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منظمة
الغذية والزراعة
للأمم المتحدة

FINANCE COMMITTEE

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Update on the Integrated Road Map

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EXECUTIVE SUMMARY

- The “Update on the Integrated Road Map” is submitted to the Board for consideration.
- The Executive Summary of the “Update on the Integrated Road Map” is included within the main document presented to the Committee for its review.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to endorse WFP’s “Update on the Integrated Road Map” for consideration by the Executive Board.

Draft Advice

- **In accordance with Article XIV of the General Regulations of WFP, the FAO Finance Committee advises the WFP Executive Board to take note of the “Update on the Integrated Road Map”.**



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Update on the Integrated Road Map

Executive summary

The Integrated Road Map defines the transformative strategic, process and system changes required to channel WFP's support to countries' work to end hunger among the poorest and most food-insecure people. The organization-wide transformative change facilitates and demonstrates WFP's contribution to achieving the goals of the 2030 Agenda for Sustainable Development, particularly Sustainable Development Goals 2, "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture", and 17, "Strengthen the means of implementation and revitalize the global partnership for sustainable development".

WFP continues to make progress in implementing the Integrated Road Map. A total of 67 country offices have moved to the Integrated Road Map framework to date, representing approximately 65 percent of WFP's programme of work. Following the Board's consideration of country strategic plans at the 2018 annual session the total could increase to 70 country offices, representing 69 percent of the programme of work. The 11 country offices continuing to operate under the project system will transition to the Integrated Road Map framework by early 2019.

Management uses lessons learned to inform enhancements of the country strategic plan framework, Integrated Road Map processes and WFP's performance reporting to Member States. Building on lessons learned in 2017, lessons learned in 2018 – summarized in annex I – were presented at three informal consultations. In parallel, the Office of Internal Audit recently published its audit of the Integrated Road Map's pilot phase, and the Office of Evaluation is undertaking a strategic evaluation of the country strategic plan pilots. Conclusions from the audit and evaluation will complement the lessons learned captured by management to better support WFP's transformation.

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Based on its experience to date and on feedback from Member States, management will follow a two-step consultation process during the development of country strategic plans and interim country strategic plans until the end of 2019. This robust process is not only efficient but provides sufficient opportunity for discussion and ensures that Member States have a role in shaping WFP's strategic direction.

Amendments to the General Rules and Financial Regulations with respect to full cost recovery, terminology and definitions, benefitting from lessons learned in 2017 and 2018, will be presented for approval at the Board's 2018 second regular session. If approved, they will take effect on 1 January 2019.

An organization-wide, inter-departmental working group established in mid-2017 has completed its internal review and analysis of the adjustments required to align the General Rules and Financial Regulations regarding full cost recovery with the requirements of the Integrated Road Map and the changing environment in which WFP works.

This paper sets out the emerging recommendations derived from the review findings. These relate to core issues such as twinning; exemptions from and waivers of indirect support costs; adjusted direct support cost rates for mandated common services; handling of revenue generated from the on-demand provision of services; trust funds; and flexibility in setting indirect support cost rates. Feedback from Member States will be sought in a series of informal consultations before the amendments to the General Rules and Financial Regulations are considered by the Board at its 2018 second regular session.

Draft decision*

Having considered the update on the Integrated Road Map set out in document WFP/EB.A/2018/5-D/1, the Executive Board:

- i) takes note of the progress in implementing the Integrated Road Map and lessons learned to date;
- ii) takes note of the proposals set forth in paragraphs 47 through 74 of document WFP/EB.A/2018/5-D/1 in respect of new approaches to achieving full cost recovery and requests the Secretariat to finalize them and present them for approval by the Board at its 2018 second regular session;
- iii) notes that the introduction of the Integrated Road Map framework and certain proposals concerning full cost recovery achievement will require amendments to the General Rules and Financial Regulations and requests the Secretariat to present those amendments for approval by the Board at its 2018 second regular session so that they become effective on 1 January 2019; and
- iv) recalls paragraph vi of its decision 2017/EB.2/2, entitled "Update on the Integrated Road Map", whereby it approved interim delegations of authority from 1 January 2018 to 29 February 2020 and decided that permanent delegations of authority would be presented for its approval, following a review of the interim delegations of authority, at its 2020 first regular session.

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

Introduction

1. The Executive Board approved the Integrated Road Map (IRM) and its four components – the WFP Strategic Plan (2017–2021),¹ the Policy on Country Strategic Plans,² the Financial Framework Review³ and the Corporate Results Framework (2017–2021) (CRF)⁴ – at its 2016 second regular session.
2. The Strategic Plan (2017–2021) came into effect on 1 January 2017 and sets WFP’s course through the first five years of the 2030 Agenda implementation period. The plan channels WFP’s support to countries’ work to end hunger among the poorest and most food-insecure people.⁵
3. The CSP framework, which enables the design of WFP portfolios that are aligned with national priorities in order to serve people more effectively and efficiently, supporting governments and other partners in achieving the SDGs, is composed of the following:
 - *Country strategic plans (CSPs)*: CSPs can be designed for a duration of up to five years. They are based on country-led national zero hunger strategic reviews and may also be informed by evaluations, assessments – including joint needs assessments – and feasibility studies. CSPs that are funded entirely by the host country may be approved by the Executive Director or, if the host country so elects, by the Board; all other CSPs are approved by the Board.
 - *Interim country strategic plans (ICSPs)*: ICSPs have a duration of up to three years and are used when a strategic review to inform the design of a CSP has not been completed. ICSPs are based on WFP’s existing strategies, studies, assessments – including joint needs assessments – based on analysis and data. Like CSPs, ICSPs that are funded entirely by the host country may be approved by the Executive Director or, if the host country so elects, by the Board; all other ICSPs are approved by the Board.
 - *Transitional interim country strategic plans (T-ICSPs)*: A T-ICSP following a limited emergency response may be approved by the Executive Director, with joint approval from the Director-General of the Food and Agriculture Organization of the United Nations (FAO) for emergency-related components; T-ICSPs that are based on previously approved project documents may be approved by the Executive Director for a duration of up to 18 months as a bridge to CSPs informed by strategic reviews.
 - *Limited emergency operations*: A limited emergency operation – which may include the provision of services or capacity strengthening support, as required – may be implemented in the event of an unforeseen and sudden-onset emergency in a country where WFP does not have a presence. Limited emergency operations are planned for an initial period of up to six months and are approved by the Executive Director and, if required, the Director-General of FAO.

¹ WFP/EB.2/2016/4-A/1/Rev.2.

² WFP/EB.2/2016/4-C/1/Rev.1.

³ WFP/EB.2/2016/5-B/1/Rev.1.

⁴ WFP/EB.2/2016/4-B/1/Rev.1.

⁵ WFP/EB.2/2016/4-A/1/Rev.2.

