

UPDATE ON THE INTEGRATED ROAD MAP



DRAFT

Informal Consultation

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World Food Programme
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Executive Summary

Implementation of the Integrated Road Map is the largest transformation in WFP in the last 20 years. The Integrated Road Map provides a new business model for WFP, requires a full re-configuration of WFP's IT system and demands a culture change throughout the organization with its focus on performance, transparency, and maximizing value for money. The opportunities the Integrated Road Map brings to WFP are significant, with real and substantial benefits to be realized once the transformation is complete. The results-oriented framework is holistic and comprehensive, yet flexible enough to enable WFP to respond swiftly to crises and scale-up while providing a foundation to strengthen the humanitarian-development nexus within a country context.

The level of commitment and engagement to the Integrated Road Map's implementation from country offices, regional bureaux, Headquarter divisions as well as strong support from national governments, Member States, donors and partners has generated significant momentum. As of April 2017, more than 95 percent of critical milestones are on track to make the full corporate transition to the Integrated Road Map programmatic and budgetary system on 1 January 2018.

Notwithstanding the above, the pace of implementation has raised concerns from some Member States. The Secretariat is therefore proposing to introduce a flexible implementation approach that safeguards the progress made to date by maintaining the target go-live date of 1 January 2018 for most country offices but permits select country offices to continue implementing projects under the current system, instead of Country Strategic Plans, Interim Country Strategic Plans or Transitional Interim Country Strategic Plans, beyond 1 January 2018, but no later than 1 January 2019.

This approach will provide more time for continued learning, internally and in consultation with partners, strengthen capacity at country office, regional bureaux and Headquarters levels to successfully implement the Integrated Road Map and respond to an unprecedented level of emergency responses. Furthermore, it allows more analysis and consultation to inform the amendments to the WFP General Rules and Financial Regulations and the final budgetary thresholds for delegations of authority which will be deferred to the 2018 Second Regular Session.

Existing General Rules and Financial Regulations would apply to country offices implementing the current system of projects in 2018 (i.e. emergency operations, protracted relief and recovery operations, special operations, country programmes and development projects). For those countries that will operate under the Integrated Road Map framework in 2018, the Secretariat will seek approval from the Executive Board at the 2017 Second Regular Session to approve interim delegations of authority and to extend certain derogations to the WFP General Rules and Financial Regulations through 31 December 2018 that were originally authorized at the 2016 Second Regular Session for 2017.

Other transitional governance arrangements for 2017 and 2018, which include employing approval by correspondence for project budget revisions under the current system and extensions in time for Transitional Interim Country Strategic Plans, are outlined as a mechanism to provide visibility and oversight while easing the pressure on the Secretariat and Board's workload and ensuring operational continuity for country offices. These proposed arrangements, discussed with the Board and partners at informal consultations and bilaterally, reflect the feedback received to date. Draft decisions to be considered for approval at the 2017 Annual Session are included in Annex I.

Introduction

1. This document outlines the Secretariat’s plan to introduce more flexibility to the Integrated Road Map’s implementation and provides the background and rationale for the Secretariat’s proposal to employ approval by correspondence for project budget revisions and extensions in time for Transitional-Interim Country Strategic Plans (T-ICSPs)¹ for the remainder of the foreseen implementation period. It also describes other key developments, lessons learned to date, and provides an update on outstanding governance issues including the approach to amendments to the WFP General Rules and Financial Regulations required for alignment with the new programmatic and financial frameworks.
2. Feedback received during the informal consultation on 17 March 2017 is incorporated in this document, namely with regard to the implementation approach, proposed transitional governance arrangements and the development of guiding principles for establishing budgetary thresholds for permanent delegations of authority. Additional feedback received during the upcoming informal consultation, scheduled for 4 May 2017, will be incorporated to the extent possible before the 2017 Annual Session and will inform future informal consultations.²

Key Developments

Progress-to-Date

3. As of April 2017, more than 95 percent of critical milestones for implementation of the Integrated Road Map (IRM) are on track, resulting from heavy investments from Headquarters divisions, regional bureaux and country offices. Intensive workshops and trainings have stimulated further thinking and discussion around individual country office Integrated Road Map implementation plans, culminating in the submission of Concept Notes for T-ICSPs with relevant budget conversions or Country Strategic Plans (CSPs)/Interim Country Strategic Plans (ICSPs) with accompanying country portfolio budgets, and updates to logframes. Overall, implementation has greatly improved management and staff’s understanding of the organizational and structural implications of the new business model.
4. The Board approved eight CSPs with accompanying country portfolio budgets, collectively referred to as Wave 1A, at the First Regular Session of 2017.³ Wave 1A country offices include: Bangladesh, China, Colombia, Ecuador, El Salvador, Indonesia, Lao People’s Democratic Republic and Zimbabwe. Before the “go-live” date of 2 April 2017, several major milestones were required including implementation of WFP’s reconfigured enterprise resource planning system (WINGS) and transfer of outstanding balances to the country portfolio budget structure in WINGS to enable closure of all projects under the current system and facilitate resource availability at the start of the CSP.
5. On 1 March 2017, WINGS was ready to record new contributions for the approved CSPs. This was achieved following an intense period of design and development in 2016 and three phases of extensive testing in the last quarter of 2016 and first two months of 2017. Additionally, the performance tracking system – COMET – was reconfigured to interface with the WINGS system and create the desired alignment between resources and results.

¹ T-ICSPs, based on previously approved project documents, will be approved for up to 18 months by the Executive Director as a bridge to a strategic-review informed CSP. Within the 18-month period, country offices are expected to develop and submit strategic review-informed CSPs for approval by the Executive Board.

² An informal consultation on 16 May 2017 will provide an opportunity to discuss the draft CSPs and ICSPs that will be submitted for approval at the 2017 Annual Session.

