

Strategic Evaluation of Funding WFP's Work

CONTEXT

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 towards large-scale and high-profile emergencies. Yet a large funding gap remains. Much of WFP's funding comes from a relatively small pool of government donors and private sector contributions have declined overall in the last decade.

The Integrated Road Map, including the Strategic Plan 2017-2021, was expected to result in more predictable and flexible funding as well as better balance of WFP's contribution to the Sustainable Development Goals across its support to emergency response and its work in to build resilience to future crises and address the underlying root causes of vulnerability.

SUBJECT AND FOCUS OF THE EVALUATION

This Strategic Evaluation was commissioned by the WFP Office of Evaluation. It assessed the quality and results of WFP's efforts between 2014 and 2019 to secure adequate and appropriate funding to contribute towards zero hunger; and determine the reasons why WFP has or has not been able to fund its work in order to draw lessons. All types of WFP funding and resourcing were included in the scope of the evaluation for all areas of WFP's work, including through internal allocation.

OBJECTIVES AND USERS OF THE EVALUATION

The evaluation served the dual objectives of learning and accountability. The primary intended users of the evaluation include WFP's Executive Board; senior management; staff in headquarters, global offices, regional bureau and country offices; donor partners; government partners; private sector partners; and other interested parties.

KEY EVALUATION FINDINGS

Policy framework, strategy and organizational structure

WFP's budget has been driven upwards by rising humanitarian needs but continuity of that funding is uncertain. Donor reactions to the funding gap are mixed and some are skeptical about WFP's role in operations that go beyond a strict definition of emergency response. Internal stakeholders are similarly split on WFP's priorities across its dual mandate. No overarching strategy on funding exists but this is not perceived by stakeholders to have had a negative impact on WFP's resource mobilization efforts. WFP's architecture, legal framework and governance arrangements have enabled multiple approaches to resource mobilization, which have largely been successful.

Tools, approaches, incentives and individual capacities

WFP has made good use of humanitarian funding mechanisms but has not yet been successful in tapping into similar platforms with a development emphasis at scale. WFP's success in private fundraising has been limited to date and while WFP's has generated some success with innovative financing, approaches have been piecemeal. New fundraising tools have potential to support WFP's private fundraising ambitions and help fill the funding gap. But capacity gaps exist that prevent a more effective approach to attracting adequate and appropriate funding.

The Integrated Road Map helped or hindered?

Expectations among some in WFP that the Integrated Road Map would result in more comprehensive donor support across WFP's work in emergencies, resilience and development have not yet been fully realized in terms of more flexibility, continuity and predictability. However, such changes take time and are influenced by factors beyond the control of WFP.

Internal resource allocation mechanisms

The organization's funding needs are broadly aligned across its strategies but prioritization when communicating with donors has at times been left open to interpretation. Clearer communication and more transparent decision making criteria are required to increase accountability for advance financing and internal allocation decisions. WFP's inability to apply flexible indirect support cost rates has made it less competitive than other organizations, including when attempting to access innovative financing.

CONCLUSIONS

Conclusion 1. WFP has performed well within a constrained funding environment in terms of the total volume of funding that it has raised. However, this trend masks disparities between large, well-funded emergencies and other crisis-affected contexts, 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.

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 means 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 is prepared to make.

Conclusion 3. The Integrated Road Map has heralded a shift but funding for the organization has not yet fully aligned with this approach. Moreover, differing internal and external views on relative funding priorities persist, particularly between funding for emergency response and WFP's other work in resilience and root causes.

Conclusion 4. WFP's funding ambitions are not fully realistic and often not backed up by commensurate efforts to achieve them. The funding gap also dominates communications with donors and emphasises 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.

Conclusion 5. Internal capacity for partnerships, resource mobilization and related functions is strained, particularly at the country office level. Fundraising falls within the responsibilities of many staff within WFP, and a more coordinated and coherent approach is needed. 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.

Conclusion 6. Because WFP has limited opportunities to allocate resources internally, its ambitions for strategic priorities to drive funding decisions are frustrated. The relative hierarchy of corporate priorities is not always clear, strengthening the likelihood of funding driving strategy rather than strategy driving funding. Challenges in funding for the Immediate Response Account and its limited scope do not meet the full advance financing needs of WFP's work.

RECOMMENDATIONS

Recommendation 1. WFP should take a collaborative approach to developing its next WFP 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.

Recommendation 2. WFP should strengthen the foundation for financing its work in changing lives and for financing national efforts to achieve the sustainable development goals.

Recommendation 3. WFP should continue to fully explore, implement and invest in strategies for diversifying its sources of funding.

Recommendation 4. 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.

Recommendation 5. WFP should strengthen its organizational capacity by investing in the necessary tools, products, processes and protocols for better services related to funding.

Recommendation 6. WFP should redouble efforts to achieve the planning, accountability, transparency and resource management ambitions envisioned in various components of the Integrated Road Map.

Recommendation 7. WFP should improve the effectiveness of corporate resource allocation processes and decisions in order to facilitate continuous, transparent and timely prioritization to meet its strategic needs.

Recommendation 8. 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