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FINANCE COMMITTEE

Hundred and Seventy-seventh Session

Rome, 30 - 31 October 2019

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 invited to consider the WFP's "Update on the Integrated Road Map" and provide comments 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 its comments on the "Update on the Integrated Road Map".**

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Update on the Integrated Road Map

Executive summary

The Integrated Road Map framework, comprising the WFP Strategic Plan (2017–2021),[1] the Policy on Country Strategic Plans,[2] the Financial Framework Review[3] and the Corporate Results Framework (2017–2021),[4] is a holistic platform designed to support appropriate and sustainable responses and reinforce the effectiveness and efficiency of WFP's operations in a time of unprecedented humanitarian need. Implementation of the plan to date has required extensive organizational change to train and equip staff for the rollout of the framework to more than 80 country offices, changes to the General Rules and Financial Regulations with respect to full cost recovery policies and terminology, reconfiguration of WFP's technology systems and close collaboration with Member States and donor partners.

Management aims to establish a risk-based and cost-effective governance model that reflects the holistic Integrated Road Map framework, thereby strengthening the Board's approval and strategic oversight functions by reducing fragmentation while retaining WFP's ability to respond quickly to emergencies. Finding the right balance between the Board's oversight and governance role and simplicity and efficiency for country offices is essential. To ensure visibility over the life of a country strategic plan or interim country strategic plan, management proposes to introduce a robust daily notification system that will clearly communicate all revisions of country strategic plans and interim country strategic plans. This will ensure that Member States are aware of all changes and that any concerns can be addressed in a timely manner.

[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.

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The Policy on Country Strategic Plans and the Financial Framework Review noted that changes to the General Rules and Financial Regulations would be required with regard to the Executive Director's delegated authority regarding programme and budget revision approvals, as well as the authority delegated jointly to the Executive Director and the Director-General of the United Nations Food and Agriculture Organization with regard to limited emergency operations and crisis-response-related strategic outcomes, including revisions. Given that only limited experience was gained during the pilot phase, the Board at its 2017 second regular session approved interim delegations of authority for the period from 1 January 2018 to 28 February 2020,[5] and the Secretariat committed to reviewing the application of the interim delegations of authority to ensure that the Board's fundamental role of approval and oversight was maintained.

Findings from the review, outlined in annex II, confirmed that implementation of the Integrated Road Map framework had resulted in a significant, demonstrable and evidence-based increase in the Board's role in approving WFP programmes, enhanced visibility of WFP operations and gains in efficiency. Notably, the proportion of the annual average value of Board approved programmes has increased from an average of 53 percent or USD 4.4 billion per year under the project-based system between 2011 and 2016 to 96 percent or USD 13.4 billion in 2018 and 83 percent of an estimated USD 7.6 billion[6] in 2019 under the Integrated Road Map framework. Projections through 2024 indicate that the Board's increased approval role will be sustained. The review also confirms that the increase in the Board's approval role is happening independent of budget revisions. This is largely attributable to the holistic Integrated Road Map framework, which has increased the visibility of all WFP operations in all contexts, including strategic outcomes related to protracted, predictable and recurring crisis response and service-provision-related activities.

Critical components of the Integrated Road Map framework that remain to be finalized are permanent delegations of authority and governance arrangements related to the consultation process preceding the submission of country strategic plans and interim country strategic plans to the Board for approval, the five-day Member State review process for crisis-response-related revisions, and normative amendments to the WFP General Rules to facilitate implementation of multi-country strategic plans.

Based on feedback from Member States through a series of informal consultations on 10 July, 4 September and 4 October 2019, this document sets out the background and rationale for permanent delegations of authority and other governance arrangements. These proposals are informed by WFP's experience in implementing the interim delegations of authority in 2018 and the first six months of 2019, the review of the application of the interim delegations, implementing the Pacific interim multi-country strategic plan since 1 July 2019, lessons learned from country offices and recommendations from WFP's oversight mechanisms, which include internal and external audits and evaluations. The proposals, if implemented, would not affect the Board's increased approval of programmes and would ensure that WFP is effective and efficient in its operational responses, has flexibility to align with the requirements of the new United Nations sustainable development cooperation frameworks and reduces the administrative burden on country offices.

Management requests the Board's feedback on the proposals for permanent delegations of authority, governance arrangements and the daily notification system. Annex III sets out the draft language for proposed permanent delegations of authority and annex V includes proposed amendments to the WFP General Rules to reflect multi-country strategic plans that will be presented for approval at the Board's 2020 first regular session and if approved will take effect on

[5] WFP/EB.2/2017/4-A/1/Rev.1.

[6] 2019 includes actual approvals of initial programmes and budget revisions from January–June 2019 and projected Board approvals for initial programmes for July–December 2019. It should be noted that budget revisions are not included in projections as they cannot be predicted with accuracy.

1 March 2020. Governance arrangements with respect to the streamlined consultation process and Member State review of crisis-response-related revisions presented at the Board's 2019 second regular session will go into effect in 2020.

Draft decision*

Having considered the update on the Integrated Road Map set out in document WFP/EB.2/2019/4-D/1, the Board:

i) recalls paragraph vi of its decision 2017/EB.2/2, 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;

ii) notes that a review of the interim delegations of authority was undertaken, takes note of the review findings and proposals in respect of permanent delegations of authority set forth in paragraphs 39–81 of document WFP/EB.2/2019/4-D/1 and requests the Secretariat to continue to work on the proposals with a view to finalizing and submitting them to the Board for approval at its 2020 first regular session;

iii) recalls the multi-country strategic plan concept described in the update on the Integrated Road Map set out in document WFP/EB.2/2018/5-A/1; and

iv) takes note of the policy in respect of multi-country strategic plans and accompanying rule changes set forth in paragraphs 103–109 and annex V of document WFP/EB.2/2019/4-D/1 and requests the Secretariat to finalize both the policy and the rule changes and submit them to the Executive Board for approval at its 2020 first regular session.

Overview of the Integrated Road Map Framework

1. The WFP 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 for Sustainable Development. The plan channels WFP's activities in support of countries working to end hunger among the poorest and most food-insecure people.

2. The country strategic plan (CSP) framework guides the design of CSPs, i.e., WFP portfolios of humanitarian and development activities within countries. CSPs are aligned with national priorities in order to serve people more effectively and efficiently, supporting governments and other partners in achieving the Sustainable Development Goals (SDGs). Annex I describes the components of the CSP framework.

3. The country portfolio budget that accompanies each CSP, interim CSP (ICSP), multi-country strategic plan (MCSP), limited emergency operation and transitional ICSP 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. The structure reveals the relevance and impact of WFP's work by transparently linking strategy, planning, budgeting, implementation and resources to 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. As a consequence of lessons learned in 2017 and 2018, the country portfolio budget structure

and related internal processes have been simplified[7] with a view to reducing the transactional workload and complexity of funds management for country offices while maintaining the enhanced transparency that is a cornerstone of the Integrated Road Map (IRM) framework. In line with recommendation 6 from the external audit of the country portfolio budgets,[8] management continues to assess options for reducing the administrative burden on country offices arising from the volume of transactions without compromising transparency.