³ The piloting of CP budgets will occur in 2017 only. Accordingly, the pilot country portfolio budget components of CSPs approved by the Board in 2017 will become CP budgets without the need for further Board consideration or approval in 2018.

6. The second wave, Wave 1B, that will be submitted for approval at the 2017 Annual Session includes five CSPs (Cameroon, Lebanon, Mozambique, Namibia and the United Republic of Tanzania) and the ICSP for Sudan. Similar to the process employed for Wave 1A, draft CSPs/ICSP for Wave 1B will be circulated prior to the 16 May 2017 informal consultation. If approved, the CSPs/ICSP will have a start date of 1 July 2017, with the exception of Cameroon and Lebanon, both of which will start on 1 January 2018. The Secretariat is preparing the resource transfer exercise for the Wave 1B country offices.
7. While indicative, approximately 16 CSPs/ICSPs will be submitted for approval at the 2017 Second Regular Session; the remaining CSPs and ICSPs to be approved over the subsequent implementation period are in various stages of preparation. Moving forward, all draft CSP/ICSP documents will be made available at least 12 weeks before the approval session. Board members will have 20 days to comment. Comments will be published on the Board website, discussed with concerned governments and stakeholders and incorporated, as appropriate, into the final CSP/ICSP. The final document will be posted in English at least six weeks before the Board approval session.
8. Country offices are now developing T-ICSPs, country portfolio budgets and logframes to enable migration of budgets and resources to the new structure from 1 January 2018.

Introducing More Flexibility to the Integrated Road Map's Implementation

9. While recognizing that 2017 is a year of learning and refinement for the IRM, the Secretariat is sensitive to concerns raised by some members of the Executive Board, donor partners as well as internally that a more flexible implementation approach should be considered in order to:
 - provide more time for WFP to make adjustments in light of lessons learned to date and progressively implement improvements during the roll-out;
 - safeguard WFP's capacity to implement the IRM while responding to an unprecedented number of emergencies;
 - discuss and resolve process, system, policy and legislative issues with donors, to ensure uninterrupted funding to WFP and avoid the risk of potentially serious funding issues; and
 - enable the Board to maintain a high level of oversight and engagement in the process.
10. The Secretariat proposes to bring more flexibility to the IRM implementation approach, while preserving progress made to date, by taking the following actions:
 - maintaining the original target 'go-live' date of 1 January 2018 for WFP to make the corporate transition to the new IRM programmatic and budgetary system, in order to keep current momentum and ensure that the widely recognized IRM benefits and learning are delivered as early as possible; and
 - on an exceptional basis, allow flexibility for select country offices to continue operating under the project system during the course of 2018, while working towards transitioning to the IRM framework no later than January 2019.
11. In essence, this means the Secretariat will maintain the existing timeline while presenting country offices with the option to *exceptionally* continue implementing projects under the current system in 2018. The IRM Chair, in consultation with the regional bureaux and country offices, will decide which country offices will follow the more flexible timeline, based on:
 - i) contexts where there is an opportunity to improve programmatic quality by following a more flexible timeline;
 - ii) a combination of funding concerns and the extent of the resource migration exercise which could impede operational continuity should the country office transition to the new framework by 1 January 2018; and/or
 - iii) Headquarter and regional bureaux readiness for IRM service support and country office capacity to fully absorb and manage the change with success.

12. Given the progress to date, the investments made across the organization, and the perceived and documented benefits of the IRM, the current indicative timeline for CSP/ICSP submissions to the Board as well as the timeline for the adoption of T-ICSPs is not expected to change significantly. Nevertheless, a more flexible approach offers an opportunity to alleviate pressure on some country offices where required, while ensuring that those which can and should move forward, continue to do so at the pace achieved to date.
13. Existing General Rules and Financial Regulations would apply to country offices implementing project documents under the current framework in 2018. Additionally, country offices implementing projects under the current system may need to submit for approval extensions in time for ongoing projects. This may require establishing a lighter process for submission and approval of extensions, such as approval by correspondence.
14. Amendments to the WFP General Rules and Financial Regulations and the revised budgetary thresholds for delegations of authority would be considered for finalization at the 2018 Second Regular Session and would take effect on 1 January 2019. As such, implementation of the more flexible approach will require authorization from the Board to extend certain derogations, originally approved at the 2016 Second Regular Session, from WFP's General Rules and Financial Regulations as well as interim delegations of authority for CSPs and ICSPs – as a temporary measure – from 1 January 2018 through 31 December 2018.
15. In the event of unforeseen needs in 2018, country offices operating under the current project system will use current templates and procedures, e.g. emergency operations (EMOPs), to address the emergency response. Country offices implementing the IRM framework will address unforeseen needs by the addition of a WFP strategic outcome(s) or augmentation of existing strategic outcome(s) by using the CSP emergency revision template.
16. The introduction of more flexibility to the implementation approach presents both opportunities and risks which are elaborated below:

Opportunities

17. **Extended period to implement and integrate learning:** The flexibility within the implementation approach would strengthen the development and integration of lessons learned and best practices, while refining the IRM framework as necessary. This applies especially to areas of linking resources to results, strengthening partnerships, the use of focus areas, and changes to the General Rules and Financial Regulations. In addition, the organization would also benefit from learning from an internal processes and systems perspective as well as governance arrangements, including at the country office, regional bureau and Headquarter levels.
18. **Organizational readiness:** Increased flexibility would additionally provide country offices, regional bureaux and Headquarters with more time to fully understand and absorb implications from an organizational readiness perspective, including the full realignment of corporate support to orient with the new architecture.
19. **Corporate capacity:** In the face of unprecedented complex crises, introducing more flexibility to the timeframe will ensure the organization retains its corporate response capacity and undertakes the transformation the IRM brings with a more measured approach.
20. **Resource transfer process:** With some country offices opting to continue with projects under the current system in 2018, the scale and pressure to transfer resources (undistributed commodities and unspent cash) in advance of a project's natural end date would ease – even when taking into account mitigation measures brought on by the early release of CSPs/ICSPs and advance financing options. This would result in a more balanced distribution of resource transfers staggered over an extended period of time from both a WFP and donor partner perspective.