4. The country portfolio budget that accompanies each CSP, ICSP, T-ICSP or limited emergency operation consolidates all operations and resources into a single structure, with the exception of service level and third-party agreements that are incidental to WFP's programme of work and are pass-through activities. This structure articulates the relevance and impact of WFP's work by transparently linking strategy, planning, budgeting, implementation and resources to the results achieved. It also introduces four high-level cost categories and simplifies the application of full cost recovery. Each country portfolio budget, broken down into its four high-level cost categories, is approved in terms of total budget per WFP strategic outcome.
5. The CRF, in effect since 1 January 2017, enables WFP to measure results and meet its commitments to transparency and accountability. It provides the basis for designing the logical frameworks of CSPs, ICSPs and T-ICSPs. All country offices have now completed the transition to the CRF structure. Based on experience to date, the CRF is being revised to strengthen standards for measuring contributions to all relevant Sustainable Development Goals. Further enhancements introducing key performance indicators will reinforce the single results framework for aligning programme and management elements of corporate performance management. The revised CRF will also reflect global agreements and facilitate active engagement with national governments and the United Nations system towards measuring progress in achieving the goals of the 2030 Agenda.

Progress to date

Country offices operating within the IRM framework

6. A total of 67 country offices have moved to the IRM framework to date – 24 with full CSPs, 6 with ICSPs and 37 with T-ICSPs – representing approximately 65 percent of WFP's programme of work.
7. At its 2018 annual session, the Board will consider for approval CSPs for Afghanistan, Bolivia (Plurinational State of), Egypt, Kenya and the Philippines. The Bolivia and Egypt country offices are currently implementing T-ICSPs while the country offices in Afghanistan, Kenya and the Philippines will shift from their closing projects to the IRM framework in July 2018. This will bring the total number of country offices operating within the IRM framework to 70 – representing approximately 69 percent of WFP's programme of work.
8. WFP's remaining 11 country offices⁶ are continuing under the project system in 2018⁷ and will move to the IRM framework by early 2019.

Analysis of contributions received to date

Total funds received

9. The CSP framework provides donors with clear visibility on WFP's long-term strategic and programmatic direction globally and in individual countries. It facilitates decision-making on funding, including on multi-year contributions or other commitments with a longer planning horizon.

⁶ Ukraine is not included in the list of countries moving to the IRM framework because no CSP or ICSP is planned. The country office will continue with the current project framework until project closure.

⁷ Following the flexible approach noted by the Board at its 2017 annual session, on an exceptional basis some country offices opted to continue operating under the project system in 2018. Depending on the country, the additional time that this provides will enable the Secretariat to improve programme quality, address issues with the migration of resources from the old system to the new system and ensure greater capacity to manage the transition to the IRM.

10. By 21 March 2018, 62 countries had received USD 2.6 billion in 2017 and 2018, including contributions that were transferred from previous projects to the IRM framework and contributions to “early released” budgets for CSPs, ICSPs and T-ICSPs. New resources amounted to USD 685 million.
11. Total contributions received by 62 countries operating within the IRM framework were allocated as follows:
 - 129 grants valued at USD 210 million, or almost 8 percent of the total received, were confirmed at the country level in 42 countries;
 - 37 grants valued at USD 33 million, or 1.3 percent of the total received, were confirmed at the strategic result level in 26 countries;
 - 125 grants valued at USD 166 million, or 6.3 percent of the total received, were confirmed at the strategic outcome level in 42 countries; and
 - 502 grants valued at USD 2.2 billion, or 84.4 percent of the total received, were confirmed at the activity level in 60 countries.

Efforts to encourage more flexible and predictable contributions

12. The IRM framework is designed to facilitate resource mobilization for concrete, country-specific outcomes, while providing a breakdown of costs by activities. Management expects that the degree of transparency provided to Member States and donor partners through the activity-level budget structure will increase donors’ confidence, encouraging them to reduce earmarking and move towards more outcome-based or flexible funding over time.
13. Management recognizes that increasing the consistency and coherence of strategic outcomes across CSPs and more regular data reporting and country reports under the IRM will provide further reassurance to donor partners, thus encouraging them to allocate funding to country-specific or higher outcomes. In this context, WFP, working with partners, will build further evidence of the gains in efficiency and effectiveness that such funding delivers.
14. The IRM framework also provides opportunities for securing more predictable funding, especially in the form of multi-year contributions, enabling longer-term, consistent and continuous investments, which are necessary to reduce humanitarian losses and strengthen community resilience over time.
15. As part of efforts to increase flexibility, management plans to engage with donors in strategic financing dialogues to explore all the opportunities for improving the flexibility of contributions by assessing the extent to which donor conditions can be eased. Management will continue to emphasize the importance of flexible and predictable funding, stimulated by coherent, holistic and results-based country portfolios, in its communications, outreach and advocacy activities with donor partners and other stakeholders.

Lessons learned

16. Management has systematically gathered lessons from countries’ experiences with the IRM through detailed tracking processes, structured inputs from pilot CSP countries, meetings and regular teleconferences with deputy regional directors and regional focal points, direct inputs from country directors, support missions, regional workshops and meetings with division directors and the IRM steering committee.
17. Examination and analysis of challenges and best practices continue to be crucial to the enhancement of the IRM by informing refinements to the programme, financial and performance management frameworks and helping to ensure that WFP supports countries’

work to end hunger among the poorest and most food-insecure people and to achieve the SDGs. These findings have been presented in informal consultations in 2017 and at the 2017 annual and second regular sessions and are summarized in the 2017 Annual Performance Report. Annex I provides a summary of the lessons learned so far in 2018.

Internal Audit of the Integrated Road Map Pilot Phase

18. In April 2018, the Office of Internal Audit finalized its audit of the IRM pilot phase. The audit was conducted between 23 October 2017 and 31 January 2018 and included visits to four of the 14 pilot countries: Bangladesh, Cameroon, Colombia and the Sudan. There were three primary lines of enquiry:
 - i) Are key risks related to the IRM pilot phase adequately managed to ensure achievement of the intended objectives?
 - ii) Is the process for formulating and approving CSPs effective?
 - iii) Does the new financial framework provide for effective and sound management of budgets and costs?
19. During the 27 April 2018 informal consultation, management provided an overview of the conclusions drawn from the audit and management's response to the related recommendations.⁸ Overall, the Office of Internal Audit found the IRM pilot phase to be "partially satisfactory with major efforts still needed". The audit report identified four high-priority areas that require attention: the timeline, scope and assessment of pilots; capacities for IRM implementation; demonstration of the ability to deliver results through newly designed activities; and controls and flexibility in budget management. Eight medium-priority areas were also identified.
20. Management welcomes the findings that the 2017 pilots were largely successful in contributing to corporate learning and mitigating risk. Management agrees with the conclusion that major efforts must be continued and efforts are already under way to implement the agreed upon actions.
21. Building on the data collection and other work carried out for the audit where appropriate, an evaluation of WFP's CSP pilots is under way to assess the implementation of country strategic planning and draw lessons that will guide further progress in the new strategic direction. The evaluation report will be presented to the Board at the 2018 second regular session, together with the management response to the related recommendations.
22. Conclusions drawn from the audit and the evaluation will reinforce the lessons captured by management to better support WFP's transformation through the IRM framework.

⁸ WFP/EB.A/2018/6-F/1.

