



**World Food
Programme**

Integrated *Road Map*



Seminar on the Integrated Road Map

3 October 2017

I. Outstanding issues requiring EB feedback:

1. Proposed thresholds for delegations of authority not related to fundamental changes, emergency response or service provision
2. Revised language to tighten governance
3. Budgetary threshold for joint approval with the FAO Director-General
4. Board oversight of budget revisions, including crisis response
 - a. Posting of budget revisions greater than USD 7.5 million or changes in duration
 - b. Review and comment process for crisis-response-related strategic outcomes
5. Transitional governance arrangements for select CSPs and ICSPs that will be considered for approval at the 2018 First Regular Session

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IV. Response to overarching comments on CSPs and ICSPs [2017 Second Regular Session of the Executive Board]

1. Proposed budgetary thresholds for interim delegations of authority not related to fundamental changes, emergency response or service provision

- At the 7 Sept informal consultation, some Member States expressed concerns that the inclusion of crisis response strategic outcomes might inflate the overall budget value needed to trigger a revision (principle 1).

Proposal:

- Following discussion with Member States, propose to reduce the relative proportion threshold from the original 30 percent to **25 percent**, thus maintaining the holistic approach of the CSP framework, i.e. not removing crisis response revisions from the overall budget value (principle 1).
- Thresholds for delegations of authority would be revisited as early as the 2020 first regular session to ensure that the Board's fundamental approval and oversight role is maintained.

Proposed budgetary thresholds based on three principles:

1. **Based on overall budget value;**
2. **Proposed maximum threshold of USD 150 million** (above which go to the EB for approval); and
3. **Proposed relative proportion threshold of ~~30 percent~~ 25 percent** (above which go to the EB for approval).

Note: thresholds would be applied cumulatively over the lifespan of a CSP, ICSP or T-ICSP; calculation to be reset to zero after an Executive Board approval; thresholds would apply to budget increases only.

2. Revised language to tighten governance

- Gap in the interim delegations of authority proposal: the Executive Director would have authority to reduce one strategic outcome by a significant amount, and increase another by an equivalent amount [Annex B.2(b): 7 Sept IC paper].

Proposal:

- Revised language in Annex B(2) to clarify that authority would be delegated to the Executive Director in 2018 to approve any '***upward* revision of one of more individual strategic outcome(s) of a CSP, ICSP or T-ICSP, provided that the total amount of such revisions does not exceed 25 percent of the plan's last Board-approved value or USD 150 million**'.

3. Budgetary threshold for joint approval with the FAO Director-General

For crisis-response-related strategic outcomes, limited emergency operations or emergency-related budgetary increases for a CSP, ICSP or T-ICSP

Proposal:

- Noting the Board's approval role, WFP, in consultation and agreement with FAO, proposes a threshold of **USD 48 million** for joint approval by the Executive Director and the FAO Director-General.
- The threshold will apply to:
 1. Crisis-response-related strategic outcomes within a limited emergency operation or T-ICSP;
 2. Revision of any limited emergency operation; or
 3. Emergency-related budgetary increases for a CSP, ICSP or T-ICSP.

4. Board oversight of budget revisions, including crisis response

a. Posting of budget revisions greater than USD 7.5 million or changes in duration

- Currently, budget revisions are published on WFP's website if they are: i) greater than USD 3 million in food value; or ii) have changes in a project's duration.
- The Board is informed twice a year about emergency operations approved by the ED or jointly with the FAO Director-General.

Proposal:

- Follow the current process and publish all changes, regardless of approval authority, greater than USD 7.5 million in overall budget value and any changes in the duration of a CSP or ICSP.

Note: the USD 7.5 million is an extrapolation of the USD 3 million in food value.

4. Board oversight of budget revisions, including crisis response

b. Review and comment process for crisis-response-related strategic outcomes

Proposal:

- Crisis-response-related revisions above the delegation thresholds (the lesser of USD 150 million or 25 percent of the overall budget) will be shared with Member States *for comment* over a **minimum five-day period** before they are approved by the ED, and if required, by the FAO Director-General.