21. **General Rule and Financial Regulation Changes:** Given the lead-time required for discussions with the Executive Board on permanent changes to the General Rules and Financial Regulations, the enhanced flexibility with the timeframe would ensure that such changes would be sufficiently informed by consultations and the lessons learned from the pilot countries. For example, interim delegations of authority for CSPs and ICSPs will be proposed at the 2017 Second Regular Session, with final delegations of authority – benefiting from lessons learned – will be proposed at the 2018 Second Regular Session.
22. **Reducing risks at the year-end:** Risks associated with transitioning all country offices to the new architecture at the same time will be reduced, subject to the actual number of country offices selecting to stay on the project path, including those with more complex operations.

Risks

23. **Resources to results:** The Secretariat’s ability to demonstrate investments in planning, strategy, and implementation of resources to results will not be possible across the organization until 2019, given that it would only be possible for countries implementing the CSP framework in 2018. Coherently communicating the impact of WFP’s assistance at an aggregate level in a way that is holistic and comprehensive and building on the benefits of the new, results-oriented approach with its ‘Line of Sight’ will therefore be delayed by a year. Within this context, the Secretariat is exploring an interim solution to mitigate this risk.
24. **Reputational impact:** WFP’s transformation to the results-oriented business model has been highly visible and the organization has provided assurances to Member States and partners that it can meet its ambitious timeline. United Nations and other partner organizations are closely monitoring WFP’s progress and delays in the transformation could be perceived as a setback.
25. **Dual systems:** WFP would run parallel system configurations in WINGS to accommodate and manage both the current project system and the new IRM framework for a longer period of time. This will have several implications from a systems perspective as well as a resource management and reporting perspective. The Secretariat is exploring how impact can be minimized through an interim solution to mitigate this risk.
26. **Governance:** In order to effectively govern the two frameworks (the project system and the new IRM framework), the Executive Board would have to approve an extension of certain derogations to WFP’s General Rules and Financial Regulations, in particular those relating to cost categorizations and the manner in which full cost recovery is achieved as well as language referring to existing programme categories as if such references were to the CSPs or ICSPs.
27. **Contributions:** Contributions would be accepted in two different ways to align with the different structures and the respective full cost recovery policies. This could potentially create confusion as donors could receive both portfolio reports and project reports (depending on the countries where contributions are provided) for an extended period of time.
28. **Increased resource requirements:** Moving the full global transition from January 2018 to January 2019 would entail additional investments for the organization to consider, given the same level of work over a longer period, particularly at the regional bureaux level. Increased resource requirements would need to be carefully assessed and sustained, including costs required to maintain dual systems.

Risk mitigation strategy

29. WFP is considering a number of measures to ensure that its internal system can handle parallel configurations, and investments will be made to ensure that WFP can control and manage operational processes with a dual system approach. Support to country offices will be maintained throughout 2017 and 2018 to ensure sufficient attention and resources are given to both country offices going live on 1 January 2018 and those undertaking the transition during 2018.

30. WFP staff and partners will be sensitized to support the dual system approach. All communication on WFP's Programme of Work, operational requirements information, resource management reports will clearly indicate the framework that applies to it. WFP will also develop a clear strategy that provides consolidated reporting of its needs and expenditure.
31. WFP will work with the Executive Board membership on reporting requirements during the course of 2017 to ensure information demands are met.

Indicative Roll-Out

32. The Secretariat is working closely with regional bureaux and country offices to identify countries which will continue with the transition to the IRM framework in 2018 and those that will carry on with project implementation in 2018. An updated schedule of the roll-out of CSPs/ICSPs and an indicative outline of the impact will be provided to the Board at the 16 May informal consultation.

Other Key Developments

Alignment to the Quadrennial Comprehensive Policy Review 2017–2020

33. The Secretariat is closely following and participating in the ongoing QCPR discussions. Overall, the Strategic Plan and the Policy on Country Strategic Plans are aligned with the spirit and letter of the QCPR. Preliminary analysis indicates that the IRM documents encompass all critical elements of the QCPR resolution. The Secretariat will continue to ensure that the IRM implementation is aligned to the QCPR resolution.

Corporate Results Framework

34. The Secretariat is currently evaluating how to channel, measure and monitor WFP's contribution to Sustainable Development Goal (SDG) targets other than SDG 2 and SDG 17. As a first step, an analysis was undertaken to identify the most WFP-relevant targets and indicators under each SDG, taking into account areas in which the organization has proven expertise. Internal discussions are ongoing to determine the most appropriate approach to reporting on contributions in the Corporate Results Framework (CRF).

Resource Migration

35. Following the successful reconfiguration and launch of WINGS for 1 March 2017, the Secretariat is able to bring forward the internal approval of CSPs to "early release" country portfolio budgets in the system some 3-6 months prior to the CSP start date. This enables new contributions to be confirmed directly to the CSP, rather than against the closing projects under the current system. The advance approval period will ease the transition and is an effective strategy for facilitating resource availability at day one of the CSP/ICSP. For example, it is anticipated that Wave 1B country offices will be able to accept contributions to the CSP/ICSP in early May (two months prior to the start date), enabling them to start procurement processes to be ready for distributions from the start date of their CSPs/ICSP. It is expected this lead-time will increase with subsequent waves of CSPs/ICSPs.
36. The Secretariat is also undertaking resource migration activities to transfer or reallocate existing resources from projects under the current system to the new CSP/country portfolio budget, in line with the original intent of the contributions. For the eight Wave 1A country offices, the resource transfer exercise entailed 94 grant transactions (54 grants) from some 19 donors including the United Nations.
37. Resource migration requires close and timely engagement with multiple functions from across the organization. Lessons learned in Wave 1A country offices (outlined in the next section) is enabling the Secretariat to reengineer and streamline the processes for Wave 1B country offices. This will continue for subsequent waves of country offices making the transition.

