since those discussions, pressure has increased on WFP to reconsider the indirect support cost rate again. Some donors have advocated for a lower indirect support cost for cash-based programmes. Others have simply requested exceptions for their contributions. UNICEF, UNDP, UNHCR and the governing bodies of other United Nations agencies, made up of many of the same governments, have established more flexible indirect support costs rates for different types of contributions and programmes. As described in Box 8, inflexibility and differing policies and rates have put WFP at a competitive disadvantage in some contexts. The WFP Management Plan (2020-2022) notes a renewed interest in discussing flexible indirect support cost rates for certain types of contributions and a workstream will pursue the topic separately for discussion by the Executive Board in 2020.³⁵²

Box 8: Inflexibility of indirect support cost rates in competitive bidding processes

In 2019 ECHO announced that the next round of its funding under the EU Facility for Refugees in Turkey for the Emergency Social Safety Net programme (ESSN) – a large scale cash-based transfer programme - would be provided to the International Federation of Red Cross and Red Crescent Societies (IFRC), instead of WFP, after a competitive bidding process that determined the IFRC offered a more cost-effective solution largely on the basis of a lower indirect support cost rate. WFP had managed the ESSN since September 2016, with the change presenting a potential risk for consistent cash support. The lack of flexibility on indirect support costs can be directly linked to the loss of up to USD 500 million per year in funding for WFP – which has the related effect of reducing indirect support costs revenue by USD 32.5 million per year once funding ends.

In Yemen the World Bank wanted to provide funding from International Development Association (IDA) grants directly to United Nations agencies given the lack of a recognized central government covering the whole country. The World Bank's IDA Board of Governors has set rules for this funding mechanism that preclude covering certain costs of any agency other than member governments and in the end decided to set a sliding scale allowable rate for the United Nations of 5 percent for any amount below USD 50 million in a year and 3 percent for any amounts over. The World Bank had USD 50 million it wanted to provide to WFP but, after extensive discussions, WFP was not able to convince its Executive Board to accept the lowered indirect support cost and the funding was never granted to WFP. In the end the World Bank provided funding to UNICEF, the World Health Organization (WHO), FAO, UNDP and the United Nations Office for Project Services (UNOPS), all of which accepted the lower sliding scale for indirect support costs. Given challenges in meeting the scale of nutritional needs, WFP was able to eventually access USD 15 million of the funds that the World Bank had provided to UNICEF, with the funds flowing through UNICEF. Multiple stakeholders lamented the lost strategic opportunity – since the time of the original IDA grants to United Nations agencies the World Bank has made recurrent grants to these organizations - UNICEF has received around USD 800 million through this funding mechanism, and UNDP approximately USD 350 million.

287. Issues around indirect support costs are part of a broader set of questions being asked in donor capitals around value for money within the funding chain for humanitarian and development assistance. Donor entities described the pressure they face in their own capitals to justify the cost of the partners they support, particularly when faced with multiple layers of overheads and other costs. This has led to questions about whether working through WFP and its cooperating partners is justified or whether other models – such as funding the cooperating partners of WFP directly – are viable and potentially more cost-efficient and attractive.

288. An additional issue related to flexibility is the extent to which it is possible to make interim adjustments to allocations recommended and agreed within the annual management plans. For programme support and administrative budget allocations some level of flexibility does exist. The WFP Financial Resource Management Manual states that “the Executive Director may make transfers within each of the main appropriation lines of the approved PSA budget without the Board's approval, and may also make transfers between appropriation lines up to the limits set by the Board”.³⁵³ So, while flexibility is there in principle, the evaluation team did not find evidence of transfers or adjustments to the programme

³⁵² WFP, “Management Plan 2020-2022”, WFP/EB.2/2019/5-A/1*.

³⁵³ WFP Financial Resource Management Manual.

support and administrative budget happening in practice. In addition, there is little flexibility for new initiatives to be financed as critical corporate initiatives, which have to wait until the next iteration of the management plan before they can be endorsed and resourced.

3. Conclusions and recommendations

289. This section begins with a summary of the evaluation team's main findings under each of the four overarching evaluation questions. The conclusions are then presented in a way that cuts across the questions to respond to a number of emerging themes. The conclusions are also the basis for the recommendations set out in Section 3.2. Combined with the recommendations, the conclusions aim to provide a constructive way forward for WFP as it seeks to improve the way that it funds its work.

3.1 SUMMARY OF FINDINGS

Evaluation Question 1: To what extent has WFP developed a comprehensive, coherent and effective policy framework, strategy and organizational structure to ensure adequate and appropriate funding for WFP work?

290. The WFP budget has been driven upwards by rising humanitarian needs and consequently large contributions towards WFP responses to major emergencies. Continuity of that funding is highly uncertain, given dependency on resources from a small pool of donors and increasing pressure on foreign assistance budgets. The organization has deployed several measures to minimize the risk of funding cuts, including efforts to diversify its funding base and cautious management of the programme support and administrative budget. The true running costs of WFP are not reported in a consolidated way through capturing operational costs both within and outside the Programme Support and Administrative budget, thus complicating the task of understanding the scale of the risk and putting in place appropriate risk mitigation measures.

291. Adequate and appropriate funding are relative terms and the scale of the funding gap is debated within the organization. What is clear, however, is the impact of funding shortages on WFP operations, particularly for resilience and development-labelled activities. Donor reactions to the funding gap are mixed and some are skeptical about the role of WFP in operations that go beyond a strict definition of emergency response. Internal stakeholders are similarly split on WFP priorities across its dual mandate.