Progress on major issues

Consultation process with Member States for 2018 and 2019

23. Draft CSP and ISCP documents presented at formal Board sessions in 2017 and at the 2018 first regular and annual sessions were made available to Board members 12 weeks before they were submitted for approval.⁹ Board members had 20 calendar days to provide comments electronically, and the final documents, incorporating comments received, were posted four weeks before the Board sessions. Following the process established for the 2017 second regular session, informal consultations were held on the draft CSP and ICSP documents at the conclusion of the 20-calendar-day review process.
24. Based on the experience gained in 2017, and in an effort to obtain Member States' views earlier in the process in order to better shape the strategy and formulation of the draft document, on 16 January 2018 management held an informal consultation on concept notes¹⁰ for the CSPs and ICSPs that were to be presented for approval at the 2018 annual session.
25. At the 7 February and 16 March 2018 informal consultations, management presented options for simplifying the consultation process in advance of presenting CSPs and ICSPs for formal Board approval.¹¹ The options aimed to allow sufficient opportunity for Board members to provide strategic and detailed feedback, in consultation with their capitals and country-level missions where appropriate, while ensuring the most strategic and effective use of the Board's time.
26. Discussions at the 16 March and 27 April 2018 informal consultations indicated broad support for a two-step process to provide strategic feedback early in the CSP development process and detailed written comments prior to Board approval of CSPs and ICSPs. The proposal for consideration involves the following two-step process:
 - Informal consultations on concept notes for CSPs and ICSPs would be held approximately six months before the Board session at which the CSPs and ICSPs were to be presented.
 - The approved review process whereby Board members can provide detailed comments on CSP and ICSP documents 12 weeks before the documents are submitted for approval will be maintained.
27. Management initiated this two-step process for those draft CSPs and ICSPs that will be considered for approval at the 2018 second regular session. Informal consultations in late April 2018 were held on concept notes for CSPs or ICSPs for Burkina Faso, Chad, the Gambia, Ghana, India, Liberia, Mauritania, Nepal, Rwanda, Senegal, Somalia, the Sudan, the Syrian Arab Republic and Yemen.

⁹ In accordance with the process approved at the 2016 second regular session in WFP/EB.2/2016/4-C/1/Rev.1, paragraph 36 which states as follows: "Draft CSP documents should be circulated to Board members electronically for comment at least 12 weeks before the approval session. All comments, if any, should be received electronically within 20 days of circulation. Comments will be published on the Board website, and be discussed with concerned governments and stakeholders and incorporated, as appropriate, into the final CSP. The final document will be posted in English at least six weeks before the Board approval session."

¹⁰ Concept notes describe the context, country targets and priorities that WFP will address. They set the overall strategic direction and focus of WFP's programme of work in a country, including the planned Strategic Results, strategic outcomes, focus areas, outputs, activities and associated monitoring and evaluation activities. Preliminary implementation arrangements are also outlined, including analysis of beneficiaries' needs, targeting, planning of supply chains and partnerships.

¹¹ The consultation process will not apply to any draft CSP or ICSP that is funded entirely by the host country, which is subject to the provisions of Financial Regulations 5.1 and 5.2 and is approved by the Executive Director, unless the host government elects to have the CSP or ICSP approved by the Board.

28. Management will apply this two-step consultation process until the end of 2019, after which it could be reviewed, along with the permanent delegations of authority, at the 2020 first regular session. The review would draw from at least four cycles of informal consultations on concept notes for CSPs and ICSPs, followed by detailed review and Board approval of the final CSPs and ICSPs. It would include an examination of the value of the process, taking into account perspectives from the field and the costs involved.

Simplification of the country portfolio budget processes

29. Substantive feedback and lessons learned from the IRM rollout and application of the country portfolio budget structure have raised issues for consideration. In some instances, the complexity of processes related to the country portfolio budget structure has made fund management cumbersome in country offices, resulting in increased transactions and, at times, increased workloads.
30. Internal refinements to processes relating to cost management are being reviewed in close consultation with country offices.
31. In addition, based on experience and feedback from pilot countries, management is analysing options for improving budget planning processes, including by automating and better integrating elements of the process such as the budget planning tool and linkages with COMET. Aspects of the needs-based budget and implementation plan could be simplified, while the methodology for planning country portfolio budgets could be adjusted, particularly for later years in the planning cycle for which estimated projected costs are subject to greater uncertainty.
32. Management will update the membership on progress and the potential impact of these developments during informal consultations, taking into account feedback from Member States when considering refinements. It should be noted that efforts to streamline processes will not reduce transparency, which is a cornerstone of the IRM framework.

Online portal

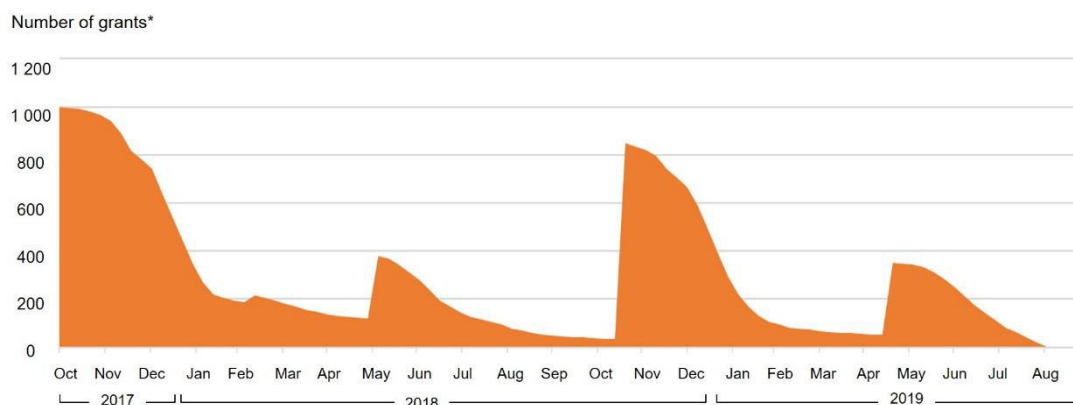
33. Management remains committed to launching an online portal by the middle of 2018. The portal will include programme, financial and performance-related information from CSPs and ICSPs approved by the Board. All Member States will have access. It will provide greater transparency on WFP's planning and results within the IRM framework, strengthen governance and facilitate funding decisions.
34. The online portal will also integrate WFP's annual planning process and country office management plans. Information will be displayed by country, Strategic Result, strategic outcome, activity and year and will cover planned and actual beneficiaries.
35. Development of the online portal has resulted in the consolidation of data from WFP's multiple corporate systems. While the vast majority of data have been easily integrated into the portal, there are challenges in ensuring coherence among data from different sources.

Resource migration

36. Resource migration – the transfer or reallocation of resources from closing projects to the new CSP framework – is critical for ensuring operational continuity at the start of CSP implementation and for supporting project closure procedures. The early release of budgets for CSPs, ICSPs and T-ICSPs, and tools for supporting the automation of resource migration were found to be crucial in mitigating the time sensitivity and immense workload involved. By 23 March, the resource migration process was almost complete having involved 1,028 grants, USD 660 million and 282,000 mt of food.