Other Systems under Development

38. In addition to the reconfiguration of WINGS and COMET, implementation of the IRM provides an opportunity to digitally transform and increase integration of WFP's systems to improve business delivery and support data-driven decision-making. A first version of the budget planning tool is in the early development phase and will be ready to support those country offices implementing country portfolio budgets from 1 January 2018. Lessons learned will refine the tool and it is expected the final version will be ready within the year. Design elements and information requirements for the online portal are also being considered and will be further developed.
39. The IRM Operations Unit is working closely with functional areas across the organization to finalize the remaining business requirements for the country portfolio budget structure. This includes defining additional system requirements for the supply chain (i.e. internal services provision, external logistics service provision, United Nations Humanitarian Air Service, and Logistics Cluster), and handling of regional operations and transnational engagements. Work is also ongoing to update related processes and guidance material for Wave 1B country offices.

Lessons Learned to Date

40. As part of the discussion and approval of the Financial Framework Review at the 2016 Second Regular Session, the Secretariat agreed that up to 16 CSPs containing pilot country portfolio budgets would be submitted for approval and implemented in 2017. Capturing lessons learned has been ongoing since the approval of the IRM in November 2016. Most recently a workshop was held from 27–29 March 2017 with the deputy regional directors to share lessons learned regarding strategic reviews and the country operations management plan (COMP) and how their experience can be applied to Wave 1B country offices and the subsequent roll-out waves. Annex II provides an example of the types of lessons learned emerging from a Wave 1A country office.
41. The experience of implementing CSPs/ICSPs is proving to be a valuable tool for learning, refining and validating the final design of the country portfolio budget and CSP structure and also underscored the importance of full staff engagement and country office ownership of the IRM process; lessons learned from Wave 1A country offices have already greatly impacted and strengthened processes, templates and guidance for Wave 1B country offices. The Secretariat will continue to consult with local partners in the field and host governments to gain lessons learned from an external perspective and will share those with the Board during informal consultations, bilateral discussions and at the 2017 Second Regular Session.
42. Recognizing that the coming months will continue to provide for more extensive learning, the following paragraphs outline the lessons learned to date in key areas such as: the strategic review process, structure of CSPs, using focus areas, resource migration, COMP, allocation of multilateral funding, organizational readiness, and improving internal management, templates, guidance and processes.

Strategic Review Process

43. As a facilitator of the country-owned national zero hunger strategic review, the Secretariat encourages full and inclusive participation, where possible, of key stakeholders – including the private sector and development banks – through the strategic review process.
44. It was widely acknowledged that the strategic review process is being adapted to each context and that the consultative process should extend from the national level to the community level to gain perspective from a wider network of local non-governmental organizations across the country. Country offices have recognized the usefulness of the strategic review as a tool to engage with the government and ministries and partners, underscoring that building trust and real partnership is key to publicly discussing and sharing results of the review.

CSP Framework

45. Following the Board's review and feedback of Wave 1A CSPs, the Secretariat updated the CSP corporate guidance for country offices to include additional guidelines on better integrating elements of the strategic review as well as information relating to partnerships, contributions to other SDGs, monitoring and evaluation and transition/exit strategies. Early and inclusive partner engagement in the development of the CSP has been widely recognized as an opportunity to build stronger partnerships early on and mobilize resources.

Focus Areas

46. WFP strategic outcomes are tied to one Strategic Result and one focus area – crisis response, resilience building or root causes.
 - i) *Crisis response*: aims to provide relief and maintain food security and nutrition in relation to an identified crisis or shock, and may also include recovery efforts to restore livelihoods; typically targets internally displaced persons, refugees, vulnerable host communities, and malnourished and food-insecure populations affected by a shock – conflict, natural disaster or economic crisis.
 - ii) *Resilience building*: aims to build resilience to future crises and shocks by providing support to people and institutions and enabling communities and institutions to develop their assets and capacities to prepare for, respond to and recover from crises; typically supports people, communities and institutions in areas that are food-insecure, poor, hazard-prone or vulnerable to climate change.
 - iii) *Root causes*: occurs in the context of long-standing and/or unaddressed needs and vulnerabilities, and aims to address the underlying, root causes of vulnerability, including unavailability of food, poverty, and poor access to education and basic social services, etc.; objective is to ensure and protect the food security and nutrition of the most vulnerable people and communities while strengthening institutional capacity to respond to their needs; typically targets people and communities suffering from chronic food insecurity, persistent poverty and limited access to services.
47. Corporate guidance on the formulation of Strategic Outcomes is ensuring that each strategic outcome is categorized to only one focus area to ensure programme coherence and promote greater visibility for resource mobilization and funding decisions.
48. In addition, further to the 17 March 2017 informal consultation, the Secretariat proposes that two focus area categories – “crisis response” and “root causes” – be used to facilitate the application of relevant General Rules and Financial Regulations.
49. For example, strategic outcomes developed in response to emergencies will explicitly define the shock and will be linked with the “crisis response” focus area. This will serve as a means to identify strategic outcomes and/or budget revisions which will be submitted for approval, above the delegated threshold to the Executive Director and the FAO Director-General, where required. A post-factum report detailing the use of delegation of authority for the approval of strategic outcomes and/or budget revisions related to WFP strategic outcomes identified with the focus area “crisis response” will also be made available to the Board.
50. Strategic outcomes identified with the focus area “root causes” will also facilitate the application of General Rule X.8, which indicates that development activities should be budgeted according to estimated available resources. The budgeting of strategic outcomes related to other focus areas, i.e. “crisis response” and “resilience building”, will be developed on the basis of needs assessments.
51. Feedback from Member States and donor partners on the application of focus areas has been useful to date, although it has been limited to Wave 1A countries for now. The Secretariat expects that current CSP and ICSP submissions by country offices will provide both the Secretariat and Member States with a better understanding of how the formulation of strategic outcomes and links to focus areas can be strengthened to promote better alignment with funding lines. The Wave 1A and 1B CSPs will provide a critical opportunity to gain additional experience in

applying focus area links to Strategic Outcomes. In addition, the extended learning period provided by the more flexible implementation approach will enable WFP to evaluate the implications of using focus areas to facilitate the application of the General Rules and Financial Regulations.