292. No overarching strategy on funding exists, but this is not perceived to have had a negative impact on WFP resource-mobilization efforts. Recent strategic direction and guidance on funding from the private sector are important additions,³⁵⁴ which, if implemented convincingly, seem likely to generate results, albeit in line with the timeline and targets approved by the Executive Board.

293. The architecture, legal framework and governance arrangements of WFP have enabled multiple approaches to resource mobilization, which have largely been successful. Greater impact could be achieved through better use of different offices and structures within the organization, including WFP global offices and "Friends of WFP" organizations. Some country offices have struggled to raise adequate funding and a competitive environment for resources exists at headquarters due to a lack of internal coherence and prioritization.

Evaluation Question 2: To what extent has WFP successfully implemented the tools, approaches, incentives and individual capacities to attract adequate and appropriate funding for WFP work, including from private sources?

294. WFP has made good use of humanitarian funding mechanisms, such as pooled funds, but has not yet been successful in tapping into similar platforms with a development emphasis at scale. Overall, WFP access to development funding has been limited, partly due to gaps in effective communication across the organization's dual mandate. There is potential for more progress in this area, particularly if success is measured through strengthened partnerships and leveraging of funding rather than solely securing development contributions for WFP programmes.

295. WFP success in private fundraising has been limited to date. However, its new strategy and investment

³⁵⁴ WFP's Private-Sector Partnerships and Fundraising Strategy (2020-2025) distinguishes between strengthening technical partnerships with businesses for their expertise, capability and advocacy support; increased efforts to generate funding from individuals; and more engagement with foundations to leverage both funding and expertise.

commitments are likely to generate results, albeit slowly and constrained in scale. Implementation of the newly agreed approach will need to be accompanied by a strong communications effort to increase brand awareness among the general public.

296. The WFP approach to innovative financing has generated some successes, particularly in the area of forecast-based funding, though it is difficult to estimate the potential value of such opportunities. Approaches have been piecemeal, however, and there is a risk of WFP falling behind its peers in other areas, such as Islamic social finance.³⁵⁵ A clear strategy, leadership, specialist expertise, resources, patience and an acceptance of possible failure are all required if WFP is to take a more proactive leadership role in exploring and accessing innovative forms of financing.
297. WFP participation in joint programming and resource mobilization, as well as its willingness to engage in United Nations reform processes, are in evidence, but have not yet generated significant results from a funding perspective. More significant impact can be expected in the future as the pace of reforms pick up, making the case for sustained WFP engagement.
298. WFP has taken considerable steps to improve the way in which it works – introducing innovative ways of addressing food insecurity and malnutrition, making its work more efficient, and partnering more effectively with local and national actors. These efforts have generally been well appreciated by external stakeholders but have not yet resulted in more or different funding for WFP, nor for its partners.
299. An investment in the development and use of tools has given WFP good visibility of incoming contributions and a reasonable ability to keep track of forthcoming funding and to predict gaps. New fundraising tools, including digital platforms for individual giving, have potential to support WFP private fundraising ambitions and help fill the funding gap.
300. Capacity gaps exist within the organization that prevent a more effective approach to attracting adequate and appropriate funding. Country offices are stretched, particularly smaller country offices, and require additional support from regional bureaux and headquarters, especially for strengthening partnerships and accessing development funding and private-sector fundraising. Approaches to clarify how existing WFP financing contributes to change in areas such as gender and climate change are positive, such as the gender-responsive budgeting exercise. However, a lack of specialized capacity on specific themes and cross-cutting issues has hampered the organization's ability to attract specialized funding.

Evaluation Question 3: To what extent has the move to the Integrated Road Map helped or hindered mobilization of adequate and appropriate resources and what opportunities are there for the future?

301. The Integrated Road Map has provided a helpful overview of what WFP expects to achieve from activity to outcome level and strengthened cohesion of the narrative across the organization's dual mandate. While donors were generally positive about country strategic plans, it was not possible to link changes in funding to their development given multiple other contributing factors. Expectations among some in WFP that the Integrated Road Map would result in more comprehensive donor support across WFP work in emergencies, resilience and development have not been fully realized in practice and the resulting mismatch with donor expectations may have been unhelpful to the way that WFP partners with donors.
302. WFP has not yet experienced the expected benefits of unearmarked and multi-year funding in terms of more flexibility, continuity and predictability. Such changes take time and are influenced by a number of different factors, many of which are beyond the influence of WFP. The impact of a lack of flexible and predictable funding has been felt at country level in particular and country offices have instated various initiatives to attract additional resources and create flexibility within existing budgets.
303. The WFP Strategic Plan (2017-2021) sets the direction for WFP and provides a line of sight for preparation and implementation of country strategic plans. Improvements in the ability of WFP to report on results and the impact of its work, as well as more reasonable compliance requests on the part of donors, would help demonstrate what the organization can contribute in different contexts, making the case for more and better funding in the future.

³⁵⁵ Islamic social finance is not new, but, as a source of relatively untapped funding for the international humanitarian community, United Nations agencies in particular, it is covered here under the heading of innovative finance.

304. Securing financing on behalf of governments in support of national development priorities has not been a major focus of WFP work and is largely undocumented. Looking ahead, clearer targets and indicators for the leveraging of funding to contribute to the Sustainable Development Goals on behalf of recipient governments will provide more direction for the organization in this regard.

Evaluation Question 4: To what extent do WFP internal resource-allocation mechanisms help meet the organization's priority needs on time?