4. The Corporate Results Framework (2017–2021) (CRF), in effect since 1 January 2017, enables WFP to measure results and meet its commitments to transparency and accountability, with strategic goals, outcomes and results relating to the WFP Strategic Plan (2017–2021). It forms the basis for the logical frameworks of CSPs, ICSPs, MCSPs, limited emergency operations and transitional ICSPs. All country offices have now moved to the CRF. Based on experience and feedback, the Board approved a revised version of the CRF at its 2018 second regular session. The revised CRF reflects global agreements, incorporates additional indicators for measuring contributions to all relevant SDGs and introduces high-level key performance indicators that facilitate corporate performance management and reinforce the single results framework.

WFP's commitment to core values of good governance

5. The following section provides an overview of the desired governance arrangements and WFP's commitment to the core values of good governance.

6. Management aims to establish a risk-based and cost-effective governance model for the IRM framework that strengthens the Board's approval and strategic oversight functions by reducing fragmentation while retaining WFP's ability to respond quickly to emergencies.

7. Through the IRM framework and its underlying governance model, WFP is committed to the core values of good governance, which include transparency, accountability, strong financial management and robust internal control. Past adherence to these values is evidenced by external sources such as the Multilateral Organisation Performance Assessment Network (MOPAN). In its recent assessment of WFP's performance,[9] MOPAN describes WFP's systems for oversight and risk management as robust and confirms that WFP has strong internal and external audit functions and extensive external controls. The Joint Inspection Unit of the United Nations (JIU) has also rated WFP highly, giving it the top maturity rating of Level 5 in its follow-up on JIU reports and recommendations.[10]

8. These findings are borne out by internal and external audit reports. The External Auditor provided an unqualified opinion on the 2018 and 2017 audited annual accounts.[11] The External Auditor's report also notes that of the issues identified during visits to ten country offices and regional bureaux in 2017, none was found to have a serious impact or to constitute a serious internal control deficiency. A separate report by the External Auditor

[7] The simplification measures include streamlining or consolidating certain elements of cost planning, taking into account the impact on high-level costing, the validity of the detailed planning and expenditure data available and the value of cost planning elements versus the transactional work they require; automating the production of budget details for the later years of a country portfolio budget; making internal refinements to cost management processes; and improving the integration of budget planning processes.

[8] WFP/EB.A/2019/6-E/1.

[9] MOPAN. 2019. *MOPAN 2017–18 Assessments: Organisational Performance Brief: World Food Programme*. http://www.mopanonline.org/assessments/wfp2017-18/WFP%20Brief.pdf

[10] WFP/EB.1/2018/8-B.

[11] WFP/EB.A/2018/6-A/1.

regarding country portfolio budgets[12] confirms that accounting allocations are generally under control and that recent verifications of transactions have not revealed any significant booking errors. The 2017 audited annual accounts note that the assurance opinion of the Inspector General for that year confirmed that internal audits did not disclose any significant weaknesses in WFP's internal control, governance and risk management processes that would seriously compromise the achievement of WFP's objectives. These findings are supported by the most recent report of the Audit Committee.[13] In its 2018 annual report,[14] the committee stated that WFP had given appropriate attention to risk management and internal controls for the year.

9. Management welcomed the external audit of country portfolio budgets, which examined the extent to which country portfolio budgets provide reasonable assurance that donor conditions and Executive Board authorizations are being met and whether the definitions of the cost categories[15] introduced by the revised financial framework are clear enough to avoid duplication and describe expenditure effectively.[16] The audit concluded country portfolio budgets have improved transparency and accountability and that the new cost categories facilitate a better understanding of WFP's expenditures. The external audit also identified difficulties related to the operational planning documents for CSPs and their country portfolio budgets with regard to the appropriate level of detail to be presented to the Board for approval. The report also describes how WFP management faces conflicting imperatives articulated by Board members when approving CSPs and country portfolio budgets.

10. Transparency is a cornerstone of the IRM framework and a key aspect of WFP's governance approach. WFP has in place robust reporting and accountability mechanisms that include its annual management plan, its annual performance report and annual country reports; in addition, to ensure the Board retains visibility and oversight, WFP management shares with the Executive Board all budget revisions approved by the Executive Director that are greater than USD 7.5 million and twice-yearly reports on the Executive Director's use of his delegated authority. In 2018, management launched a CSP data portal that provides operational and budgetary information from country operation management plans – including activity-level details – for all approved CSPs and ICSPs. The CSP data portal also features financial and performance information needed to monitor the progress of CSPs and ICSPs. In addition, management is in the process of introducing a robust daily notification system that will clearly communicate information about any revisions to CSPs and ICSPs, regardless of the magnitude of any change in value. This will ensure that Member States are aware of all changes and that any concerns can be addressed in a timely manner.

[12] WFP/EB.A/2019/6-E/1.

[13] This advisory body provides independent, expert advice to the Executive Board and the Executive Director in fulfilling their governance responsibilities, including ensuring the effectiveness of WFP's internal control systems, risk management, audit and oversight functions and governance processes.

[14] WFP/EB.A/2018/6-E/1.

[15] The four cost categories are transfers, implementation, direct support costs and indirect support costs.

[16] WFP/EB.A/2019/6-E/1. The external audit of country portfolio budgets and accompanying management response was shared with the Board for consideration at its 2019 annual session. The external audit was conducted in two phases between September 2018 and February 2019, with field missions to the regional bureaux in Nairobi and Panama and WFP country offices in Bangladesh, Guatemala, Haiti, Jordan, Uganda and the United Republic of Tanzania. The main objectives of the external audit were to determine whether country portfolio budgets provide reasonable assurance that donor conditions and Executive Board authorizations are being met; whether the four cost categories introduced by the revised financial framework are clear enough to avoid duplication and to describe expenditure effectively; whether the budgets allocated to cooperating partners are in line with the new budget structure; and what the impact of the implementation of the revised financial framework is on budget management and country office workloads.

11. In line with the external auditor's recommendations from the external audit of country portfolio budgets,[17] management will continue to engage with the Board to define the appropriate level of information required for strategic governance and to identify detailed information that could be obtained through other platforms, including the board website, the CSP data portal and the WFP website, to ensure that the organization has the operational flexibility that it needs to be efficient and effective.

Outstanding governance arrangements

12. The Policy on Country Strategic Plans and the Financial Framework Review noted that changes to the General Rules and Financial Regulations would be required to support implementation of the new programmatic and financial framework in the following areas:

- the Executive Director's authority regarding programme and budget revision approvals, as well as the authority delegated jointly to the Executive Director and the Director-General of the United Nations Food and Agriculture Organization (FAO) with regard to limited emergency operations and crisis-response-related strategic outcomes, including revisions, above a certain budget threshold;
- the alignment of terminology and definitions to ensure coherence with the CSP structure; and
- the application of full cost recovery and introduction of new cost categories.