Resource Migration to new Country Portfolio budget

52. Coordination across the various organizational units at the country office, regional bureaux and Headquarter level for resource migration has been fundamental to managing the significant number of actions associated with this exercise. However, it is important to note the resource migration exercise for Wave 1A was challenging for the organization and for some donor partners.
53. Building on the good practices and lessons from Wave 1A, the approach to Wave 1B was adjusted to include the appointment of an Resource Migration Coordinator to: i) coordinate the resource migration activities within each country office and regional bureau; and ii) serve as the main liaison with the resource migration team based at Headquarters. Detailed process mapping, assignment of responsibilities and clear deadlines were also issued to Wave 1B country offices to enhance coordination.

Annual Planning Process and Country Operations Management Plan

54. Implementation of the IRM provides an opportunity to review WFP's current fragmented planning processes. Development of an integrated annual planning process will streamline annual performance planning, operational planning and management planning. The COMP will capture annual planning data and will support corporate planning and reporting requirements. Summarized information from the COMPs will be included within the Management Plan and information will be made available through the online portal, including activity-level detail, resource prioritization and modalities of assistance.
55. The eight Wave 1A country offices prepared their first annual iteration of the COMP and extracted information was shared with the Member States in January 2017 as a complement to the draft CSP documents. Following this exercise, a rapid lessons learned was undertaken with Wave 1A country offices and their respective regional bureaux to review and improve upon the COMP content and process prior to Wave 1B countries initiating their COMPs.
56. Country offices conveyed that while some sections of the COMP were particularly useful, the process required simplification, with strengthened guidance going forward. Information sought should be carefully considered to ensure it is useful and meaningful to support country offices decision-making. This includes differentiating the information collected and minimizing redundancies with the CSP document.
57. Based on feedback received, the Secretariat adjusted the structure and format of the COMP for Wave 1B countries. Updated and simplified guidance material was shared with Wave 1B country offices to improve the quality of information provided and ensure a high level of consistency, particularly on resource prioritization as well as justification for modalities of assistance, while also with the aim to facilitate funding decisions. Work is currently under way to automate the compilation of data from corporate systems as much as possible, which should be in place for 2018, and could provide the basis for the data required for the online portal.

Allocation of Multilateral Funding

58. The Strategic Resource Allocation Committee (SRAC) allocates multilateral funding to operations based on qualitative and quantitative information. The holistic nature of the CSP framework presents an opportunity to revisit the SRAC's decision-making criteria to consider needs, strategic outcomes, focus areas and performance to maximize the use of multilateral funding and the outcomes of WFP's programmes.

Corporate Results Framework

59. Future feedback on the CRF will determine if additional guidance or revisions are required and how best to introduce these revisions.

Inclusion of Sudan's ICSP in Wave 1B

60. The addition of the Sudan ICSP in Wave 1B, to be considered for approval at the 2017 Annual Session, will enable the Secretariat to gain experience implementing the IRM in the context of a major complex operation. However, the EB.2/2016 Board approved derogations from WFP General Rules and Financial Regulations and the accompanying delegations of authority apply only to CSPs containing pilot country portfolio budgets, and will therefore need to be extended by the Board to cover the Sudan ICSP. The Secretariat proposes extending the foregoing derogations and delegations to apply to the Sudan ICSP through the Sudan ICSP decision point, which the Board will consider at its 2017 Annual Session.

Organizational Readiness/Human Resources

61. As described at the 17 March informal consultation, the Human Resources Division (HRM) rolled out an IRM country office organizational readiness toolkit, based on four dimensions of an Integrated Capability Model (Climate, Organization, Skills, Talent), to all country offices. Preliminary lessons learned related to the impact of the new IRM framework on country office staffing and structures, derived through organizational readiness efforts with Wave 1A country offices, have begun to feed into the next iteration. Online self-learning materials that have been developed to date have been made available to all staff. The content and use of these materials have been reinforced through the IRM units at Headquarters and regional support teams.

Treatment of Trust Funds

62. As stated in the CSP Policy paper, CSPs or strategic outcomes entirely funded by a host country will be subject to the provisions of Financial Regulations 5.1 and 5.2, which delegate approval of bilateral projects to the Executive Director, unless the host government elects to have the CSP or strategic outcome approved through the regular CSP approval process.
63. Within this context, a working group on trust funds has been formed to review and revise the guidance, processes and templates pertaining to trust funds and other funding sources to ensure alignment with the CSP framework and country portfolio budget structure, and to more widely consider the application of Financial Regulations 5.1 and 5.2 under the CSP framework. The working group will collaborate closely with the IRM project, the Budget Service (RMBB), the Finance and Treasury Division (RMF) and the Government Partnerships Division (PGG) to create a clear definition of a trust fund, circumstances under which a grant will be classified as a trust fund and implications in terms of governance, revenue recognition, indirect support cost rate, etc. Additionally, the working group will develop guidance for handling similar 'other' types of funding sources.