305. The WFP internal resource-allocation mechanisms are intended to enable funding for core functions and strategic initiatives and to limit the negative effects of temporary funding shortfalls for operations and programmes. Allocation decisions also help inform resource-mobilization actions. The organization's funding needs are broadly aligned across its different strategies and plans but prioritization within those needs when communicating with donors has at times been left open to interpretation. Evidence of urgent humanitarian need, combined with limited resources and donor restrictions, has ensured funding for large-scale emergencies, whereas smaller and less visible crises and resilience and development activities face significant funding shortfalls. Gaps have been alleviated to some extent by internal resource-allocation mechanisms but not at the scale necessary to address imbalances in funding. Coupled with dependence on government donors, the funding model has inherently allowed donor preferences to dictate priorities, with funding driving strategy rather than strategy driving funding.

306. Adjustments in the WFP programme support and administrative budget have resulted in moderately more funding going to country offices with corresponding proportional decreases in headquarter allocations, in line with agreed priorities. Where funding to particular departments in headquarters has increased, it has generally aligned with corporate priority needs. Where gaps have emerged, they have either been filled by short-term unsustainable critical corporate initiatives funded from the Programme Support and Administrative Equalization Account or from earmarked contributions from donors.

307. WFP advance financing mechanisms have facilitated more timely and effective responses and enhanced the operational effectiveness of the organization. Advance financing has worked more effectively for large and highly visible emergencies with a clear life-saving investment case, less so for smaller-scale crises or for resilience- or development-oriented activities. Clearer communications from the Strategic Resource Allocation Committee and more transparent decision-making criteria are required in order to make the use of advance financing mechanisms more accountable.

308. The forthcoming bottom-up budgeting exercise is an opportunity for WFP to fundamentally reassess how it allocates its internal resources, ensuring adequate and appropriate levels of funding for recalibrated roles and responsibilities across the organization. The inability of WFP to apply flexible indirect support cost rates has made it less competitive than other organizations, including when attempting to access innovative financing. This is likely to become increasingly relevant as discussions on value for money within the funding chain continue and impact on donor decision-making. There is some appetite within WFP to revisit the organization's approach to full-cost recovery through the application of fixed indirect support costs in light of the increasingly competitive funding environment.

3.2 CONCLUSIONS

309. **Conclusion 1: WFP has performed well within a constrained funding environment in terms of the volume of funding that it has raised. However, the trend in total funding masks disparities between large, well-funded emergencies and other crisis-affected situations, as well as WFP's portfolio of resilience and development work. Donor commitments to provide more predictable and flexible funding have not yet had an impact on WFP's funding, which still operates on short-term funding cycles with little room for internal prioritization. The organization's ability to access long-term development financing at scale is hampered by a lack of expertise and strong competition, coupled with more stringent, time-consuming and unfamiliar application processes.**

310. The environment in which WFP is seeking funding has changed considerably and continues to shift. Both humanitarian and non-humanitarian official development assistance have risen in recent years in response to increasing needs. However, the pace of financial growth has slowed and there are indications that many donors are reaching the limits of their ability to keep providing more, or even to sustain current contribution levels. Geo-political changes are influencing donor behaviour, constraining the fiscal

environment and ensuring that international development commitments are kept under close scrutiny. Increasing demands for accountability and evidence of effectiveness and cost-efficiencies are driving donor decision-making, particularly for longer-term programming.

311. WFP is seen as a strong player within emergency response. Its ability to rapidly respond at scale and to keep improving and innovating within its operations has earned WFP an excellent reputation among external stakeholders. The high dependency on resources for L3 and L2 emergencies presents a real risk for WFP, however. Conflicts, extreme climate events and increasing displacement of populations are forecasted to keep humanitarian requirements high in years to come. Despite internal WFP systems to address resource imbalances, there is evidence of considerable under-resourcing of WFP operations in a number of contexts and a lack of anticipatory funding. Should earmarked funding also begin to wane for large emergencies, there are potential implications for the ability of WFP to respond to the urgent needs of people in need, and for sustained resourcing of core functions within the organization through programme support and administrative budgets.
312. Donors have made a number of commitments on humanitarian and development financing, but these have not yet impacted positively on WFP. Commitments to increase predictable (multi-year) and flexible (unearmarked) funding have largely not been realized, and pledges to reduce donor conditionalities have not been matched with reality, often due to the authorizing systems of donor governments. As a result, WFP has continued to operate on short-term funding cycles with little flexibility to direct funding beyond the obvious emergency priorities. Country offices, especially smaller offices outside of the large-scale emergency response contexts, have felt particularly constrained by the limited volumes and types of available funding; and, without adequately planning and budgeting for specialized requests, have struggled to keep up with donor reporting requirements and other conditionalities.
313. Heavy competition in the development sphere has presented a challenge to WFP. A lack of expertise in accessing development financing compared to some of its peer United Nations agencies, as well as unclear ambitions in the development arena (see Conclusion 4), have hindered WFP from successfully tapping into development resources at scale. Moreover, much development financing bypasses the United Nations system and goes directly to governments in the form of bilateral assistance, making the role of WFP and its added value unclear. Increasing calls for financing the Sustainable Development Goals through support for local and national actors may further constrain WFP ambitions for growth in development funding for WFP.
314. **Conclusion 2: WFP's funding model is risky and not fully suited to the changing funding environment in which it operates. Total dependence on voluntary contributions (predominantly provided by a small number of government donors) means that WFP is particularly vulnerable to donor perceptions of priorities within its mandate, short-term donor funding cycles and shifts in donor budgets and priorities. An emphasis on funding from government sources rather than private donors has further limited WFP's flexibility, and future ambitions for growing private sector contributions are constrained by the level of investment that the organization (in particular the Executive Board) is prepared to make. For innovative financing, it will be important for WFP to engage in a structured way – at the policy and technical levels – to fully capitalize on opportunities to fill the funding gap. The architecture of WFP is largely appropriate for ensuring adequate funding, but various WFP offices have developed organically rather than by design, and some funding efforts have been highly dependent on specific individuals.**
315. The vast majority of WFP funding is predicated on long-standing relationships with humanitarian donors. Efforts to diversify the WFP funding base have shown limited results outside of growth among a small number of government donors. However, efforts to partner more effectively with international financial institutions, joint programming, innovative financing, and initiatives to establish relationships with development donors hold potential to improve diversification provided that investments are maintained and plans are well developed, communicated and implemented. More direction, strategic guidance and dedicated resources for these areas are required.
316. Clarity of the future direction for WFP, in terms of private-sector partnerships and fundraising, is welcome and has filled an important strategic gap. While the level of ambition within the strategy is constrained, there is considerable potential for further growth. It is important that implementation of the strategy is accompanied by full commitment from WFP leadership, adequate resources and support from the WFP Executive Board. Experience from other organizations suggests that generating results will