13. Interim governance arrangements were approved at the 2017 second regular session of the Board. The arrangements included principles to guide the application of full cost recovery, derogations from provisions of General Rule XIII.4 and Financial Regulations 1.1 and 4.5 related to cost categories and full cost recovery to implement the IRM framework in 2018, and interim delegations of authority for the period 1 January 2018 to 29 February 2020.[18] The Secretariat committed to reviewing the application of the interim delegations of authority to ensure that the Board's fundamental role of approval and oversight was maintained before presenting permanent delegations of authority for approval at the 2020 first regular session of the Board.

14. At the 2018 second regular session, the Board approved amendments to the General Rules and Financial Regulations related to terminology, definitions and full cost recovery policies.[19] They are in effect as of 1 January 2019.

15. Critical components of the IRM framework that remain to be finalized are permanent delegations of authority and governance arrangements related to the consultation process preceding the submission of CSPs and ICSPs to the Board for approval, the five-day Member State review process for crisis-response-related revisions, and normative amendments to WFP General Rules to facilitate the implementation of MCSPs.

16. Paragraphs 18–25 below address the role of the Executive Board in approving WFP's programmes, activities and budgets, as enshrined in General Regulation Article VI.2(c), and outline the various reporting mechanisms that WFP employs to ensure transparency, accountability, strong financial management and robust internal control.

17. The subsequent sections then set out the background and rationale for proposals aimed at striking a balance between the Board's strategic oversight role and simplicity and efficiency for country offices through a streamlined consultation process; optimizing permanent delegations of authority; and modifying the five-day Member State review process for crisis-

[17] WFP/EB.A/2019/6-E/1.

[18] WFP/EB.2/2017/4-A/1/Rev.1.

[19] WFP/EB.2/2018/5-A/1.

response-related revisions. In addition, the CSP data portal will be augmented with additional information to improve its usefulness to users in line with recommendations 7 and 8 of the External Auditor's report on country portfolio budgets.[20] The proposals were discussed at the informal consultations on 4 September and 4 October 2019 and reflect the feedback received from Board members.

Fundamental approval and oversight role of the Board

18. Article VI of WFP's General Regulations sets out the powers and functions of the Board. General Regulation Article VI.2 establishes its authority to approve all WFP programmes and activities and their related budgets. This regulation remains unchanged.

> **General Regulations, Article VI.2(c):** "The Board shall review, modify as necessary, and approve programmes, projects and activities submitted to it by the Executive Director. In respect of such approvals, however, it may delegate to the Executive Director such authority as it may specify. It shall review, modify as necessary, and approve the budgets of programmes, projects and activities, and review the administration and execution of approved programmes, projects and activities of WFP."

19. It is important to note that under the IRM the Board is for the first time exercising its authority to approve the initiation of WFP programmes and activities in all contexts,[21] including with regard to strategic outcomes related to protracted, predictable and recurring crisis response and service provision activities.[22] The Board also approves any non-emergency change to the overall strategic focus of WFP in a country that involves the addition or deletion of one or more non-emergency strategic outcomes in a CSP. Under the previous fragmented project-based system the Board did not approve emergency operations, special operations or country-level trust funds or protracted relief and recovery operations or related revisions that involved less than USD 20 million in food value or country programmes or related revisions involving less than USD 3 million in food value.

20. It is proposed that under the permanent delegations of authority the Board retain the authority to approve the following:

- CSPs and ICSPs, other than one funded entirely by a host country where the host country has not requested Executive Board approval; and
- the addition or removal of an entire strategic outcome from a CSP, ICSP or transitional ICSP, except for a strategic outcome that relates only to emergency[23] or service provision activities or is funded entirely by a host country that has not requested Executive Board approval, in which case the addition or removal would fall under the Executive Director's delegated authority in those areas.

21. To help it fulfil its strategic oversight role and ensure visibility, the Board is provided with the following:

- a streamlined consultative process prior to the presentation of CSPs and ICSPs for approval, which includes close collaboration with local missions, an informal consultation and electronic review of draft documents with Member States;

[20] WFP/EB.A/2019/6-E/1.

[21] With the exception of CSPs and ICSPs funded entirely by a host country where the host country has not requested the Executive Board to approve the plan.

[22] With the exception of strategic outcomes that are funded entirely by the host country.

[23] Strategic outcomes related to emergency response fall in the crisis response focus area. The addition, removal or modification of crisis-response-related strategic outcomes will be submitted to the Executive Director for approval and, when required, to the FAO Director-General.

- operational and budgetary information – including activity-level details – from the country operation management plans via the CSP data portal for all approved CSPs and ICSPs. The CSP data portal also features financial and performance information needed to monitor the progress of CSPs and ICSPs;
- information on all budget revisions of CSPs and ICSPs greater than USD 7.5 million and any changes in the duration of a CSP or ICSP, regardless of approval authority;
- extracts of updated operational and budgetary plans presented with the management plan each year for information;
- twice-yearly reports on the Executive Director's use of his delegated authority to approve revisions of CSPs and ICSPs;
- the annual performance report; and
- annual country reports.

Introduction of an email notification system

22. Currently, all revisions of CSP and ICSP budgets greater than USD 7.5 million and any changes in the duration of CSPs or ICSPs, regardless of approval authority, are posted on WFP's website. Management recognizes that there is no existing system for alerting Member States when such revisions are posted and that it is critical that changes be clearly communicated to ensure visibility over the life of a CSP or ICSP.

23. During informal consultations on 4 September and 4 October 2019, Member States expressed a need for a robust and consistent notification system and clear communication protocol. Based on Member State feedback, the Secretariat proposes to implement an email notification system to alert Member States on a daily basis of any budget revision, regardless of the magnitude of the change in value. Each email will contain a consolidated listing of updates in the form of a digest with related links. The email will be sent at the end of each business day and will include all changes to CSPs and ICSPs regardless of value, including upward revisions, downward revisions and the approval or revision of CSPs and ICSPs funded entirely by host countries that have not requested Board approval. In the event of the latter, management will provide an opportunity for Member States to comment.

24. This robust communication mechanism will ensure that Member States are aware of all changes and that any concerns can be addressed in a timely manner. In accordance with rules III.2(b) of the rules of procedure, Member States may request that any revision be presented at the next Board session.[24]

25. Management requests the Board's feedback on the email notification system and the daily communication protocol outlined above.

Proposal for streamlining the consultation process while ensuring strategic engagement of the Board

Background

26. Responding to feedback received from the Board and based on experience gained in 2017 and early 2018, management initiated a two-step consultation process for draft CSPs and ICSPs in an effort to obtain Member States' views earlier and thus shape the underlying strategy and formulation of the draft documents. Management agreed to apply this two-step consultation process until the end of 2019 and then to present at the Board's 2020

[24] Rule III, paragraph 2(b), of the Rules of Procedure of the Executive Board provides: "The Executive Director shall prepare a provisional agenda, taking into account the annual plan of work. The provisional agenda shall include all items as are required by these Rules of Procedure or as are proposed by…any member of the Board".

first regular session a revised process taking into consideration lessons learned and feedback from Member States. The current two-step process entails:

- an informal consultation on the concept note for each CSP or ICSP held approximately six months before the Board session at which the CSP or ICSP is to be presented; and
- a written review period that allows Board members to provide detailed comments on draft CSP or ICSP documents 12 weeks before the documents are submitted for approval by the Board.