Outstanding Issue: Governance

Transitional Governance Arrangements

64. At its 2016 Second Regular Session the Board authorized specific derogations from the General Rules and Financial Regulations to permit the introduction of CSPs and the application of the country portfolio budget principles in Wave 1A and Wave 1B countries for the transitional period from the 2017 First Regular Session to 31 December 2017. This included provisions of General Rule XIII.4 and Financial Regulations 1.1 and 4.5 concerning cost categorizations and the manner in which full-cost recovery is achieved, solely where necessary to permit application of the country portfolio budget principles. The Board also approved, up to 31 December 2017, that provisions of the WFP General Rules and Financial Regulations referring to existing programme categories be interpreted as reference to CSPs to permit implementation. Additionally, the Board granted the Executive Director authority until the end of 2017 to make revisions to the pilot CSPs, when necessary.⁴
65. Bringing more flexibility to the implementation timeframe will mean that WFP is operating two frameworks (the current project system and the new IRM framework) in 2018. To ensure effective governance, the Secretariat will apply existing General Rules and Financial Regulations to those country offices implementing projects under the current system in 2018. For those country offices transitioning to and implementing the IRM framework in 2018, the Secretariat will seek authorization from the Board, at its 2017 Second Regular Session, to extend certain derogations (outlined in the previous paragraph) to WFP's General Rules and Financial Regulations as a temporary measure as well as interim delegations of authority for revisions to CSPs, ICSPs and T-ICSPs from 1 January 2018 through 31 December 2018.
66. Additionally, the Secretariat proposes to employ approval by correspondence for: i) project budget revisions in 2017 and 2018; and ii) extensions in time for T-ICSPs in 2018 and 2019. This mechanism takes into consideration the feedback provided by Member States at the 17 March informal consultation to bring more flexibility to the implementation timeline, provide visibility and oversight to the Board and ensure operational continuity.
- i) Approval by correspondence for project budget revisions in 2017 and 2018*
67. It is foreseen that some country offices will require the Board's approval of budget revisions related to projects under the current system (i.e. protracted relief and recovery operations (PRROs), country programmes or development projects) before the approval and start of a CSP/ICSP or T-ICSP. The Secretariat had initially proposed temporary delegation of authority to the Executive Director to include the approval of project budget revisions until the country offices' CSP/ICSP start date. Based on feedback received from Member States during the 17 March 2017 informal consultation, the Secretariat has revised this proposal to instead employ a process of approval by correspondence that is based on the existing procedure for the exceptional approval by correspondence on a no-objection basis of PRROs and related budget revisions.⁵ This will streamline approval and reduce the Board's workload at the upcoming sessions. Approval by correspondence for project budget revisions, beginning in June 2017 and continuing through 2018, will entail the following steps:
- a) The Secretariat will post the project budget revision on WFP's website as soon as it has been cleared by the Executive Director.
 - b) Board members will be advised immediately by e-mail of the posting so that they may communicate comments to the Secretariat within ten working days.
 - c) On receipt of comments from any Board member, the Secretariat will address them bilaterally with each member.

⁴ All revisions to T-ICSPs during their initial 18-month period (i.e. through June 2019) will be approved in line with the applicable General Regulations and Rules governing the delegations of authority. The existing delegations of authority with respect to emergency operations are maintained.

⁵ WFP/EB.A/2005/11-B Mechanism for Approval by Correspondence of PRROs and PRRO budget revisions.

- d) At the end of the posting period, the document will be considered approved unless at least one member requests in writing a discussion at the next Board session.
68. Project budget revisions approved by correspondence will be submitted for information to the Board at subsequent Board sessions.
- ii) *Approval by correspondence for extensions in time for T-ICSPs through the transition period (up to June 2019)*
69. T-ICSPs, based on previously approved project documents, may be approved for up to 18 months by the Executive Director as a bridge to a strategic-review informed CSP. Within the 18-month period, country offices are expected to develop and submit strategic review-informed CSPs for approval by the Executive Board. However, in some cases the development of the CSPs may slip outside of the timeframes currently envisaged. The Secretariat had initially proposed the Board grant temporary delegation of authority to the Executive Director to approve extensions in time for T-ICSPs up to the end of the transition period, i.e. June 2019. However, given concerns conveyed on granting exceptional temporary delegation of authority to the Executive Director during the implementation period, the Secretariat is proposing an alternative mechanism to the limited temporary delegation of authority in the following paragraph.
70. Recognizing that a country office may have limited time to prepare and submit a budget revision for the Board's approval to enable an extension in time, the Secretariat proposes to adopt the procedure outlined in paragraph 67. Such an arrangement would ensure operational continuity for country offices operating under a T-ICSP without being bound to the timing of a subsequent Executive Board session for CSP/ICSP approval.

Amendments to WFP General Rules and Financial Regulations

71. As foreseen in the Policy on Country Strategic Plans and the Financial Framework Review, implementation of the new programmatic and financial framework requires changes to the current WFP General Rules and Financial Regulations in three main areas: i) terminology and definitions to align with the new structure; ii) application of full-cost recovery and introduction of new cost categories; and iii) delegations of authority to the Executive Director; and delegation of authority with regard to emergency operations above a certain threshold to the Executive Director and the FAO Director-General, jointly.⁶
72. In line with bringing more flexibility and ensuring changes are sufficiently informed by the lessons learned, proposed amendments will be discussed with the Board throughout the 2017 and 2018 informal consultation process to seek feedback and reach consensus before final proposal will be presented to the Board for approval at the 2018 Second Regular Session.

Terminology and Definitions

73. The Secretariat continues to draft new language, including definitions under Financial Regulation 1.1, to align the impacted General Rules and Financial Regulations with the new Board-approved policies.

Delegations of Authority to the Executive Director and the FAO Director-General

74. General Rule VI.2 establishes the delegation of authority and the appendix to the General Rules details when authority is delegated to the Executive Director and, when required, for emergency operations, the FAO Director-General. As currently written, these delegations of authority are subject to annual budgetary thresholds and are broken down by project category. Because these programme categories cannot be applied to the CSP framework, it is necessary to revisit the formulation of these delegations of authority. The role of the FAO Director-General in the approval of emergencies above a certain threshold under the delegation of authority will continue.