take time, meaning that patience and a commitment to keep advancing and improving during the scale-up will be required. Implementation of the strategy will also need to be accompanied by a concerted effort to increase familiarity with the WFP brand, particularly among the general public where WFP is relatively unknown compared with other United Nations agencies.

317. The resource-mobilization work performed by WFP global offices and to some extent its “Friends of WFP” associations is critical for funding WFP work. It complements the better known resource-mobilization functions at country office, regional bureau and headquarters levels but has largely evolved based on the initiative of the management of both the global offices and “Friends of WFP” rather than as a consequence of a common design and strategy.
318. **Conclusion 3: The IRM has heralded a shift in WFP’s ambitions, changing the way that it describes its role and improving transparency. Funding, however, has not yet fully followed suit. Differing internal and external views on relative funding priorities persist, particularly between funding for large-scale emergencies and WFP’s other work. Communication and marketing efforts predominantly centre around WFP’s better-known role in large-scale emergency response. The perception among some that promises about flexible and predictable funding for the humanitarian–development–peacebuilding nexus have been broken, as well as increasing donor expectations for detailed and specific reporting, have contributed to an unrealistic set of expectations on the part of both WFP and donors. Some unexpected problems require attention, including through efforts to link resources to results and investments in evidence generation. Internal resource allocation decisions also need to be more timely and transparent.**
319. Country strategic plans and the development of country portfolio budgets have provided opportunities to collaboratively rethink the contribution of WFP to achieving zero hunger and align WFP resources with those of other United Nations entities and national actors. A number of good examples of joint programming exist where WFP has complemented the work of others and used its influence with donors to leverage funding for collaborative approaches. However, country strategic plans are not yet fully aligned with those of UNSDCF and there is more work to be done to ensure that WFP resources contribute to national priorities.
320. The Integrated Road Map has supported longer-term planning within the organization but the majority of WFP tools and systems related to funding are still designed around short-term humanitarian timeframes and results - for example, the Pipeline Management Tool (which focuses on the forthcoming twelve months); WFP approaches to monitoring (with an emphasis on short-term outputs rather than longer-term results); and partnerships (which are still generally governed by annual agreements). Efforts are ongoing to simplify tools and processes within WFP since the roll-out of the Integrated Road Map. These should be accompanied by attempts to modify tools and approaches to align with longer-term planning frameworks where appropriate.
321. WFP has been working across its dual mandate since its inception. The Integrated Road Map and its associated tools and systems, however, have provided an opportunity for more adequate and appropriate financing of WFP work in the triple nexus and in development. Resilience-oriented programmes, nutrition interventions and school feeding are all areas (among others) where WFP has the potential to generate resources beyond emergency response, both for its own programmes as well as on behalf of national governments. Evidence is lacking on the organization’s contribution to resilience and development outcomes and WFP needs to invest more in making the case for what it can achieve given adequate and appropriate funding. Similarly, continued efforts are required to demonstrate WFP results in gender equality through better tracking and linking of financial expenditures with results. WFP contributions to resilience and development should also feature in communication, marketing and advocacy efforts, as well as its better-known role in emergency response.
322. **Conclusion 4: WFP’s funding ambitions are not entirely realistic and are often not backed up by commensurate efforts to achieve them. The funding gap dominates communications with donors and emphasizes dollars over people. The ambition to reach 80 or 100 percent of WFP’s needs-based funding target is somewhat balanced by efforts to determine budgets based on forecasted contributions at the country level, but this has not yet translated into a more realistic prioritization of top-line, strategic objectives. The rhetoric regarding flexible funding has alienated some donors by failing to acknowledge the value of earmarked contributions. Finally, there is no clear consensus within WFP on the financial requirements for the organization’s**

development work, and conflicting messages are communicated regarding the funding gap that it seeks to fill, including whether it does so solely for its own development-oriented ambitions or also to stimulate broader financing for national actors.