27. Country offices have consistently expressed a preference for moving to a streamlined consultation process, noting that the current process is labour-intensive and complex for country office staff. Lead times required to meet documentation and review deadlines have, in certain instances, resulted in country offices preparing revisions even before a CSP is approved due to rapidly changing circumstances in the countries in which they operate. Despite this, country offices emphasize that knowledge and insight gained during local consultations with stakeholders continue to add significant value to the development of CSPs and ICSPs.

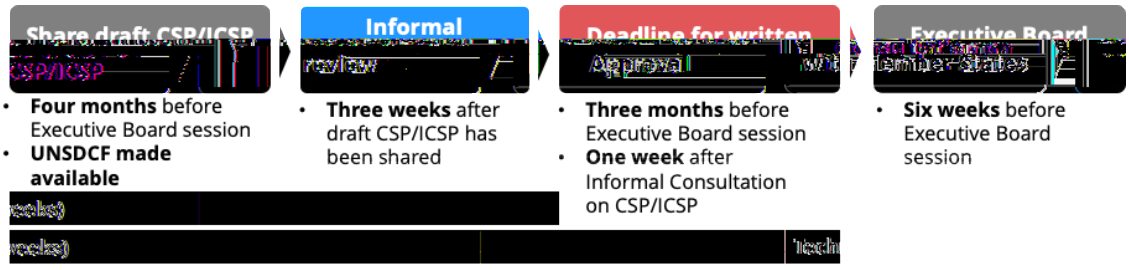
28. Moreover, the United Nations sustainable development cooperation framework (UNSDCF) is expected to become the main strategic document for all United Nations development activities. It is expected that each United Nations entity will derive its country development priorities and outcomes from the UNSDCF. The UNSDCF for a given country will be approved jointly by the country's resident coordinator and the host government. The increased authority of UNSDCFs over agencies' country strategic planning implies that CSPs should be developed in parallel and alignment with UNSDCFs, which have a much shorter development period.

29. At the 10 July 2019 informal consultation, Member States recognized that the consultation process should be manageable and not too cumbersome for country offices, while providing Member States with an opportunity for strategic engagement.

Proposal

30. To simplify the two-step consultation process while ensuring the Board's strategic engagement, it is proposed that there be an informal consultation on each draft CSP or ICSP and a simultaneous electronic review period. The foreseen process is shown in Figure 1.

Figure 1: Foreseen consultation process for draft CSPs and ICSPs



31. Under this proposal, the concept note would be replaced with a first draft of the CSP or ICSP, which would perform the same function of laying out the strategic direction of the CSP or ICSP, with the UNSDCF serving as the main overarching document. Management would hold an informal consultation on the draft at which Member States would provide critical strategic guidance. Simultaneously, Member States would review the draft from a technical perspective and provide comments during a period of electronic review following the consultation. Comments received during the informal consultation and the written review period would be addressed and incorporated into a revised draft by the country office in a single step, and the revised draft would then be presented for approval by the Executive Board at its next session.

32. Responding to feedback from Member States, management will apply this abbreviated process until mid-2021, at which point it will be reviewed. The review will draw on the application of the process through 2020 and take into account lessons learned from the pilot roll-out of the UNSDCF process as well as seek feedback from Member States. The review will also assess the need for and possible form of an early-phase strategic consultation on the direction of emerging CSPs and ICSPs in exceptional cases, for example new first-generation CSPs or ICSPs, and determine in what form and which cases, if any this should be applied.

Rationale

33. The proposal reflects the preference of country offices to move to a simplified process that enables more time to be dedicated to strategic planning and reduces the heavy administrative and procedural burden associated with the current process and required documentation. Consistent feedback from country offices recognizes that local consultation processes continue to add significant value in the early development phase and could be intensified, also as part of the UNSDCF-related stakeholder consultations. It is anticipated that the streamlined process will reduce administrative costs associated with the CSP design, review and approval process as revisions by the country offices, subsequent review by regional bureaux and headquarters and editing and translation will be performed in a single step.

34. The proposal is also based on critical developments with respect to United Nations reform and the foreseen requirements of the UNSDCF process, which has been compressed to 6–9 months from the 14.5 months typically required for the comparable United Nations development assistance framework process. Following a call from Member States for a tailored country presence, a review of United Nations country team configuration will be an integral part of the UNSDCF, underscoring its importance as a central platform for United Nations strategic and programmatic positioning in a country. Consequently, country offices need to reorient their country strategic plan preparation and ensure that CSPs are presented for approval as early as possible after UNSDCF signature. Therefore, UNSDCF formulation – starting with the United Nations common country analysis – should mark the beginning of WFP's country strategic planning process.

35. One of the drivers of United Nations reform is a desire for enhanced coherence and complementarity of the various United Nations entities and instruments that operate in a given country. Anchored in national SDG priorities, the United Nations system as a whole defines its contribution to national SDG targets. This starts with the common country analysis as the analytical foundation and common point of departure for all United Nations instruments relating to development, humanitarian action and peace. This is further underscored by the design of collective outcomes that will serve as a framework for the various United Nations instruments to ensure that the most vulnerable are not excluded from sustainable development. To that end, it is key to build a bridge between short-term assistance, medium-term outcomes and long-term development programming and financing. CSPs already follow a holistic approach, embracing the entire humanitarian–development–peace nexus within one planning framework. Through the IRM, WFP is in an advanced position to contribute meaningfully to joint planning and joint implementation of the United Nations system's activities in a given country.

36. It is important to recall that recommendation 3(b) of the strategic evaluation of CSP pilots[25] and recommendation 3 of the External Auditor's report on country portfolio budgets[26]

[25] Summary evaluation report of the strategic evaluation of the pilot country strategic plans (2017-mid-2018) (WFP/EB.2/2018/7-A).

[26] WFP/EB.A/2019/6-E/1.

stated that CSP cycles should be matched with the corresponding United Nations development assistance frameworks (now UNSDCFs) as quickly as possible. Under the proposal, WFP will have maximum flexibility to adjust to the outcomes of the United Nations development system reform and develop future CSPs and ICSPs according to the UNSDCF. Timelines for CSP design, review and approval will be better aligned with the UNSDCF's timeline to allow for the documents to be reviewed in conjunction.

37. Subject to feedback from Member States, the abbreviated process would go into effect in 2020 until mid-2021, after which it will be reviewed.

Proposal 1: Streamline the consultation process while ensuring strategic engagement of the Board.

Proposal for optimizing permanent delegations of authority

38. Management proposes to use the delegations of authority provided by the Executive Board to the Executive Director to maintain WFP's rapid and effective emergency response and to ensure that the Board's oversight role is maintained for significant changes to operations while maximizing internal efficiencies by delegating approval authority to the Executive Director for less significant changes. Annex III sets out the proposed draft permanent delegations of authority.