⁶ Changes to the WFP General Regulations are not expected.

75. At the informal consultation on 17 March 2017, the Secretariat shared its expectation that the Board's approval of new operations will increase as compared to the current system, at a minimum, by 23 percent under the CSP governance framework. With respect to revisions of existing CSPs or ICSPs, WFP expects the majority to relate to either an emergency response or a fundamental change to the overall strategic focus and/or role of WFP in a country.⁷ The former would continue to see approvals by the Executive Director and, if required, the FAO Director-General. The Executive Board would approve revisions relating to fundamental changes to the overall strategic focus and/or role of WFP in a country.

Proposed Interim Delegations of Authority for non-fundamental, non-emergency revisions for 2018

76. In line with the Member States' feedback, the Secretariat has moved away from its proposal to use a single percentage as a budgetary threshold for delegated authority to approve non-fundamental, non-emergency changes. The Secretariat is seeking feedback on the set of three principles outlined below, that taken together will guide the development of budgetary thresholds to ensure that significant changes are considered by the Board while internal efficiency is maximized through delegated authority for less significant revisions.
- i) **Based on Overall Budget Value of the CSP Framework:** Current delegations of authority are defined by an input-based "food" value.⁸ The basis of delegations of authority should be revised to be linked to the overall budget value, based on the full portfolio of the CSP Framework. This better reflects WFP's shift to food assistance and the outcome-focused approach of the CSP Framework.
 - ii) **Principle of Relative Proportion (% based):** There is a large disparity in the foreseen operational size of country portfolios. This would imply that an absolute dollar value for budgetary thresholds would be an inefficient tool to apply across all countries for capturing significant changes. For this reason, establishing a percentage threshold will better accommodate for variations in CSP size and ensure that relatively 'significant' budget changes are approved by the Board.
 - iii) **Principle of Maximum/Minimum absolute values:** It is important to ensure Board approval for large budget changes, while simultaneously maximizing efficiencies through internal management of small changes. This can be accomplished by setting annual thresholds for maximum and minimum values for each country. A maximum value threshold would ensure that very large budget revisions, irrespective of their proportional size, are considered and approved by the Board. A minimum value threshold would ensure efficient use of the Board's time by managing and approving small budget revisions through internal mechanisms.
77. The proposed levels for the relative proportion percentage and minimum/maximum absolute value thresholds will be discussed during the informal consultation on 4 May 2017 and at future consultations with the intent to propose at the 2017 Second Regular Session interim delegations of authority for managing non-fundamental, non-emergency revisions to CSPs and ICSPs from 1 January 2018 to 31 December 2018. Permanent delegations of authority, benefiting from lessons learned in 2018, will be proposed for approval at the 2018 Second Regular Session and would take effect as of 1 January 2019.

⁷ The Policy on Country Strategic Plans (WFP/EB.2/2016/4-C/1/Rev.1*) refers to the approval of revisions which will be sought from the Board in the event of a fundamental change to the overall strategic focus of WFP in a country involving an addition and/or deletion of one or more WFP strategic outcomes in the CSP. However, CSP revisions concerning fundamental changes to CSPs that arise as a result of the addition of a new strategic outcome funded entirely by a host country may be approved by the Executive Director, as allowed for under paragraph 38 of the policy.

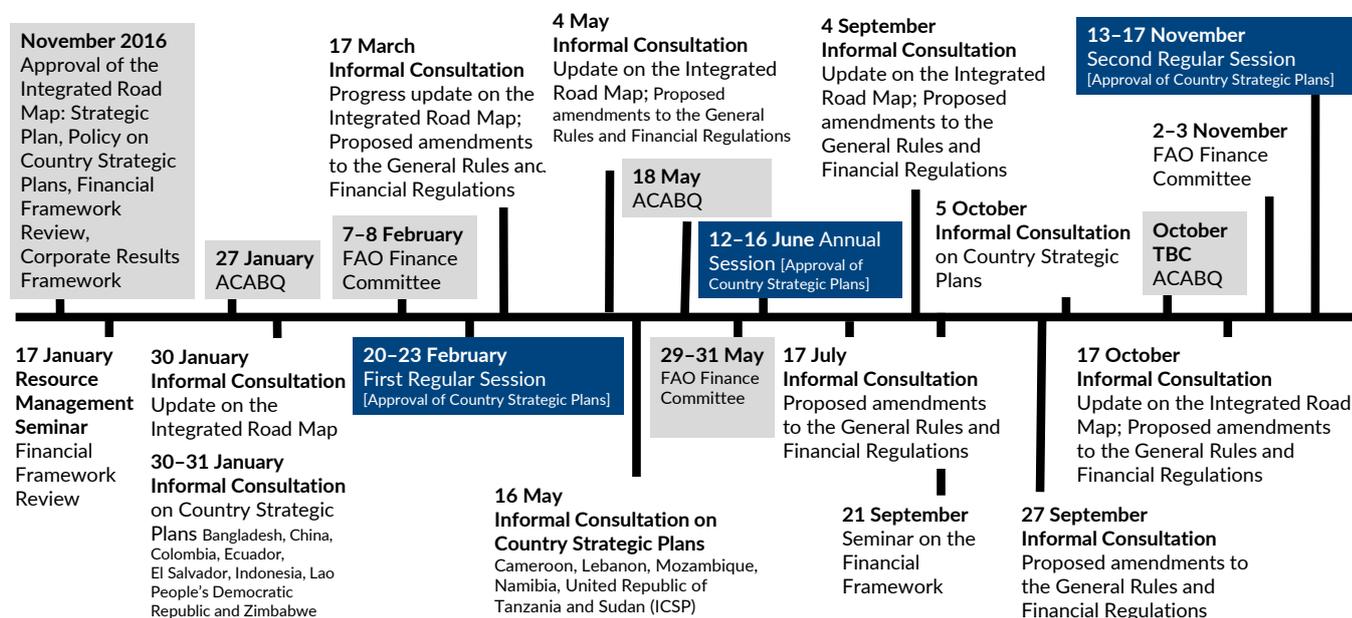
⁸ It should be noted that the input-based "food" value has also been applied to cash-based transfers and capacity development and augmentation for the respective programme categories.