37. Management is continuing to enhance processes and improve indicators in preparation for migrating up to 800 grants in the next waves of CSPs for countries moving to the IRM framework in the remainder of 2018 and 2019 (figure 1). It should be noted that the migration will also include the movement of grants from T-ICSPs to CSPs or ICSPs.

Figure 1: Estimated resource migration, 2017–2019



* Includes migration of grants from T-ICSPs to CSPs/ICSPs

Corporate results framework and reporting

38. The refinement of the CRF – with strategic goals, outcomes and results relating to the WFP Strategic Plan (2017–2021) – builds on the continuity in the results frameworks for the project-based approach and the IRM approach. Around half of the programme indicators in the strategic results framework have sufficiently robust methodologies to be carried over into the CRF. New indicators and methodologies that cover WFP’s new areas of work are being piloted.
39. Revision of the CRF is expected to continue with a view to strengthening indicators that require further refinement, especially those for WFP’s new areas of work such as activities related to Strategic Results 5, 6, 7 and 8. The primary focus is on incorporating new elements of indicators deriving from the SDGs, which will allow WFP to strengthen evidence of how it contributes to national SDG targets. These improved links between WFP outcomes and national SDG targets apply not only to SDGs 2 and 17 but also to WFP’s contributions to other SDG targets. Internal discussions, lessons and working groups continue to contribute to the review. The pilot countries provide a representative sample of WFP’s work worldwide and range from large to smaller country offices operating in a variety of operational contexts with a broad spectrum of strategic objectives. Cross-function technical teams are reviewing recommendations and will engage with a wide range of country offices to ensure broad endorsement and consensus throughout WFP before the revised CRF is finalized.
40. The refined CRF will reflect global agreements, specifically the 2016 quadrennial comprehensive policy review, and facilitate active engagement with national governments and the United Nations system in measuring progress towards achievement of the goals of the 2030 Agenda. Management views the CRF as enabling WFP to measure results and meet its commitments to transparency and accountability. WFP will continue to engage partners throughout the review process, issuing regular updates and seeking advice and support.
41. The refined CRF will also draw on lessons from country offices using the current CRF and the new WFP financial framework for reporting. Initial lessons from the annual country reports – released at the end of March 2018 for the 12 country offices that implemented programmes in the IRM framework in 2017 – identified the need for further work in areas that include capturing “resources for results” and defining baselines and targets for CRF indicators. A detailed analysis of the CRF’s ability to capture the relevance and impact of

country offices' work through the annual country reports is under way. The analysis will take into account the relatively slow implementation rate of CSPs in some countries in 2017 and the complications deriving from reporting based on two different results and financial frameworks within the reporting period.

42. In 2018, lessons learned will also be utilized to refine the approach and process for reporting. Initial findings highlight the importance of senior management's involvement in and ownership of performance reports, the need for adequate staff capacity and training in reporting, and the essential need for up-to-date, accurate and comprehensive performance data. Opportunities for rationalizing different streams of planning, monitoring and reporting at the country office level will also be explored, including the alignment of annual country reports with the newly developed online portal and efforts to improve the speed and accuracy of reporting against humanitarian response plans and the financial tracking system. As management reviews and refines processes, corporate reporting will continue to focus on demonstrating the relevance and impact of WFP's work and transparently linking resources utilized to results achieved.

Governance arrangements

43. Interim governance arrangements were approved at the 2017 second regular session of the Board. The arrangements include principles to guide the application of full cost recovery, the continued derogations from provisions of General Rule XIII.4 and Financial Regulations 1.1 and 4.5 relating to cost categories and full cost recovery required for implementation of the IRM framework in 2018, and interim delegations of authority for the period 1 January 2018 to 29 February 2020. The interim arrangements apply to country offices that are operating within the IRM framework.¹²
44. Amendments to the General Rules and Financial Regulations will be necessary to facilitate the introduction of the IRM framework and some of the proposals concerning full cost recovery achievement. These amendments will focus on full cost recovery, terminology and definitions, taking into account lessons learned in 2017 and 2018 and will be presented for approval at the Board's 2018 second regular session. If approved, they will take effect on 1 January 2019. Drawing on experience from the interim period and a review of the Board's fundamental approval and oversight role, management will present proposals for permanent delegations of authority for approval at the Board's 2020 first regular session.

Full cost recovery

45. In addition to the changes in the application of full cost recovery required by the IRM, management is reviewing WFP's full cost recovery formulation more broadly. The review is nearing completion, with findings and recommendations derived by an organization-wide, inter-departmental working group established in mid-2017 to analyse the adjustments required to the current General Rules and Financial Regulations regarding full cost recovery in order to reflect the requirements of the IRM and the changing environment in which WFP works. The review highlighted issues that affect the proposed adjustments to General Rule XIII.4 and related financial regulations in order to incorporate IRM terminology and full cost recovery formulation. These issues are presented in paragraphs 47–74 for Member State feedback prior to the 2018 second regular session.

¹² Countries operating within the project structure will continue to apply full cost recovery in compliance with General Rule XIII.4.

46. It should be noted that following informal consultations on the IRM in 2017, there was broad consensus that the General Regulations would remain unchanged,¹³ including General Regulation XIII.2, which currently states:

Donors may contribute appropriate commodities, cash and acceptable services in accordance with the general rules made pursuant to these General Regulations. Except as otherwise provided in such general rules in respect of developing countries, countries with economies in transition and other non-traditional donors, or in respect of other exceptional situations, each donor shall provide cash contributions sufficient to cover the full operational and support costs of its contributions.

Twinning

47. Twinning is a method utilized to achieve full cost recovery when a developing country, country with an economy in transition or other non-traditional donor provides an in-kind contribution but no associated costs. In such cases, the contribution is “twinned” with a separate cash contribution from another donor or donors to cover associated operational and support costs. The process enables non-traditional donors to contribute to WFP and broadens the donor base in an era of increasing needs for assistance.
48. General Rule XIII.4 (f) defines donors eligible for twinning as “Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board...”. The Board clarified this rule in a 2004 policy paper¹⁴ that states: “To determine whether a member state that cannot provide for full cost recovery is eligible for special efforts and to ensure that objective criteria are applied, WFP proposes to use per capita gross national income as the criterion.” Countries eligible for twinning will be least developed countries, low-income countries and lower-middle-income countries¹⁵ as defined by the Organisation for Economic Co-operation and Development (OECD).
49. Between 2004 and 2016, through twinning arrangements, WFP received approximately 1.5 million mt of food valued at USD 958 million. Management recommends the continuation of twinning arrangements as provided for in General Rule XIII.4 (f), which currently states:

Governments of developing countries, countries with economies in transition, and other non-traditional donors as determined by the Board, may make contributions of commodities or services only, provided that:

- (i) the full operational and support costs are covered by another donor or donors, by the monetization of part of the contribution and/or by resort to the WFP Fund;*
- (ii) such contributions are in the interests of the Programme and do not result in any disproportionate administrative or reporting burden to the Programme; and*
- (iii) the Executive Director considers that accepting the contribution is in the interests of the beneficiaries of the Programme.*

¹³ Under General Rule XV.1, amendments to the General Rules are approved by the Board and submitted for information to the United Nations Economic and Social Council (ECOSOC) and the FAO Council. Amendments to the General Regulations require the approval of the General Assembly of the United Nations and the FAO Conference.