Background: Current interim delegations of authority

39. In 2017, twelve country offices piloted the CSP framework and country portfolio budget structure. At the time, it was difficult to demonstrate the extent to which the Board's approval of programmes would increase under the IRM framework, given the limited experience during the pilot phase.[27] It was also not possible to fully anticipate whether there would be efficiency gains through fewer programme and budget revisions under the IRM framework than there had been under the project-based system. It was foreseen that amendments to the General Rules and Financial Regulations – particularly with respect to delegations of authority – would benefit from additional lessons learned through an interim governance period and further consultation with Member States.

40. In a series of informal consultations in 2017, management and the Member States discussed a set of three principles on which to base the development of budgetary thresholds for interim delegations of authority, particularly for non-crisis-related budget revisions.[28] The principles included:

- Principle 1. Delegations of authority should be based on the overall approved budget in the CSP framework.
- Principle 2. Delegations of authority should be based on a maximum absolute value.
- Principle 3. Delegations of authority should be based on a proportion – as a percentage – of the original CSP budget to accommodate variations in the size of CSPs.

41. Subsequently, the following interim delegations of authority to the Executive Director for the period 1 January 2018–29 February 2020 were approved by the Board at its 2017 second regular session.[29]

[27] Update on the IRM, 17 March 2017, paragraph 60: Analysis conducted in 2017 projected that the Board's oversight and approval of new operations would increase, at a minimum, by approximately 23 percent as a result of the new framework.

[28] The thresholds were not intended to apply to new CSPs or ICSPs, fundamental changes to CSPs, ICSPs, limited emergency operations, transitional ICSPs following limited emergency operations or budget revisions related to crisis response or service-provision related outcomes.

[29] WFP/EB.2/2017/4-A/1/Rev.1.

- initial approvals of limited emergency operations and transitional ICSPs that follow limited emergency operations, to be exercised jointly with the FAO Director-General when a limited emergency operation or the emergency-related components of a transitional ICSP exceed USD 50 million, and of CSPs and ICSPs funded entirely by host countries that have not requested the Board to approve the plans;
- revision of any limited emergency operation or emergency-related revision[30] of a CSP, ICSP or transitional ICSP, to be exercised jointly with FAO Director-General when the related budget increases by more than USD 50 million;
- upward revision of one or more individual strategic outcomes of a CSP, ICSP or transitional ICSP, provided that the total amount of the revision does not exceed 25 percent of the plan's latest Board approved budget or USD 150 million;
- downward revision of any individual strategic outcome of a CSP, ICSP or transitional ICSP;
- revision of non-emergency components of a transitional ICSP following a limited emergency operation;
- revision of a CSP, ICSP or strategic outcome funded entirely by the host country;
- addition to a CSP, ICSP or transitional ICSP of a strategic outcome funded entirely by a host country that has not requested that the Board approve the strategic outcome; and
- revisions related to service provision activities.

42. Additional processes such as the five-day Member State review of crisis-response-related revisions and the two-step consultation process were also employed in the interim period to provide greater assurance that the Board's approval authority, visibility and oversight would be strengthened.

Review of the application of the interim delegations of authority

43. At the Board's 2017 second regular session the Secretariat committed to conducting a review of the application of the interim delegations of authority to ensure that the Board's fundamental role of approval and oversight was maintained and to capturing lessons learned from the implementation of interim governance arrangements. The review – conducted in early 2019 – examined specifically:

- the extent to which the Executive Board's role in approving WFP programmes (CSPs and ICSPs) increased under the IRM framework compared with the project-based system; and
- any efficiency gains achieved in terms of the number of programme and budget revision approvals under the IRM framework compared with the project-based system.

44. Findings from the review were shared with the Board at informal consultations on 10 July and 4 September 2019:

Finding 1: Under the IRM framework, there has been a substantial increase in the Executive Board's role in approving WFP programmes (CSPs and ICSPs) in terms of absolute value – from an average of USD 4.4 billion per year between 2011 and 2016 to USD 13.4 billion in 2018 and an estimated USD 7.6 billion in 2019 – and as a proportion of programmes and revisions approved each year compared with the project-based system – from an average of 53 percent per year between 2011 and 2016 to 96 percent in 2018 and

[30] Strategic outcomes and revisions related to an emergency fall in the crisis response focus area. The addition, removal or modification of crisis-response-related strategic outcomes is submitted for approval to the Executive Director and, when required, the FAO Director-General.

83 percent in 2019. The increase in the approval of programmes by the Board is expected to be sustained in future years, based on conservative projections.

Finding 2: Under the IRM framework, the substantial increase in the Executive Board's role in approving WFP programmes (CSPs and ICSPs) has occurred independently of revisions. Approximately 98 percent of the USD 13.4 billion that the Board approved in 2018 was for initial programmes – only 2 percent related to revisions. In terms of quantity, the Board approved 2 of 46 revisions under the IRM framework (4 percent, which is the same proportion as under the project-based framework). The increase in the approval of programmes by the Board is expected to continue in future years, based on conservative projections.

Finding 3: Under the IRM framework, the overall dollar value of programmes approved has increased, while the number of approvals has declined, leading to efficiency gains.

Finding 4: The change from the project-based system to the IRM framework has improved efficiency, as evidenced by a substantial reduction in the number of revisions being processed annually.

45. An analysis of the interim delegations of authority over the period from 1 January 2018 to 30 June 2019 is presented in annex II.

Lessons learned from the application of the interim delegations of authority

46. Feedback and lessons learned from country offices indicate that the interim delegations of authority are considered to be too complex because different criteria are used based on the focus area of the strategic outcome being revised. For instance, revisions of crisis-response-related strategic outcomes and limited emergency operations are subject to a per revision threshold, beyond which joint approval by the Executive Director and FAO Director-General is required. By contrast, revisions of non-crisis-response-related strategic outcomes are subject to a maximum absolute value threshold of USD 150 million as well as a proportion-based threshold of 25 percent of the last Board approved CSP or ICSP budget. Both thresholds are applied cumulatively and revisions exceeding the budget threshold require Executive Board approval.[31]

Proposal for permanent delegations of authority for budget increases that are not related to fundamental changes, emergency responses or service provision

47. Having considered the analysis of the application of the interim delegations of authority, extensive feedback and lessons learned from country offices, regional bureaux and headquarter divisions, as well as feedback from the 4 September and 4 October 2019 informal consultations, management proposes that the Executive Board approve all new CSPs and ICSPs and any revisions that add or delete strategic outcomes from CSPs or ICSPs[32] (see paragraph 20). In addition, the Board will approve each non-crisis-related revision of a CSP or ICSP that increases its current overall budget by more than 15 percent.[33] The percentage threshold for an increase of a CSP or ICSP will be calculated based on the value of the CSP or ICSP budget on the date that the revision is made. For the purposes of threshold calculation, revisions will not be treated cumulatively. The proposed threshold is not intended to apply to new CSPs or ICSPs, fundamental changes (i.e. the addition or

[31] Revisions of emergency or service provision activities and Executive Director approved revisions of strategic outcomes funded entirely by host countries do not count towards the cumulative threshold.

[32] Except when the CSP, ICSP or the strategic outcome at issue is funded entirely by a host country that has not requested Executive Board approval or where the strategic outcome relates to emergency activities or service provision activities.