78. Importantly, the Secretariat also proposes to have the approved threshold levels for delegations of authority be revisited after a set number of years of implementation, to ensure the appropriate balance is found between ensuring oversight and proper governance while seeking increased management efficiency.
79. The Secretariat will also propose that the Executive Board provide delegated authority to the Executive Director to approve budgetary revisions related to the service delivery modality. Noting that service delivery, i.e. planned common/shared services, is fully integrated into CSP/ICSPs, it is also recognized that such activities are often planned in direct response to a specifically funded request. In recognition of the different nature (and funding sources) of such activities, this would be handled through the continued application of the appendix to the General Rules 'Delegation of Authority to the Executive Director' part (d), which establishes that the Executive Director may approve all budget revisions related to special operations, noting the terminology will be aligned to the new programmatic and financial framework.

2017 and 2018 Partner Engagement

80. In recognition of the significance of the transformation brought on by the IRM and important governance decisions which require substantial discussion, the Secretariat has developed an extensive engagement strategy for 2017, which will continue into 2018. The Board's direct engagement and feedback will provide invaluable guidance to ensuring the successful implementation of the IRM, discussion of draft CSPs/ICSPs and consideration of the normative amendments to the General Rules and Financial Regulations and proposed revisions to delegations of authority that will be presented for approval at the Second Regular Session of 2018.

2017 Informal Consultations



Draft decision

Having considered the Update on the Integrated Road Map (WFP/EB.A/2017/5/1), the Executive Board:

- i) *notes* the progress on the Integrated Road Map, where the experience of the pilot CSPs containing pilot country portfolio budgets is informing the final design of the country portfolio budget and CSP structures;
- ii) *notes* the Secretariat's proposal to allow for increased flexibility in the Integrated Road Map implementation timeline with some country offices to continue implementing projects under the current system beyond 1 January 2018, while maintaining the commitment to transition completely to the Integrated Road Map framework by 1 January 2019 and decides that it shall be implemented;
- iii) *notes* that point ii) will require that the derogations from certain provisions of General Rules and Financial Regulations approved by the Executive Board in respect of CSPs containing pilot country portfolio budgets at EB.2/2017 now be extended to all CSPs, ICSPs, and T-ICSPs in 2018; and
- iv) *requests* the Executive Director to present a formal proposal to this effect for approval at EB.2/2017;
- v) *notes* the Secretariat will at EB.2/2017 present proposals in respect of interim Delegations of Authority for CSPs, ICSPs, and T-ICSPs in 2018;
- vi) *approves*, as a temporary measure, extending the use of the procedure for Board approval by correspondence, as set forth in paragraph 67 of this document, for: a) all necessary Protracted Relief Programme, Development Programme and Country Programme budget revisions, effective after this Executive Board session until 1 January 2019; and b) to time extensions for transitional-interim country strategic plans in the implementation period of January 2018 through June 2019; and
- vii) *requests* the Secretariat to present the proposed final amendments to the General Rules, Financial Regulations and the revised Delegations of Authority, to the Executive Board for approval at EB.2/2018 so that they may come into effect as of 1 January 2019.

Lessons Learned “Verbatim” from a Country Office

CSP formulation

- Let the “line of sight” inform the CSP.
- The more people involved in the CSP formulation, the more likely it is that you will end up with an all-inclusive plan.
- Have a clear understanding of what it takes to operationalize your CSP.
- Confirm that country offices have the necessary resources, i.e. human and financial.

Preparation for CSP implementation

- Plan for go-live while creating CSP.
- Create process tools, e.g. standard operating procedures, delegation of authorities.
- Strengthen Pipeline and Resource Management committee.
- Monitoring and Evaluation Logframe with Resources through COMP.
- Plan for field-level agreement (extended for three months).

Organisational readiness and communications

- Start building staff capacity while creating CSP.
- Cast a wide-net investing in staff capabilities, i.e. do not concentrate investment in just one group and/or individual.
- Make sure you make a provision to bring all staff along your go-live journey.
- Verify that all staff understand the CSP journey.
- Communication – Establish a group email account for communication.
- Be clear in your understanding so that you can bring about an understanding in staff.

Resource transfers and cut-over

- Finalize long-outstanding procurements.
- Faster stock transfer (food) due to Logistic Execution Support System (LESS) and COMET.
- Provision of 50 percent advance allows smooth CSP go-live.
- Simplification of resource transfer process.

CSP implementation and support

- After CSP go-live – collect FAQ from sub-office colleagues.
- Recognize that CSP is an evolving process that requires periodic revalidations.
- Introducing sub-allotment form – for better fund management.
- Support received from Headquarters and regional bureaux after CSP go-live.

Acronyms Used in the Document

ACABQ	Advisory Committee on Administrative and Budgetary Questions
COMET	performance tracking system
COMP	country operations management plan
CRF	Corporate Results Framework
CSP	country strategic plan
EMOP	emergency operation
IRM	Integrated Road Map
PRRO	protracted relief and recovery operation
QCPR	Quadrennial Comprehensive Policy Review
SDG	Sustainable Development Goal
SRAC	Strategic Resource Allocation Committee
T-ICSP	Transitional-Interim Country Strategic Plan
WINGS	enterprise resource planning system