Steps for the review process:



In the event of time-sensitive and unforeseen emergencies:

- The ED, and if required, the FAO DG, would be able to approve crisis-response-related strategic outcomes and revisions without sharing them beforehand. Such approved revisions will be shared *for information*.
- The proposed review process (above), including comment period will follow the approval. The next iteration of the document could incorporate comments received, where appropriate.

In all circumstances, any Member State can request the revision to be presented for information at a subsequent Board session.

5. Transitional governance arrangements for select CSPs/ICSPs that will be considered at the 2018 first regular session

- Honduras, Pakistan and Timor-Leste have indicated a preference to commence their CSPs on 1 January 2018 rather than creating a T-ICSP for a duration of three months or continue implementing projects prior to the anticipated start of their CSPs in April (subject to approval at the 2018 first regular session).

Proposal:

- Employ Board **approval by correspondence** to enable implementation of certain activities under the IRM framework in the three countries during the period January – March 2018.
 - **Programmatic and budgetary controls** would be in place to ensure that that implementation during the January – March period provides operational continuity and is consistent with ongoing activities and strategic outcomes.
 - Subject to approval, this approach **may be extended** for those CSPs/ICSPs to be considered at the 2019 first regular session.
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- i) **Programmatic control**, i.e., control prohibiting country offices from implementing any new activities or strategic outcomes outside of previously approved projects and ongoing activities. The ICSP, to be read in conjunction with the full submitted CSP, would identify the activities that would be implemented in the three-month period. It would also note those activities that are new in the CSP and therefore would not be implemented until after formal Board approval. The country office would also provide analysis of beneficiaries for the period broken down by strategic outcome, activity, tier, modality, girls/women, boys/men and total.
 - ii) **Budgetary control**, i.e., programming in WINGS would be limited to the budgetary value of the first three months of the first year of the CSP. The ICSP would include an indicative cost breakdown along strategic outcomes and the four high-level cost categories for the full CSP duration as well as for the three-month period.

II. Draft decisions (I/IV)

Having considered the “Update on the Integrated Road Map” (WFP/EB.2/2017/X/X) and recalling the Executive Board decisions concerning the “Policy on Country Strategic Plans” (WFP/EB.2/2016/4-C/1/Rev.1), “Financial Framework Review” (WFP/EB.2/2016/5-B/1/Rev.1), and “Update on the Integrated Road Map” (WFP/EB.A/2017/5-A/1), the Executive Board:

- i.* notes that, while certain country offices will continue to implement the projects-based system, the Country Strategic Plan (CSP), Interim Country Strategic Plan (ICSP), Transitional-Interim Country Strategic Plan (T-ICSP) and limited emergency operation (LEO) modalities, hereafter referred to as the CSP framework, containing Country Portfolio Budgets that are foreseen by the Integrated Road Map (IRM) will, following a pilot phase in 2017, be introduced in 2018;
- ii.* notes the progress on the IRM, where the experience of implementing CSPs and the ICSP containing pilot Country Portfolio Budgets has served to inform and refine the design of the CSP framework and Country Portfolio Budget structure, and *decides* that their pilot phase will end on 31 December 2017, noting and that those plans will be implemented as standard CSPs and ICSPs for the remainder of their duration;

II. Draft decisions (II/IV)

- iii.* recalls its request to the Executive Director, made at EB.A/2017, to present at EB.2/2017 proposals in respect of the application of General Rules and Financial Regulations to allow for the implementation of the CSP framework in 2018, as well as the Secretariat's commitment to present proposals at EB.2/2017 on principles to guide, on an interim basis during 2018, full cost recovery, together with proposed interim delegations of authority to the Executive Director for operations carried out under the IRM system during the same period;
- iv.* recalls that WFP's General Rules and Financial Regulations are expected to be amended at EB.2/2018, and *approves*:
 1. the continued application of existing General Rules and Financial Regulations to country offices implementing the current project-based system; and
 2. for countries operating under the IRM system:
 - a. the temporary application of provisions of the General Rules and Financial Regulations referring to existing programme categories as if such references were to the CSP framework; and
 - b. derogations from provisions of General Rule XIII.4 and Financial Regulations 1.1 and 4.5 relating to cost categories and full cost recovery in order to allow for the application of the principles referenced at para v, below;