¹⁴ WFP/EB.3/2004/4-C.

¹⁵ List of eligible countries: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

Recommendation 1: Continue twinning arrangements as provided for in General Rule XIII.4 (f).

50. Management also recommends expanding General Rule XIII.4 (f) to cover cash contributions that are earmarked for purposes that are not classified as associated costs from eligible donors.¹⁶ Such a change would reflect WFP's recent shift from being a food aid to a food assistance organization and the increasing proportion of cash-based transfers in WFP's operations. In 2009, WFP distributed approximately USD 10 million in cash-based transfers in ten countries; by 2017 the figures had grown to USD 1.4 billion in 61 countries. Expanding twinning arrangements provides equal opportunity for cash contributions as compared to in-kind contributions, while still ensuring that full cost recovery requirements are met and necessary costs are covered.

Recommendation 2: Adjust General Rule XIII.4 (f) to allow for cash earmarked for purposes that are not classified as associated costs as well as in-kind contributions to be eligible for twinning.

51. Related to twinning, management is also proposing to reinvigorate the emerging donor matching fund (EDMF) as a source of funding to meet full cost recovery requirements for contributions that are eligible for twinning (as outlined in paragraph 48). The EDMF was established in 2004 to support contributions from emerging donors in order to maximize food aid for WFP beneficiaries. It is a funding source of last resort to cover the associated operational support costs of in-kind contributions from emerging donors that are unable to meet the requirements for full cost recovery.
52. Taking into account feedback from the 27 April informal consultation, management is preparing a proposal to allocate funds from the programme support and administrative (PSA) equalization account to the EDMF to support the continued use of twinning arrangements (as allowed under General Rule XIII.4 (f) (i)). The proposal is included in a paper on utilization of the PSA equalization account reserve, which will be presented to the Board at the 2018 annual session.
53. In addition to adjusting General Rule XIII.4 (f), management recommends that a strategy for twinning be considered in the context of the zero hunger strategic reviews and CSP formulation and that guidance material be refined to reflect this recommendation. In addition, management will conduct a review to assess the potential for expanding the definition of "twinning donor" to make it more coherent with the Policy on South-South and Triangular Cooperation.¹⁷ Any expansion of eligibility would require the Board's approval through an eventual policy paper and any changes could require a change to General Regulation XIII.2.

Exemptions and waivers of indirect support costs

54. Exemptions and waivers of indirect support costs (ISC) are currently provided for through two distinct parts of General Rule XIII.4:

General Rule XIII.4 (e): Donors providing cash contributions which are not designated in any way or are designated to the Immediate Response Account (IRA) or to Programme Support and Administrative (PSA) or related activities shall not be required to provide additional cash or services to cover the full operational and support costs

¹⁶ Eligibility would follow current policy as defined in "New Partnerships to Meet Rising Needs – Expanding the WFP Donor Base", WFP/EB.3/2004/4-C.

¹⁷ WFP/EB.A/2015/5-D.

related to their contribution, provided that such contributions do not result in any additional reporting burden to the Programme.

General Rule XIII.4 (g): Exceptionally, the Executive Director may reduce or waive indirect support costs in respect of any contribution in kind to cover direct support costs of an activity or activities where the Executive Director determines that such reduction or waiver is in the best interests of the beneficiaries of the Programme, provided that:

- i) such contributions do not result in any additional administrative or reporting burden on the Programme; and*
- ii) in the case of a waiver, the indirect support costs otherwise applicable have been determined by the Executive Director to be insignificant.*

Contributions under General Rule XIII.4 (e) do not generate ISC, and therefore no ISC is charged in respect of them, whereas contributions under Rule XIII.4 (g) do entail an ISC charge, which the Executive Director may decide to waive.

- 55. The ISC waivers and exemptions provided for by this rule have facilitated contributions to the IRA and enabled WFP to receive in-kind support such as the contributions of stand-by partners, and temporary office structures.
- 56. In 2015 and 2016, total contributions received by WFP and qualifying for these ISC waivers and exemptions amounted to USD 171.1 million, half of which was for the IRA. The total estimated unrealized ISC was USD 11.2 million; if contributions to the IRA had been excluded from the waiver, the unrealized ISC would have been USD 5.2 million.
- 57. Management recommends that the ISC exemptions provided for in General Rule XIII.4 (e) be expanded to include relevant in-kind contributions for the PSA or PSA-related activities, such as consulting services, office space or free advertising. In-kind contributions of this type averaged USD 6 million per year from 2012 to 2016.

Recommendation 3: Expand the ISC exemptions for PSA and PSA-related cash contributions provided for in General Rule XIII.4 (e) to include relevant in-kind contributions for the PSA or PSA-related activities.

- 58. Management also recommends that the ISC waivers provided for in General Rule XIII.4 (g) be maintained. To apply these waivers in the IRM framework, an amendment to the wording of the rule will be required to reflect the new IRM cost categories because contributions that are eligible for the ISC waiver may now be budgeted under cost categories other than direct support costs (DSC), such as implementation or transfer costs. An example of such contributions are those made by stand-by partners, which are government and non-governmental organizations that maintain a roster of specialized staff who can be deployed rapidly, have various competencies and are available to WFP. Recent examples of stand-by deployments include:
 - a protection adviser provided by the non-governmental organization RedR Australia and deployed to Bangladesh in support of the Rohingya response;
 - a senior transport specialist provided by RedR Australia and deployed to Ethiopia to support the management of emergency logistics operations, road assessments and updating of the logistics capacity assessment.
- 59. For the same reason, it is also recommended that the ISC waivers be expanded to cover broader support costs – by including adjusted DSC in addition to ISC – because if the items being contributed are budgeted under implementation costs in accordance with the full cost recovery formulation, both DSC and ISC should be levied against the contribution.

Recommendation 4: Maintain the ISC waivers provided for in General Rule XIII.4 (g) and amend the wording of the General Rule to reflect the IRM framework and cost categories, including by adjusting the waivers to cover broader support costs in line with the interim full cost recovery formulation approved by the Board.

Adjusted DSC rates for mandated common services

60. Drawing on its operational experience, research and use of innovative tools, WFP operates the United Nations Humanitarian Air Service and is mandated by the Inter-Agency Standing Committee (IASC) to lead the logistics and emergency telecommunications clusters and to co-lead the food security cluster with FAO. These services were formerly provided through special operations with self-contained support costs but are now included as separate activities in the CSP framework. Contributions to these services are considered to be for the humanitarian community as a whole and should therefore not be accounted for in the related adjusted DSC for WFP's country portfolio.
61. At the 2017 second regular session the Board approved the provision of a degree of flexibility in applying adjusted DSC for mandated services.¹⁸ It is recommended that flexible adjusted DSC rates for mandated common services be maintained and that the final wording of General Rule XIII.4 (a), which will define adjusted DSC, should be drafted so that more than one adjusted DSC rate can be applied within a single country.