[33] Increases in respect of emergency or service provision activities and Executive Director approved strategic outcomes funded entirely by host countries will not be included in the threshold calculation; in addition, the value of an increase will not be offset by the value of a decrease.

removal of a strategic outcome) to CSPs, ICSPs, limited emergency operations, transitional ICSPs or revisions related to emergency response or service provision or Executive Director approved revisions of strategic outcomes funded entirely by host countries.

48. In addition, management proposes to streamline the approval process by employing a ten-day Member State review of budget revisions and the mechanism for approval by correspondence in accordance with Rule IX.8 of the Rules of Procedure of the Executive Board when appropriate.

49. The 10-day review process would entail the following steps, prior to employing the mechanism for approval by correspondence:

i) Draft budget revision posted on WFP's website;

ii) Minimum of eight working days for Member States to comment;

iii) Comments compiled on the Membership Area of the Executive Board website;

iv) The last two of the ten working days for comment reserved for Member States to react to the comments of other Member States; and

v) Final budget revision posted on the Membership Area of the Executive Board website along with a matrix of comments.

50. The approval by correspondence mechanism, in accordance with Rule IX.8 of the Rules of Procedure of the Executive Board, is as follows:

i) Board members will be advised immediately by email that a final budget revision has been posted on the Membership Area of the Executive Board website.

ii) Each of the 36 Members of the Executive Board must cast a vote on whether to approve the submitted revision within 10 working days.

iii) The Executive Board Secretariat, on behalf of the Executive Director, will record the votes and communicate the results to the entire membership.

51. To ensure that the Board retains visibility and effective oversight, all approved revisions of CSP or ICSP budgets will be published on WFP's website. The CSP data portal will continue to be updated with all revisions upon their approval. Improvements in notifying Member States of newly posted changes, including the use of email to inform Board Members as described in paragraphs 23 and 24 above, will be made. Lastly, in addition to the annual management plan, the annual performance report and annual country reports, twice-yearly reports detailing the Executive Director's use of his delegated authority will be submitted to the Board.

Rationale

52. During a series of informal consultations leading up to the 2019 second regular session, management discussed several proposals for permanent delegations of authority for non-crisis-related budget revisions including a single dollar value threshold or a proportion-based threshold.

53. The single threshold, applied to each revision and based on the current CSP or ICSP budget, represents a simplification compared with the current interim delegations of authority, which utilize a maximum absolute value threshold of USD 150 million and a proportion-based threshold of 25 percent of the last Board approved CSP or ICSP budget, and is applied cumulatively. This responds to feedback from the field that interim delegations of authority for approving revisions are unduly complex and cumbersome to implement and should be simplified.

54. Based on Member State feedback, management is proposing a single proportion-based threshold to be applied to each revision. This retains the Executive Board oversight of significant budget revisions that could potentially have strategic implications for the

implementation of the CSP or ICSP and, more importantly, retains the element of proportionality, especially when considering the significant variances in the operational size of CSPs and ICSPs.

55. In addition to the 15 percent threshold proposed, the Secretariat also considered 25 percent, 22 percent, 20 percent and 18 percent thresholds:

- If a threshold of 25 percent or 22 percent had been applied to revisions from 2018 and the first six months of 2019, the Secretariat found that there would have been no change to the number of revisions that were submitted to the Board for approval.[34]
- A threshold of 20 percent would have resulted in one additional budget revision, bringing the total to three.[35] Thresholds of 18 and 15 percent would have resulted in two additional budget revisions, bringing the total number of budget revisions to four.[36]

56. In order to ensure sufficient oversight by the Executive Board, management recommends that a single proportion-based threshold of 15 percent of the CSP or ICSP's current overall budget be applied to each non-crisis-related budget revision.[37]

57. In addition, utilizing the Member State ten-day review process for non-crisis-related budget revisions, as outlined in paragraph 49, will result in a significant increase in transparency and oversight for Member States. Under this proposal, management will share the relevant draft budget revisions with Member States for a ten-day review period. Increased consultation with the Board will benefit the design of WFP's interventions by considering Member States' views in a more structured and transparent manner along with the inputs provided through consultations with local partners and donors.

58. Employing the mechanism for approval by correspondence in accordance with Rule IX.8 of the Rules of Procedure of the Executive Board, as outlined in paragraph 50, is an alternative to submitting budget revisions to the Board for approval at a formal session. It will facilitate timely revisions that allow WFP to adjust to changes in the operational context. In addition, it ensures that documents considered at formal Board sessions are more strategic in nature.

Proposal 2(a):

1. The Executive Board will approve all new CSPs and ICSPs and any revisions that add or delete strategic outcomes from a CSP or ICSP.[38]
2. The Board will approve each non-crisis-related revision to a CSP/ICSP that increases its current overall budget by more than 15 percent.[39]
3. For such revisions, the Board will employ a Member State ten-day review process and the mechanism for approval by correspondence in accordance with Rule IX.8 of the Rules of Procedure of the Executive Board.

[34] In 2018, the Board approved two revisions, for the CSP for Honduras and the transitional ICSP for Turkey.

[35] In addition to the revisions for the CSP for Honduras and the transitional ICSP for Turkey, the budget revision for the CSP for Namibia would have been submitted for approval.

[36] In addition to the revisions for the CSP for Honduras and the transitional ICSP for Turkey, budget revisions for the CSP for Namibia and the transitional ICSP for Cambodia would have been submitted for approval.

[37] Fundamental, emergency and service-provision-related revisions will not be included in the threshold calculation; in addition, upward revisions will not be offset by downward revisions.

[38] Except when a CSP, ICSP or strategic outcome at issue is funded entirely by a host country that has not requested Executive Board approval or where the strategic outcome relates to emergency activities or service provision activities.

[39] Increases in respect of emergency or service provision activities and Executive Director approved strategic outcomes funded entirely by host countries will not be included in the threshold calculation; in addition, the value of an increase will not be offset by the value of a decrease.

Proposal to maintain other delegations of authority to the Executive Director as applied during the interim period

59. Overall the interim delegations of authority to the Executive Director approved by the Executive Board at its 2017 second regular session[40] are working. Therefore, management recommends maintaining the delegations of authority from the Executive Board to the Executive Director applied during the interim period with the exception of the delegations of authority for budget increases that are not related to emergency or service provision activities or Executive Director approved strategic outcomes funded entirely by host countries. Annex II provides an overview of how the interim delegations of authority from the Executive Board to the Executive Director were exercised from 1 January 2018 through 30 June 2019.

Rationale

- **Appendix to the General Rules, paragraph (a)(i):** Limited emergency operations and transitional interim country strategic plans (T-ICSPs), with the joint approval of the Executive Director and the FAO Director-General when the limited emergency operation or the emergency-related components of the T-ICSP exceed USD 50 million in value.

60. Under this provision, the Executive Board delegates approval of limited emergency operations that are initially planned for up to six months and transitional ICSPs that follow limited emergency operations and last for up to 18 months to the Executive Director. In addition it requires joint approval by the Executive Director and the FAO Director-General when a limited emergency operation or emergency-related component of a transitional ICSP exceeds a budgetary threshold.