323. Despite increased funding over recent years, the gap between requirements and contributions has persisted and this has tended to be the focus of WFP messaging to donors and other external stakeholders. The exact scale and nature of the funding gap is unclear, however, as is its impact on people requiring humanitarian assistance or development support. The type of funding provided by donors has also been a divisive issue. While earmarked contributions for WFP priority programmes and initiatives have served as a critical source of funding, their characterization as being inherently less valuable than unearmarked contributions has simplified a complex funding situation and created tensions in some quarters.
324. Failure to prioritize across strategic objectives has been a persistent issue within WFP. Country level exercises to develop implementation plans based on realistic forecasts of incoming funding are evidence of good practice. At global level, however, the assumption that all remaining needs will be fully funded (and the development of management plans and budgets accordingly) side-steps the need to make difficult choices between competing priorities when faced with the reality of funding gaps.
325. The financial requirements for the role of WFP in development interventions are particularly unclear. Broad targets are discussed globally while bottom-up targets within country strategic plans often remain underfunded. Some within WFP focus funding discussions on what resources WFP needs to implement its own development-oriented interventions. Others take a broader view and include the resources that WFP may be able to broker on behalf of national partners as part of domestic-driven plans to achieve the Sustainable Development Goals. Clarity on the intended role of WFP is needed within the organization. If the ambition is indeed for WFP to play a role in catalysing broader funding for Sustainable Development Goal 2, then a radically different and more creative approach is likely to be necessary, requiring strong collaboration with other parts of the United Nations system and national actors.
326. **Conclusion 5: Internal capacity for partnerships, resource mobilization and related functions is limited, particularly at the country office level. Fundraising falls within the responsibilities of many WFP staff, an approach that has largely been effective but has required a coordinated and coherent approach. More oversight, leadership and clarity on relative priorities is required in order to maximize efforts and minimize the risk of WFP competing against itself for the same funding sources. Professionalization of the partnerships and resource mobilization function would help to build a stronger cadre of experts within the organization. A shortage of expertise on specific topics, such as gender and climate change, and on innovative financing has prevented WFP from developing new partnerships, tapping into dedicated resources on particular themes and accessing new funding sources at scale. Strong systems are in place within WFP to track, analyse and manage available resources and gaps, with more potential for them to be used strategically to identify and capitalize on emerging funding opportunities.**
327. Country offices are at the forefront of WFP resource-mobilization efforts, but are often chronically under-resourced to carry out their role. Additional support is required from headquarters and regional bureaux, particularly in terms of private-sector partnerships and fundraising, which requires a different skillset and level of effort. Professionalization of the partnership officer function has already begun within WFP and should be continued so as to attract more experienced fundraisers into the organization (including those with private fundraising experience) by providing dedicated capacity-building initiatives and a clear career path for individuals, and by minimizing the negative effects of rotation. Additional experts on specific thematic topics and cross-cutting issues are needed for the purposes of building the credibility of WFP in areas like gender and climate change, thereby allowing the organization to capitalize on opportunities to access and manage specialized funding.
328. All divisions and departments within WFP have been engaged in fundraising in one form or another, and for the most part different parts of the organization have complemented and supported one another. However, a greater level of oversight and leadership would help maximize the contributions of various teams; and more clarity on the overall strategic priorities of WFP would prevent duplication of effort or the transmission of conflicting messages.
329. WFP has a plethora of systems, platforms and dashboards in place that allow it to effectively track and

analyse available funding and spot potential gaps. Salesforce is a particularly effective tool that (when well used) allows WFP to keep track of forthcoming contributions. There is potential for it to be employed more effectively, not only to capture discussions with donors but to serve as a resource prior to those discussions, ensuring that staff are able to build on and advance partnerships with new and existing WFP partners.

330. Conclusion 6: Because WFP has limited opportunities to allocate resources internally, its ambition to have strategic priorities drive funding decisions is frustrated. The relative hierarchy of corporate priorities is not always clear, increasing the likelihood that funding will drive strategy rather than the other way around. Advance financing mechanisms have been critical in allowing WFP some control over its resource priorities, but large-scale emergencies have been prioritized. In addition, challenges related to funding for the Immediate Response Account, and limited scope of the account, mean that it does not provide the full amount of advance financing needed for WFP's emergency work. Core function resource requirements deserve to be reviewed in the light of WFP's growth and organizational changes, as is planned for 2020, along with a reconsideration of the flexibility of the indirect support cost rate.

331. Advance financing mechanisms have been critical in terms of allowing WFP some measure of control over funding of its own priorities. Advance financing has been particularly used for emergency interventions with a clear preference for filling "life-saving" priorities and gaps. However, the Immediate Response Account has not been able to ensure timely, adequate and predictable funding is available for the full scope of WFP work related to preparedness, anticipatory action and emergency response, as well as the advance financing needs of mandated common services. More stable funding (through the Immediate Response Account) and further consideration of how to negotiate donor support for advance financing mechanisms are required. The programme support and administrative budget deserves a thorough review, as is planned for 2020, and should be accompanied by an effort to more transparently reflect and report on the extent of expenditure outside the programme support and administrative budget, including for the hiring of consultants. Similarly, continued discussion on the flexibility of indirect support costs is critical to maintain the ability of WFP to fairly compete for funding against its peers.

332. Critical corporate Initiatives and other headquarters investment cases are effective and flexible mechanisms for senior management to invest in short-term organizational capacity initiatives and priorities. Decisions by the Strategic Resource Allocation Committee to release investment case funds early in 2020 are encouraging and should be continued. However, there continue to be issues with transparent decision-making and follow-up on the performance of critical corporate initiatives for use in future decision-making that need to be resolved.