Recommendation 5: Maintain the flexibility of adjusted DSC rates for mandated common services and ensure that the General Rules and Financial Regulations allow for the possibility of more than one DSC rate in a single country in such cases.

Handling of revenue generated from on-demand service provision

62. WFP also reviewed the handling of revenue generated from on-demand service provision. These services are provided on request to an organization or group of organizations on a direct cost recovery basis. Typically, they include – but are not limited to – transport, sourcing of non-food items, storage, accommodation, engineering services and information technology solutions. All service provision activities will be incorporated into a country's CSP framework.
63. Revenue generated through on-demand service provision amounted to USD 102.6 million in 2015 and USD 119 million in 2016, approximately 2 percent of WFP's annual revenue for each year. The revenue generated by on-demand service provision is recognized as being distinct from contributions as defined by Financial Regulation I.¹⁹

Recommendation 6: Continue to treat revenue generated from on-demand service provision as distinct from contributions as defined by Financial Regulation I.

Trust funds

64. The use of trust funds in WFP has grown over the last decade as a means of implementing a variety of activities that are not congruent with WFP's regular funding sources for projects, special accounts or PSA. Financial Regulation 1.1 defines trust funds 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." Contributions to corporate trust funds support enhancements to

¹⁸ WFP/EB.2/2017/4-A/1/Rev.1.

¹⁹ Financial Regulation I states: "Contribution shall mean a donation of appropriate commodities, non-food items, acceptable services or cash made in accordance with procedures set out in these Regulations. A contribution may be multilateral, directed multilateral or bilateral."

WFP's organizational capacity and effectiveness and thematic areas such as Purchase for Progress, emergency preparedness and response, food security and rural resilience and relief and development. Country specific trust funds receive funds at the country level, largely from host governments, and enable country offices to work with governments on programmes aligned with the strategic objectives. The Management Plan 2018–2020²⁰ provides several examples of country specific trust fund activities in 2017, including school feeding programmes in Honduras, promotion of food and nutrition security in Peru, nutrition, food security and national capacity building in the Dominican Republic, implementation of the national school meals programme in Benin, purchase and supply of a preventive nutrition package – SuperCereal and SuperCereal Plus – in Mali, P4P activities in the Democratic Republic of the Congo and technical assistance in India.

65. Within the IRM framework, however, all country-level activities should be accounted for as programmatic or service provision in the CSP structure, including activities funded entirely by host government contributions.
66. Recommendations related to service provision concern the treatment of trust funds in the IRM framework. On-demand service provision activities are often the basis for creating country-level trust funds. The handling of revenue linked to such service provision will therefore help determine whether country-level trust funds will continue to be required. Management does not expect that trust funds will disappear altogether; corporate trust funds, which are managed at headquarters or regional bureaux and typically contribute to institutional capacity building activities, are expected to continue.

Recommendation 7: Integrate country-level trust funds into the IRM framework, while other trust funds continue.

Flexible ISC rates

67. The ISC recovery rate is approved annually in WFP's management plan. For 2018, the Board approved an ISC rate of 6.5 percent. Currently, however, when extra-budgetary activities implemented through a trust fund are planned, resourced and managed at the country level an ISC recovery rate of 4 percent may be applied. This is because such activities are outside WFP's programmes and lower support costs are needed because only minimal support is provided by the regional bureau or headquarters.
68. In accordance with recommendation 7, country-level trust funds will be integrated into the IRM framework. Noting that support from host governments is frequently provided in the form of trust funds, management recommends that a reduced ISC rate for host government contributions be established.
69. It is also recommended that application of the reduced ISC rate be extended to cover contributions from one developing country to another through South–South or triangular cooperation.
70. This recommendation would be implemented directly in the annual management plan, in which a separate ISC rate for host government contributions and for contributions made through South–South and triangular cooperation during the year would be presented for approval.

Recommendation 8: Apply a reduced ISC rate for host governments' contributions to their own programmes and for contributions made by one developing country to another through South–South and triangular cooperation, with a proposed rate to be presented in the management plan.

²⁰ WFP/EB.2/2017/5-A/1/Rev.1.

71. The review also considered the potential for widening the scope of waivers of or exemptions from ISC as allowed for under General Rule XIII.4 (e) in order to allow their application to the Operational Reserve
72. Reserves are established by the Board as facilities for funding and/or financing specific activities in particular circumstances. Currently, under General Rule XIII.4 (e) contributions to the IRA and PSA are exempt from ISC recovery. It is recommended that this exemption be expanded to the Operational Reserve. Similar to contributions to the IRA and PSA, contributions to the Operational Reserve are not expected to generate significant indirect support costs.
73. Within the General Fund, an Operational Reserve is maintained in order to ensure continuity in operations in the event of a temporary resource shortfall. In line with a 2014 policy paper²¹ the reserve is also used as leverage for internal project lending for operations. The current leverage factor is 6:1, which means that for every USD 1 in donor contributions to the Operational Reserve an additional USD 6 is available for internal project lending.

Recommendation 9: Adjust General Rule XIII.4 (e) to allow for exemptions from ISC for contributions to the Operational Reserve. (This would expand WFP's ability to engage in internal project lending.)

74. Management will continue to take into account the feedback provided by Member States during informal consultations prior to the formal presentation of amendments to the General Rules and Financial Regulations related to full cost recovery at the 2018 second regular session.

Interim delegations of authority

75. Interim delegations of authority,²² effective from 1 January 2018 to 29 February 2020, relate to the Executive Director's authority to approve programmes and revise budgets as well as to joint delegations of authority with the FAO Director-General to approve limited emergency operations and strategic outcomes related to crisis response, including revisions to either.
76. Permanent delegations of authority that draw on experience from the interim period and from a review carried out with a view to ensuring that the Board's fundamental approval and oversight role is maintained will be presented for approval at the Board's 2020 first regular session. If approved, they will take effect on 1 March 2020.