61. At its 2017 second regular session the Board approved an increase in the budgetary threshold for joint approval by the Executive Director and the FAO Director-General from USD 3 million in food value to USD 50 million. It is recommended that this threshold be maintained because it appropriately reflects the increased scope, complexity and relative size of emergency operations and ensures a swift, efficient and effective response to emergencies.

62. Documents for limited emergency operations are promptly posted on the WFP website. In addition, it should be noted that limited emergency operations and immediate response activities approved by the Executive Director or by the Executive Director and the Director-General of FAO are reported to the Executive Board twice a year.

- **Appendix to the General Rules, paragraph (a)(ii):** Country strategic plans and interim country strategic plans funded entirely by a host country where the host country has not requested the Executive Board to approve the plan.

63. As allowed for in the Policy on Country Strategic Plans[41] and the update on the Integrated Road Map presented at the 2017 second regular session of the Board, [42]and further to the approval authority set forth in Financial Regulation 5.1 and Financial Regulation 5.2, the Executive Director may approve a CSP or ICSP funded entirely by the host country should the host country opt not to submit it for approval by the Board.

64. This provision, which recognizes the prerogatives and sovereignty of host countries, does not represent a substantive change from the project-based framework, under which the Executive Director had authority regarding bilateral activities. Based on feedback from

[40] WFP/EB.2/2017/4-A/1/Rev.1.

[41] WFP/EB.2/2016/4-C/1/Rev.1, paragraphs 38 and 39.

[42] WFP/EB.2/2016/4-C/1/Rev.1, paragraphs 38 and 39, and WFP/EB.2/2017/4-A/Rev.1, paragraph 85.

Member States, management has determined that multilateral funds will not be eligible for allocation to a host-country-funded CSP, ICSP or strategic outcome that has not been approved by the Board.

65. Documents for CSPs and ICSPs funded entirely by host countries that are approved by the Executive Director will be promptly posted on the WFP website. As outlined in paragraphs 23 and 24, Member States will also receive a daily email containing a digest notifying them of any changes to CSPs and ICSPs. The digest will include the approval or revision of CSPs and ICSPs funded entirely by host countries that have not requested Board approval, and Member States will have an opportunity to comment.

- **Appendix to the General Rules, paragraph (b)(i):** Revision of any limited emergency operation or emergency-related revision of a CSP, ICSP or T-ICSP, with the joint approval of the FAO Director-General for any increase exceeding USD 50 million.

66. Under this provision, any revision of a limited emergency operation and any emergency-related revision of a CSP, ICSP or transitional ICSP that follows a limited emergency operation will be approved by the Executive Director or approved jointly by the Executive Director and the FAO Director-General when the limited emergency operation or emergency-related component of the CSP, ICSP or transitional ICSP exceeds a budgetary threshold. Emergency-related revisions are not treated cumulatively and do not count towards the Board approval threshold for non-emergency-related revisions.

67. As part of the current Member State review process, emergency-related budget revisions that exceed the lesser of USD 150 million or 25 percent of the overall budget are shared with Member States for comment before approval by the Executive Director and, if required, the FAO Director-General. (See paragraphs 82–98 below for a proposal to modify the Member State review process.)

68. All approved revisions that increase CSP or ICSP budgets by USD 7.5 million or more are currently published promptly on WFP's website, and the CSP data portal is updated to include any revisions to Board approved CSPs or ICSPs. In addition, revisions of CSPs and ICSPs and corresponding budget increases approved by the Executive Director or by the Executive Director and the FAO Director-General are reported to the Executive Board twice a year.

- **Appendix to the General Rules, paragraph (b)(iii):** Downward revision of any individual strategic outcome of a CSP, ICSP or T-ICSP.

69. Under this provision, approval of budgetary decreases – with the exception of the deletion of strategic outcomes, which would be considered a fundamental change and therefore subject to Board approval – is fully delegated to the Executive Director. This practice encourages managers to review and adjust budgets frequently for better alignment with prevailing costs.

70. As outlined in paragraphs 23 and 24, Member States will receive a daily email containing a digest notifying them of any changes to CSPs and ICSPs, including any downward revisions.

- **Appendix to the General Rules, paragraph (b)(iv):** Revision of non-emergency components of a T-ICSP following a limited emergency operation.

71. Under this provision all revisions of non-emergency components of a transitional ICSP following a limited emergency operation are delegated to the Executive Director. This is consistent with the Executive Director's authority to approve non-emergency related components of transitional ICSPs as provided for in the appendix to the General Rules, paragraph (a)(i).

72. In the event of such an approval it would be reported in one of the twice-yearly reports to the Board detailing the Executive Director's use of his delegated authority.

73. In line with current practice all approved revisions of CSP and ICSP budgets will be published on WFP's website.

- **Appendix to the General Rules, paragraph (b)(v):** Revision of a CSP, ICSP or strategic outcome funded entirely by the host country.

74. As allowed for in the Policy on Country Strategic Plans[43] and the update on the Integrated Road Map presented at the 2017 second regular session of the Board, [44]and further to the approval authority set forth in Financial Regulation 5.1 and Financial Regulation 5.2, the Executive Director may approve a CSP or ICSP funded entirely by the host country.

75. This provision, which recognizes the prerogatives and sovereignty of host countries, does not represent a substantive change from the project-based framework, under which the Executive Director had authority regarding bilateral activities.

76. In line with current practice all approved revisions of CSP and ICSP budgets will be published on WFP's website. As outlined in paragraphs 23 and 24, Member States will also receive a daily email containing a digest notifying them of any changes to CSPs and ICSPs. The digest will include the approval or revision of CSPs and ICSPs funded entirely by host countries that have not requested Board approval, and Member States will have an opportunity to comment.

- **Appendix to the General Rules, paragraph (b)(vi):** Addition to a CSP, ICSP or T-ICSP of a strategic outcome funded entirely by a host country that has not requested the Executive Board to approve the strategic outcome.

77. As allowed for in the Policy on Country Strategic Plans and the 2017 Update on the Integrated Road Map presented at the Board's second session,[45] and further to the approval authority set forth in Financial Regulation 5.1 and Financial Regulation 5.2, the Executive Director may approve fundamental changes to CSPs that arise as a result of the addition a new strategic outcome funded entirely by a host country.

78. In line with current practice all approved revisions of CSP and ICSP budgets will be published on WFP's website. As outlined in paragraphs 23 and 24, Member States will receive a daily email containing a digest notifying them of any changes to CSPs and ICSPs. The digest will include the approval or revision of CSPs and ICSPs funded entirely by host countries that have not requested Board approval, and Member States will have an opportunity to comment.

- **Appendix to the General Rules (b)(vii):** Revisions related to service provision activities.

79. The Board retains the authority to initially approve CSPs and ICSPs;[46] this encompasses all WFP operations in all contexts, including service-provision-related activities. Under paragraph (b)(vi) of the appendix to the General Rules, all revisions related to service provision activities are delegated to the Executive Director.