333. Internal resource-allocation mechanisms are designed to address imbalances in earmarked contributions. Senior management is limited, however, in what it has the ability to allocate and direct – restricted to multilateral funds and indirect support costs at headquarters and direct support costs at country level. These costs cover some core expenses but cannot predictably and adequately finance all aspects of the organization's core work, including presence in non-operational settings and partnership development for non-humanitarian work. The WFP 2030 Fund is an important initiative, but the scale of its funding is currently too limited to address funding gaps for resilience and development interventions. An honest reflection exercise is required by leadership within the organization to determine priorities for internal resource-allocation, followed by the (re)design of mechanisms to facilitate their resourcing.

3.3 RECOMMENDATIONS

334. The eight recommendations and their specific actions stemming from this evaluation are intended to strengthen the ability of WFP to fund its work, on the basis of clear strategic direction and prioritization. They build on the evidence, findings and conclusions of this evaluation and have benefited from a number of iterative rounds of input from key stakeholders, including dedicated discussion at a workshop held in February 2020. All recommendations and their specific actions are deemed important and should be implemented together.

Recommendation 1	Responsibility	Implementation deadline
<p>WFP should take a collaborative approach to developing its next strategic plan that allows the organization to clearly articulate with one voice its full mandate and priorities for ending hunger and improving nutrition and act accordingly.</p> <p>c) The process of developing the next strategic plan, as well as the next plan itself, should provide direction on the link between what WFP wants to achieve and the funding ambitions, priorities and approaches of the organization.</p> <p>d) The next strategic plan should:</p> <ul style="list-style-type: none"> • stress the importance of maintaining WFP's capacity to respond to all types of emergencies and increasing related funding, with objectives for funding preparedness, anticipatory action and response, including in contexts that receive less attention. • elaborate new approaches to working in partnership in protracted crises and for resilience building, including with international financial institutions in middle-income countries, to highlight the operational and funding requirements of WFP's work at the nexus of humanitarian, peacebuilding and development. • include a coherent and holistic narrative regarding WFP's contributions to sustainable development and related funding ambitions that integrate advancements in various programming approaches. 	<p>Assistant Executive Director, Programme and Policy Development Department, with the collaboration of the Office of the Deputy Executive Director and the Oversight and Policy Committee</p>	<p>November 2020</p>
<p>Rationale: Cultural changes at WFP that began with the shift from food aid to food assistance are still incomplete. WFP needs to present a unified narrative and act in a unified way in support of its full mandate to better secure funding for all components of its work. The development of the next strategic plan is an opportunity to reinforce why and how WFP can contribute to crisis response, resilience building and work to address root causes. Establishing clear relative funding priorities can provide direction for resource mobilization and enhance coherence and coordination.</p> <p>Linked to conclusions 3 and 4</p>		

Recommendation 2	Responsibility	Implementation deadline
<p>WFP should strengthen the foundation for financing its work in changing lives and for financing national efforts to achieve the SDGs. To that end it should:</p> <ul style="list-style-type: none"> d) develop a consolidated plan for and approach to accessing development financing, including clarity on potential sources and requirements, and investigate options for substantially different financing models. e) invest in the organizational capacity needed to better position itself and enhance partnerships with development funders and engage in development forums globally and at the regional and country levels, including through greater investment in policy advice, evidence generation and capacity strengthening. f) clarify its ambition for brokering direct development financing for national partners aligned with WFP Strategic Result 7 and SDG 17.3 and for institutionalizing the approach, including through methods for documenting its contributions to the indirect results of such partnerships, funding this element of its work and tracking forecasted and actual funding. 	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of the Programme and Policy Development Department, regional bureaux and country offices</p>	<p>February 2021</p>
<p>Rationale: WFP's culture and systems are largely oriented towards short-term humanitarian funding, not the long-term perspectives and patience required to access development funds. WFP needs to redouble its efforts to access development financing to support its work to change lives. This will require training and support for country office teams on how to position and communicate WFP's holistic CSP approach and more robust evidence on how WFP approaches in resilience and development contribute to positive outcomes. Better understanding and capacity in country offices and other parts of WFP is also needed for partnering with host government development actors and key ministries (e.g. finance and planning), international financial institutions and other development donors to fund WFP's work and to broker access to financing for national partners.</p> <p>Linked to conclusions 1, 3, 4 and 5</p>		

Recommendation 3	Responsibility	Implementation deadline
<p>WFP should continue to fully explore, implement and invest in strategies for diversifying its sources of funding, including by:</p> <ul style="list-style-type: none"> d) ensuring full and sustained leadership and governance support for the implementation of the new private sector strategy, including by aligning marketing efforts with detailed management implementation plans and by considering more ambitious targets based on demonstrated performance. e) developing a strategy and structure and allocating resources for more proactive efforts to access innovative financing. f) stepping up engagement with other United Nations organizations to capitalize on opportunities for joint programming and resource mobilization, including through joint applications for humanitarian and development-oriented pooled funding. 	<p>Assistant Executive Director, Partnerships and Advocacy Department, supported by the Director of Private Partnership and Fundraising Division with the collaboration of WFP global offices, regional</p>	<p>September 2020</p>

	bureaux and country offices	
<p>Rationale: Diversifying WFP's funding sources is critical to securing more flexible funding and improving the ability of leadership to ensure that resource allocation is better balanced against the organization's strategic priorities. To successfully diversify its funding, WFP will need to be more proactive. Sustained investments are needed to ensure the success of WFP's efforts to increase individual giving, access to innovative financing and joint resource mobilization.</p> <p>Linked to conclusions 2 and 5</p>		