II. Draft decisions (III/IV)

- v. *decides*, pending amendment of the General Rules and Financial Regulations at EB.2/2018, to extend the principles previously approved by the Board in WFP/EB.2/2016/5-B/1/Rev.1 for the purpose of pilot CSPs to the CSP framework in effect in 2018, with the exception of those formulated in connection with full cost recovery, which shall be applied as follows:
1. The following high-level cost categories shall apply to all types of contributions:
 - a. transfer and implementation costs, which represent the operational costs of a contribution;
 - b. direct support costs, i.e., a country-specific percentage of the transfer and implementation costs of the contribution for all activities, save for those related to mandated common services, for which a different direct support costs rate will be applied due to the exceptional manner in which costs for these activities are budgeted; and
 - c. indirect support costs (ISC): i.e., a standard, Board-determined, percentage of the transfer and implementation and adjusted direct support costs of the contribution. Notwithstanding the foregoing, the Board-determined ISC may, as an interim measure pending consideration of the role of extra-budgetary funding at EB.2/2018, be varied through the continued use of trust funds and extra-budgetary accounts in instances where they have in the past been employed to fund activities that are now part of the IRM system.
 2. Except as otherwise provided in sub-paragraph 3, below, all donors shall provide sufficient cash or other acceptable resources to cover the full operational and support costs related to their contributions;
 3. The exceptions currently provided for full cost-recovery, as outlined in General Rule XIII.4 (e) - (h), would continue to be applied in accordance with current practices. Although the category of direct support costs will no longer exist for programmes operating under the new system, for the purposes of a waiver under General Rule XIII.4 (g) “direct support costs” will mean “costs that would previously have constituted direct support costs” and this waiver authority would extend to direct support costs; this will ensure continuity in the interim period;

II. Draft decisions (IV/IV)

- vi. approves* the interim delegations of authority to the Executive Director, that are set forth at Annex II to this Update on the Integrated Road Map [document number];
- vii. recalls* that WFP's General Rules and Financial Regulations are expected to be amended at EB.2/2018, and commits to revisiting the thresholds for delegations of authority at the 2020 first regular session; and
- viii. notes* that in the interest of a more efficient transition to the IRM system, certain country offices that plan to submit CSPs to the Executive Board for approval at EB.1/2018 have indicated a preference to commence CSP implementation from 1 January 2018. In order to facilitate these country offices, the Executive Board *requests* the Secretariat to submit for approval by correspondence in accordance with Rule IX.8 of the Rules of Procedure of the Executive Board ICSPs that detail activities to be implemented under the Integrated Roadmap system from 1 January 2018 through to the date when CSPs approved at EB.1/2018 for those countries shall come into effect and expects a similar process to be followed at EB.2/2019.

III. IRM resource requirements for 2018

Budget drivers for the Integrated Road Map in 2018

Fund IRM Implementation team in 2018 before being mainstreamed.

Sustain additional (temporary surge) capacity within Regional Bureaux and impacted HQ divisions during 2018 to

- Manage the transition
- Support country offices
- Mitigate implementation challenges

Deliverables

- All countries transitioned to the IRM with a supporting Country Portfolio Budget by January 2019 (via a CSP, ICSP or T-ICSP)
- Changes to General Rules and Financial Regulations
- Further system changes (e.g. donor portal and budget planning tool)

III. IRM resource requirements for 2018

Funding requirements for 2018 are estimated at USD 19 million

Breakdown by cost type	Human Resources	Other Costs	Total
IRM Implementation Team	2.8	0.7	3.5
Field (RBs and COs)	5.0	3.5	8.5
HQ Functions	3.5	2.0	5.5
ICT	0.5	1.0	1.5
Total	11.8	7.2	19.0

IV. Response to overarching comments on CSPs and ICSPs [2017 Second Regular Session of the Executive Board]

1. Availability of Country Portfolio Budgets
2. Consistency in the development of Strategic Outcomes and Activities across CSPs
3. Specificity of activities
4. Formulation of Strategic Outcomes
5. Prioritisation of activities within CSPs
6. Rationale and distinctions between modalities and beneficiary groups
7. Ensuring response to persons with disabilities and integrating disability in vulnerability analysis of food assistance and nutrition programming

Discussion