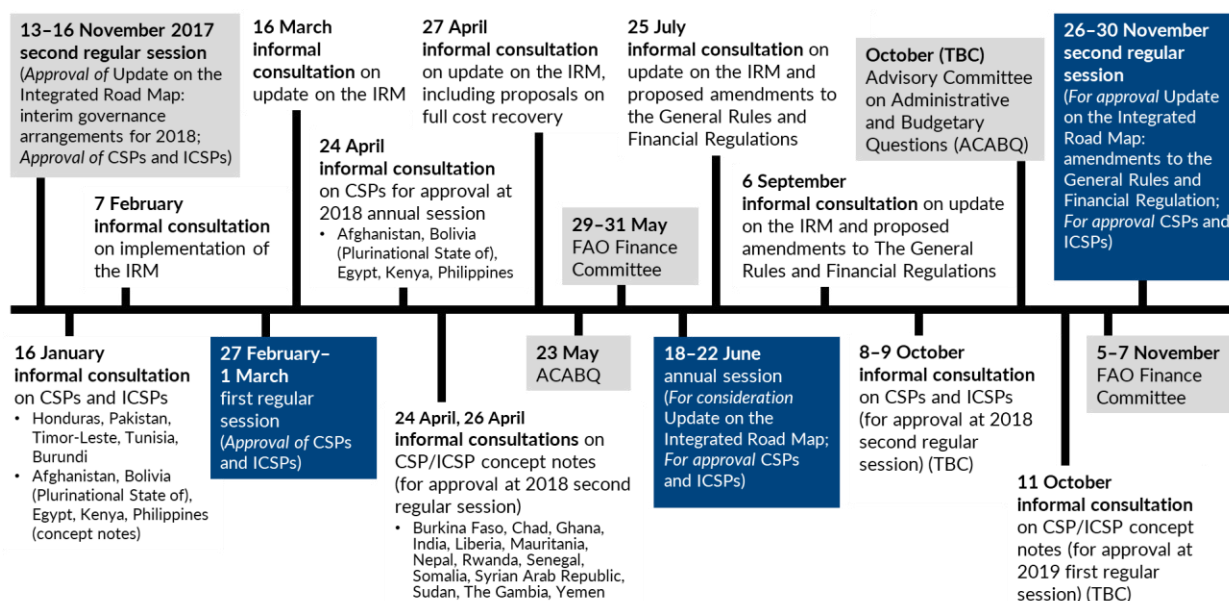
Informal consultations in 2018

77. Recognizing that the significant transformation brought by the IRM and other governance decisions will require substantial discussions, management has scheduled a series of informal consultations throughout 2018. The consultations (figure 2) enable management to update the Board on implementation of the IRM, share lessons learned and gain feedback on the proposed amendments to the WFP General Rules and Financial Regulations that will be presented for approval at the 2018 second regular session.²³ Consultations also provide an opportunity to discuss concept notes for CSPs and ICSPs and revisions to the CRF.

²¹ "Financial Framework Review, Restructuring of the Working Capital Financing Facility" (WFP/EB.A/2014/6-D/1).

²² At the 2017 second regular session, the Board approved interim delegations of authority to the Executive Director as set forth in annex II to the "Update on the Integrated Road Map" (WFP/EB.2.2017/4-A/1/Rev.1).

²³ Proposed permanent delegations of authority – which will be presented for approval at the Board's 2020 first regular session – will also be the subject of informal consultations in 2018 and 2019.

Figure 2: Updated schedule of informal consultations in 2018

ANNEX I

Lessons learned in 2018

1. As noted in paragraphs 16 and 17 of the document, lessons learned have been systematically gathered from country offices, regional bureaux and headquarters. Highlights were shared at informal consultations on 7 February, 16 March and 27 April 2018.

Zero hunger strategic review process

2. Country offices continue to report that the preparation of zero hunger strategic reviews is a valuable process for eliciting critical information, providing a sound rationale for WFP's interventions and building a strong platform for the design of high-impact CSPs. The review process is recognized as an opportunity for building long-term strategic partnerships with governments, donors and other core partners, while the intensive consultations involved provide an opportunity for WFP to reposition itself and define its value proposition in each context.
3. *Timing and alignment with national processes and the processes of partners.* Findings from zero hunger strategic reviews are expected to inform national development planning and the formulation of United Nations system-wide plans. To avoid duplication and enhance complementarity, the reviews therefore need to be synchronized with national planning cycles, United Nations development assistance frameworks (UNDAFs) and SDG localization processes such as voluntary national reviews. To ensure that the reviews are consistent with other processes and receive the required engagement, it is also essential that adequate time be dedicated to jointly defining with all relevant stakeholders the approach to be followed in designing and carrying out a review. Collective agreement on the objectives, methodology and timeframe of a zero hunger strategic review is the key to success.
4. *Changes in the political environment.* Elections and unexpected shifts in the political landscape may affect national ownership of the review process. It has proved helpful to cultivate broad political and strategic relationships with a wide range of stakeholders during the design of zero hunger strategic reviews. In coordination with partners, the lead convener plays a crucial role in managing and accommodating changing dynamics during the planning and execution of a review in order to ensure not only timeliness but also inclusiveness and objectivity.
5. *Mobilizing the right analytical and research capacity.* Research support can take multiple forms including groups of independent researchers, teams from universities, consultancy companies or a mix of these elements. While in-depth knowledge of local conditions is crucial for national ownership and leadership of the zero hunger strategic review, sufficient research capacity may not be available. The combined expertise of technical experts from ministries, United Nations agencies, donors, non-governmental organizations, civil society and the private sector, serving as participants on an advisory board and technical teams, has therefore proved to be instrumental in complementing the work of national research teams.
6. *Collaboration with the other Rome-based agencies and other United Nations agencies:* The involvement of the United Nations country teams, particularly the Rome-based agencies (RBAs), during initial discussions with governments on the zero hunger strategic reviews is critical. It has allowed joint facilitation of the review process and/or technical or financial contributions to the review. The vast majority of zero hunger strategic reviews have benefited from the constructive participation of United Nations agencies through inputs to the review process as members of advisory boards, participation in validation exercises and

engagement in the official launch of the completed strategic review reports. United Nations agencies have also participated in follow-up mechanisms established by governments to oversee the implementation of collectively agreed priority actions. Several resulting CSPs include strong collaboration with the RBAs and other partners, including through joint programmes. Examples of collaboration in selected countries include the following:

- Afghanistan: The zero hunger strategic review was co-funded by WFP, FAO and the United Nations Children's Fund (UNICEF). The regional directors of WFP and its partner agencies will join the lead convener of the review to launch the report when it is ready. Stemming from this collaboration, the three agencies have signed an agreement to support a secretariat for Afghanistan's food security and nutrition agenda.
- The Gambia: The zero hunger strategic review was co-funded by WFP, FAO and UNICEF. The three agencies and the United Nations resident coordinator were closely involved in the review process under the active leadership of the country's Vice-President as chair of the advisory committee. They are now joined by the United Nations Development Programme, which is providing financial support for a countrywide campaign for disseminating the strategic review findings and mobilizing local actors around SDG 2.
- Lesotho: Strong relationships with the United Nations country team contributed to valuable collaboration on the zero hunger strategic review among WFP, FAO and the World Health Organization (WHO). FAO provided two experts to the technical team for the strategic review – a climate change expert and a national agricultural economist – and contributed financially to the launch of the review and consultations with stakeholders. WHO provided financial support for a nutrition expert to engage in the review process and attend regional consultations.
- Dominican Republic: The zero hunger strategic review was led by the country's Vice-President and co-organized in partnership with FAO and WFP. At the joint launch of the review report the Government presented the national zero hunger road map, which will be implemented with the support of FAO and WFP. National online and regional consultations formed part of the broad and inclusive strategic review process and led to the formation of a national zero hunger movement aiming to promote progress towards SDG 2 throughout Dominican society. The approach followed for the zero hunger strategic review will be replicated for reviews that support the achievement of other SDGs in collaboration with other United Nations agencies.
- Nigeria: The zero hunger strategic review benefited from the strong commitment and support of the International Institute of Tropical Agriculture and the African Development Bank. WFP, FAO and UNICEF are supporting the Zero Hunger Forum – the follow-up mechanism established to oversee implementation of the actions identified in the strategic review.
- Uganda: In direct response to the recommendations and priority actions identified in the zero hunger strategic review, the Presidential Council has tasked the Government's national planning authority – which is in charge of localizing the SDGs and leading the zero hunger strategic review – to develop a national action plan. The "Zero hunger action plan for Uganda 2018–2025 – scaling up multisector efforts towards a hunger-free society" is being developed with support from WFP and others. The United Nations country team has recognized the Uganda zero hunger strategic review as a good example of United Nations coordination.