Recommendation 4	Responsibility	Implementation deadline
<p>WFP should increase and sustain organizational investments in critical resource mobilization and communications, marketing and advocacy personnel to maximize its ability to maintain existing funding and secure more diverse, adequate, flexible and predictable funding. To that end it should:</p> <p>c) develop human resource strategies and funding arrangements for partnerships, reporting, communications, advocacy and marketing functions at all levels of the organization.</p> <p>d) invest in national staff in partnership functions and specialized staff with expertise in innovative financing, marketing and advocacy, thematic and cross-cutting issues and proposal development.</p>	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of the Resource Management Department and especially the Human Resources Division, the Office of the Deputy Executive Director and the Programme and Policy Development Department</p>	<p>June 2021</p>
<p>Rationale: Investment in staff with roles in raising funds is necessary to diversify the sources and increase the amount of funding. Capacity for resource mobilization, communications, advocacy, marketing and reporting is currently under-resourced in many country offices. Double-hatting, frequent rotation and the use of generalists have had negative effects on the continuity of relationship management and on WFP's ability to access specialized and thematic funding.</p> <p>Linked to conclusions 1 and 5</p>		

Recommendation 5	Responsibility	Implementation deadline
<p>WFP should strengthen its organizational capacity by investing in the necessary tools, products, processes and protocols for better services related to funding. To that end it should:</p> <p>e) institute coordination processes and protocols for engaging with donors and for capturing intelligence on donors and opportunities in Salesforce, with clear roles and responsibilities, to ensure a disciplined approach to presenting organizational priorities for funding.</p>	<p>Assistant Executive Director, Partnerships and Advocacy Department, with the collaboration of global offices, regional</p>	<p>December 2020</p>

Recommendation 5	Responsibility	Implementation deadline
<p>f) develop communication, advocacy and marketing tools and initiatives based on evidence of programme effectiveness, including more effective communication of the added value of WFP work beyond emergency response.</p> <p>g) strengthen management oversight of grant compliance requirements by country offices, with support from headquarters, regional bureaux and global offices.</p> <p>h) maintain high levels of engagement in global humanitarian and development processes and forums to represent WFP contributions and commitments and continue work with donors to advocate adequate, predictable and flexible funding with reasonable reporting and other compliance requirements.</p>	bureaux and country offices	
<p>Rationale: Further investments in organizational capacity and processes are needed to ensure a disciplined approach to presenting organizational priorities for funding and to prevent internal competition. As WFP seeks to diversify funding sources and access development financing it will need to improve how it presents evidence of its effectiveness and ensure compliance with grant requirements while continuing to engage with donors on ways to improve the flexibility of funding and reduce the burdens of donor requirements. Linked to conclusions 3 and 5</p>		

Recommendation 6	Responsibility	Implementation deadline
<p>WFP should redouble efforts to achieve the planning, accountability, transparency and resource management ambitions envisioned in various components of the IRM. To that end it should:</p> <p>c) continue the process of aligning CSP planning cycles with United Nations sustainable development cooperation framework (UNSDCF) processes and supporting the design of next-generation CSPs to ensure that they are coherent, evidence-based and aligned with national development goals and financing priorities and that they incorporate resource mobilization and partnership considerations.</p> <p>d) identify how the resilience and development targets in CSPs are reflected in global resource mobilization targets, ambitions and communications.</p> <p>f) continue work on tools and guidance to demonstrate the connection between resources and results by better defining corporate indicators, measuring cross-cutting results (particularly with regard to gender equality and resilience) and minimizing the opaque effects of bundling activities.</p> <p>g) review the challenges to country office resource management flexibility posed by activity-level earmarking based on lessons learned from first-generation CSPs and provide guidance for the next generation of CSPs.</p> <p>h) review guidance and practice regarding specialized donor reporting, including related budgeting approaches, and incorporate information in Salesforce to ensure monitoring and reporting costs are included in budgets.</p>	Assistant Executive Director, Programme and Policy Development Department, with the cooperation of the Budget and Programming Division, the Performance Management and Reporting Division, the United Nations System and Multilateral Engagement Division, regional bureaux and country offices	June 2021

Recommendation 6	Responsibility	Implementation deadline
<p>Rationale: The development of the next generation of CSPs provides WFP with an opportunity to further align its planning with that of other actors. Integrating CSP formulation with positioning and partnership efforts will be pivotal in strengthening the basis for improved funding. Work under the IRM to demonstrate transparency and accountability has shown results but needs to remain an area of focus along with adequate budgeting for donor requirements on reporting to avoid problems with such reporting becoming an under-funded mandate.</p> <p>Linked to conclusions 1 and 3</p>		

Recommendation 7	Responsibility	Implementation deadline
<p>WFP should improve the effectiveness of its corporate resource allocation processes and decisions in order to facilitate continuous, transparent and timely prioritization to meet its strategic needs. To that end it should:</p> <ul style="list-style-type: none"> g) invest in the thorough implementation of the bottom-up strategic budgeting exercise, which should include consideration of all headquarters and regional bureau functions and costs, including special accounts and trust funds. h) develop a mechanism for articulating the relationship between the hierarchy of corporate priorities and resource allocation from all funding sources as part of developing the annual management plan. i) provide staff and governance with transparent and timely information on the allocation decisions of the SRAC and the rationale for prioritization. j) continue timely decision making on investment case proposals (as initiated in 2020) to allow adequate time for implementation. k) develop a system for tracking and reporting on the use of resources allocated to critical corporate initiatives and other investment cases and ensure that this performance information is used in future funding decisions. l) provide the Executive Board with a detailed analysis of the implications of an inflexible indirect support cost rate, taking into account system-wide discussions on aligning practices, competition and partnership considerations, to facilitate more formal Executive Board feedback on indirect support cost flexibility proposals. 	<p>Assistant Executive Director, Resource Management Department, with the collaboration of the Chief of Staff and the Deputy Executive Director</p>	<p>September 2021</p>
<p>Rationale: Corporate resource allocation processes are a critical means of demonstrating support for strategic priorities, funding core functions of the organization and investing in change initiatives to improve efficiency and effectiveness. At present the core requirements of the organization exceed the funding for the PSA budget, leading to ad hoc approaches to donors and a lack of a consolidated presentation of all core costs. SRAC decisions have not always been communicated and investments have not been systematically monitored. The indirect support cost rate has been fixed, posing some challenges with regard to accessing and competing for certain funding.</p> <p>Linked to conclusion 6</p>		

Recommendation 8	Responsibility	Implementation deadline
<p>WFP should strengthen its advance financing mechanisms so that they ensure predictable and timely resourcing for the full scope of WFP's work, including emergency (preparedness, anticipatory action and response), resilience and development activities. To that end it should:</p> <ul style="list-style-type: none"> d) ensure the availability of internal resources for the start-up of resilience and development activities until additional external funding can be catalysed and sustained, recognizing the longer period required for accessing external financing for development-related work. e) complete the review of the Immediate Response Account and consider establishing one consolidated and regularly replenished emergency advance financing facility that covers the full scope of WFP's work related to preparedness, anticipatory action and emergency response, as well as the advance financing needs of mandated common services. f) develop options for providing advance financing for launching common mandated services. 	<p>Assistant Executive Director, Resource Management, with the collaboration of the Office of the Deputy Executive Director and the Programme and Policy Development Department</p>	<p>February 2021</p>
<p>Rationale: WFP's advance financing mechanisms are a critical tool for enabling the timely implementation of programmes and operations. Addressing current gaps in these mechanisms related to resilience and development activities, preparedness, anticipatory action and response, and common mandated services would further ensure that WFP's work is not interrupted by temporary funding gaps. Linked to conclusion 6</p>		

Acronyms

ACR	Annual Country Reports
AED	Assistant Executive Director
ALNAP	Active Learning Network for Accountability and Performance
APR	Annual Performance Reports
BMZ	Federal Ministry for Economic Cooperation and Development, (Germany)
CBT	Cash-Based Transfers
CE	Centralized Evaluation
CEQAS	Centralized Evaluation Quality Assurance System
CERF	Central Emergency Response Fund
CORA	Country Office Resource Allocation
CPB	Country Portfolio Budgets
CRF	Corporate Results Framework
CO	Country Office
CSP	Country Strategic Plan
DAC	Development Assistance Committee
DE	Decentralized Evaluation
DEQAS	Decentralized Evaluation Quality Assurance System
DEV	Development Operations
DFID	Department for International Development
DG DEVCO	Directorate-General for International Development and Cooperation
DSC	Direct Support Cost
ECHO	European Civil Protection and Humanitarian Aid Operations
ED	Executive Director
EMOP	Emergency Operation
ERP	Enterprise Resource Planning
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FbF	Forecast-based Financing
FFR	Financial Framework Review
GCC	Gulf Cooperation Council
GCMF	Global Commodity Management Facility
HPG	Humanitarian Policy Group
HQ	Headquarters
IASC	Inter-Agency Standing Committee
ICRC	International Committee of the Red Cross
IFAD	International Fund for Agricultural Development
IFC	International Fundraising Conference
IFI	International Financial Institution
IFL	International Fundraising Leadership
IFRC	International Federation of Red Cross and Red Crescent
IPL	Internal Project Lending Facility
IRA	Immediate Response Account
IRG	Internal Reference Group
IRM	Integrated Road Map
ISC	Indirect Support Costs
KII	Key Informant Interview
LEO	Limited Emergency Operation

MAF	Macro Advance Financing
MOFAIC	Ministry of Foreign Affairs and International Cooperation (UAE)
MSF	Médecins Sans Frontières
mVAM	mobile Vulnerability and Analysis Mapping
NGO	Non-Governmental Organization
NNGO	National Non-Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
ODI	Overseas Development Institute
OECD	Organization for Economic Cooperation and Development
OECD-DAC Committee	Organization for Economic Cooperation and Development's Development Assistance Committee
OEV	Office of Evaluation
PRRO	Protracted Relief and Recovery Operation
PSA	Programme Support and Administrative
RB	Regional Bureau
RBB	Regional Bureau in Bangkok
RBC	Regional Bureau in Cairo
RBD	Regional Bureau in Dakar
RBJ	Regional Bureau in Johannesburg
RBN	Regional Bureau in Nairobi
RBP	Regional Bureau in Panama
SDG	Sustainable Development Goals
SO	Special Operation
SO	Strategic Outcome
SPR	Standard Project Report
SR	Strategic Result
SRAC	Strategic Resource Allocation Committee
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMPTFO	United Nations Multi-Partner Trust Fund Office
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
USD	United States Dollars
UNSDCF	United Nations Sustainable Development Cooperation Framework
VAM	Vulnerability Analysis and Mapping
WFP	World Food Programme
WHO	World Health Organization
WVI	World Vision International

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