CSP framework

7. CSPs continue to lay the foundation for more effective partnerships with governments, with the extended planning duration providing a platform for building longer-term partnerships

and fostering South–South cooperation. The extended planning duration and the line of sight from WFP Strategic Results to activities also continue to bring greater coherence and vision to programme design. Country offices emphasize the importance of dedicating adequate time to consulting partners during CSP design, specifically on the formulation of strategic outcomes in order to align them with donors’ strategies, leading to enhanced co-ownership of strategic outcomes.

8. Lessons learned from the emergency response in Bangladesh demonstrated that the presence of an activity for crisis response within an approved CSP enabled the country office to initiate an emergency response immediately. Support was also made available to facilitate the scale up of operations to include a larger number of refugees and create additional activities as required in relation to cluster services for the emergency response. Overall, efficiency gains were achieved because all activities were managed through a single instrument – the CSP – which led to a reduction in processing time. Lessons learned and consequent recommendations related to internal guidance, processes and systems within the IRM framework and their application in the emergency response in Bangladesh are expected to facilitate, inform and improve WFP’s emergency responses in the future.
9. The flexibility of the CSP framework is crucial to preserving WFP’s ability to respond quickly in fluctuating circumstances and to unforeseen emergencies. Pilot countries continue to report that the programmatic coherence of CSPs is contributing to enhanced partnerships and increased potential for new funding opportunities and improving stakeholder perceptions and WFP’s standing and positioning at the country level. Based on these experiences and lessons learned, management continues to guide the development of new CSPs in accordance with corporate guidance.

CSP approval and implementation timeframe

10. Management strives to keep the time between the approval of a CSP and its starting date to a minimum. The timing of CSPs must also however take into account national planning cycles, the UNDAF and other processes in a country. The intensive consultation process preceding the design of a CSP situates WFP’s assistance in a country, articulates how this assistance contributes to broader national plans, and provides the basis for deeper partnerships based on shared longer-term approaches to supporting the elimination of hunger. When significant changes in the operating context occur between approval and the start of implementation, necessary adjustments will be reflected in an early revision of the CSP document once it has taken effect.

Formulation of strategic outcomes

11. Strategic outcomes derive from national needs and priorities for achieving zero hunger by 2030, and consequently reflect specific features of the situation in each country. Strategic outcomes are not formulated by WFP alone, but collectively through extensive stakeholder consultations involving national entities, donors and other partners.
12. Building on country level broad consultations, informal consultations provide Board members with an opportunity to discuss concept notes on planned CSPs and build consensus on strategic outcomes early in the CSP development process. This multi-layered consultation process helps country offices to strike the right balance between specificity and flexibility when finalizing their CSP documents, including by ensuring that the government and partners participate in decisions regarding changes in the overall nature of strategic outcomes, if necessary.
13. Management has strengthened guidance on the formulation of strategic outcomes in order to ensure that they are consistent in scope and depth, particularly among the CSPs of countries in the same region and facing similar challenges. In ensuring such consistency, management does not intend to standardize strategic outcomes for all possible scenarios,

but rather to support country offices in ensuring that the outcomes accommodate the realities, interests and inputs of all stakeholders.

The Sudan

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

Strengthened synergies among humanitarian action, development and peace

17. Recognizing the growing body of evidence that links hunger and conflict, WFP has the capability and reach to operate across the humanitarian, development and peacebuilding nexus. Building on the international agenda for sustaining peace and ongoing discussions on United Nations reform, WFP is enhancing the alignment and smoothing the transition between humanitarian and development actions in the CSP framework. WFP expects to improve its contribution to peace by:
 - enhancing programme design to better reduce risk and build resilience in support of peace;
 - expanding and deepening complementary institutional partnerships that provide added value to WFP's core work;
 - mainstreaming conflict sensitivity into all humanitarian and development work;
 - supporting the development of collective sector-specific outcomes through the Inter-Agency Standing Committee (IASC) task team; and,

¹ WFP/EB.A/2017/8-B.

- linking operational innovations and collective sector-specific outcomes to strategic dialogue on the humanitarian–development–peacebuilding nexus in order to support system-wide changes in the enabling environment.

Organizational readiness

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

Partnerships

21. Management continues its work to strengthen partnerships in all areas of the IRM framework. Guidance materials, tools and templates have recently been revised to further embed and reinforce WFP corporate partnership principles² throughout the CSP development and implementation process and in CSPs submitted to the Board for approval.
22. Implementation of the IRM framework presents opportunities to forge and nurture the long-term, multi-stakeholder partnerships needed to support countries in achieving zero hunger. IRM instruments and processes support country offices and regional bureaux in engaging fully, effectively and strategically with the full range of partners – resource, policy, knowledge, governance, advocacy and capability – in order to achieve collective outcomes at the country level.
23. Management is developing e-learning materials on partnerships, which will be available to all staff members in 2018. The training covers essential skills and behaviours that underpin effective partnerships, WFP’s partnership principles and the abilities needed to navigate relationships. It enhances essential partnership skills for working both internally with WFP colleagues and with external partners and emphasizes new ways of identifying, engaging and aligning with partners. To date, management has provided training in focused, strategic partnerships to country office management, through regional workshops on partnerships and in-depth training on engagement with host governments.

² WFP/EB.A/2014/5-B.

24. More than a year after the introduction of internal partnership action plans to support country offices in establishing their priorities and strategies for partnerships, 16 country offices have adopted such plans as a valuable internal management tool. As part of its continuous efforts to foster a consultative development process for successful CSPs with strengthened partner engagement, management plans to capture lessons learned on the impact and effectiveness of partnership action plans with a view to enhancing their design and application and further mainstreaming their use within WFP.

Acronyms used in the document

CRF	Corporate Results Framework
CSP	country strategic plan
DSC	direct support costs
EDMF	emerging donor matching fund
FAO	Food and Agriculture Organization of the United Nations
IASC	Inter-Agency Standing Committee
ICSP	interim country strategic plan
IRA	immediate response account
IRM	Integrated Road Map
ISC	indirect support costs
PSA	programme support and administrative (budget)
RBA	Rome-based agency
SDG	Sustainable Development Goal
T-ICSP	transitional interim country strategic plan
UNDAF	United Nations development assistance framework
UNICEF	United Nations Children's Fund
WHO	World Health Organization