80. It is recognized that service provision activities – planned common and shared services – are often planned in response to specific funded requests. To accommodate the varying nature and funding sources of these activities, it is recommended that authority to approve related budget revisions be handled in the same spirit as authority for special operations was

[43] WFP/EB.2/2016/4-C/1/Rev.1, paragraphs 38 and 39 and WFP/EB.2/2017/4-A/Rev.1, paragraph 85.

[44] WFP/EB.2/2016/4-C/1/Rev.1, paragraphs 38 and 39 and WFP/EB.2/2017/4-A/Rev.1, paragraph 85.

[45] WFP/EB.2/2016/4-C/1/Rev.1, paragraphs 38 and 39 and WFP/EB.2/2017/4-A/Rev.1, paragraph 85.

[46] Except when the CSP or ICSP is funded entirely by a host country that has not requested Executive Board approval.

handled under the project-based framework: it is proposed that revisions arising from changes to service provision activities be approved by the Executive Director.

81. In line with current practice all approved revisions to CSP and ICSP budgets will be published on WFP's website. The CSP data portal is updated to include any revisions of Board approved CSPs and ICSPs. In addition, as outlined in paragraphs 23 and 24, Member States will receive a daily email containing a digest notifying them of any changes to CSPs and ICSPs, including any related to service provision activities.

Proposal 2(b): Maintain other delegations of authority to the Executive Director as applied during the interim period.

Proposal to modify the five-day Member State review of crisis-response-related revisions

Background

82. During the series of informal consultations held in 2017, Member States conveyed concerns about reduced transparency and oversight in respect of budgetary increases for crisis-response-related strategic outcomes that previously would have been part of protracted relief and recovery operations and therefore subject to Board approval in the case of operations or revisions greater than USD 20 million in food value.

83. In this context, at the Board's 2017 second regular session, the Secretariat committed to sharing crisis-response-related budget revisions with Member States for comment prior to their approval if such revisions were above the thresholds for delegated authority for non-crisis-response-related revisions – i.e., the lesser of USD 150 million or 25 percent of the overall CSP or ICSP budget. This process enhances the transparency of such budget revisions while maintaining the flexibility and efficiency of WFP's emergency response capability. It is performed in addition to the publication of budget revisions greater than USD 7.5 million and the twice-yearly report on emergency operations approved by the Executive Director either alone or jointly with the FAO Director-General, which is submitted for information at formal Board sessions.

84. Since the 2017 second regular session the Secretariat has posted budget revisions exceeding the threshold on the WFP website in the four WFP languages, and Member States have four working days to comment. Member State comments are then collated on the Membership Area of the Executive Board website and Member States have an additional working day to react to comments from other Member States. Following the five-day comment period the revision is changed where appropriate in response to the comments and presented for approval by the Executive Director and, if required, the FAO Director-General. Following approval, the final version of the revision is shared with Board members on the Membership Area of the Executive Board website along with a matrix of comments. In accordance with rule III.2(b) of the rules of procedure, Member States may request that the revision be presented the next Board session.[47]

85. To safeguard flexibility and ensure timely, swift and effective response to emergencies, the Executive Director and, if required, the FAO Director-General can approve crisis-response-related strategic outcome revisions without sharing the revisions beforehand for comment. The rationale for such approvals is that the time-sensitivity and unforeseen nature of an emergency require WFP to respond without delay. The revisions are, however, shared after approval for comment, and Member States are again given five days to comment. The next iteration of the document can – at that time – incorporate comments, where appropriate.

[47] Rule III, paragraph 2(b), of the Rules of Procedure of the Executive Board provides: "The Executive Director shall prepare a provisional agenda, taking into account the annual plan of work. The provisional agenda shall include all items as are required by these Rules of Procedure or as are proposed by…any member of the Board".

86. As of 9 September 2019, there have been 52 crisis-response-related budget revisions,[48] of which 20 exceeded the applicable budgetary thresholds and were subject to the five-day Member State review process (see annex III). A total of 14 budget revisions were shared with Member States prior to approval by the Executive Director and, where required, the FAO Director-General. Due to the urgency and severity of the situations giving rise to them, the remaining six revisions were shared with Member States for comment after approval by the Executive Director and, where required, the FAO Director-General. The decision to waive the five-day comment period before approval was limited to exceptional circumstances – primarily in the context of natural disasters or shocks – where it was believed that the five-day comment period would impair WFP's ability to deliver life-saving assistance immediately.

87. Member States have expressed appreciation for the review process and consider it a valuable tool for critical oversight and engagement, particularly in the light of the significant contributions that it makes to crisis response strategic outcomes. Lessons learned from the review process showed that an average of two to three Member States provided comments on each revision, with comments consisting primarily of requests for more information and expressions of support.

Proposal

88. Based on feedback from Member States at the 4 September and 4 October 2019 informal consultations, management proposes to share with Member States for comment each crisis-response-related revision of a CSP or ICSP that increases its current overall budget by more than 15 percent before approval by the Executive Director and, if required, the FAO Director-General. In addition, management proposes to retain the current five-day review period outlined in paragraph 84.

89. To safeguard flexibility and ensure timely, swift and effective response to emergencies, the Executive Director and, if required, the FAO Director-General can approve crisis-response-related revisions without sharing them for comment beforehand. In such circumstances, management appreciates the flexibility to conservatively evaluate the unique operational context underlying a specific budget revision and to consider guiding factors such as the unforeseen nature of the emergency, the urgency of the need to commence operations, the risk and implications of any operational delay, and the need to allocate contributions to activities to be undertaken in accordance with the revision. Retaining this flexibility ensures that management can undertake a measured and holistic review of each budget revision to make an informed decision based on the operational context, its operational experience and consultations with local missions and partners. Per current practice, if management determines that a waiver is necessary to ensure that WFP responds without delay, a brief information note explaining the operational context and urgency of the response will be provided to Member States along with the revision. Such revisions will still be shared after approval, and Member States will be given five days to comment. The next iteration of the document can incorporate comments where appropriate.

90. In line with rule III.2(b) of the rules of procedure, Member States may request that a revision be presented at the next Board session.[49] In addition, operational briefings on WFP's crisis response will continue to be offered, and country offices will continue to consult local

[48] Since revisions can comprise more than one focus area, it should be noted that the value of crisis-response-related revisions are primarily – but not solely – accounted for by crisis response, with the exception of exclusive service provision-related revisions.

[49] Rule III, paragraph 2(b), of the Rules of Procedure of the Executive Board provides: "The Executive Director shall prepare a provisional agenda, taking into account the annual plan of work. The provisional agenda shall include all items as are required by these Rules of Procedures or as are proposed by…any member of the Board".

missions on revisions and share relevant documents, which are often compiled in the context of humanitarian assessments.

91. This process is in addition to the publication of budget revisions greater than USD 7.5 million and the usual twice-yearly report on emergency operations approved by the Executive Director or jointly by the Executive Director and the FAO Director-General for information at formal Board sessions. As outlined in paragraphs 23 and 24, Member States will also receive a daily email containing a digest notifying them of any changes to CSPs and ICSPs, regardless of value.

Rationale

92. A single threshold represents a simplification compared with the current thresholds (i.e. the lesser of USD 150 million or 25 percent of the last Board approved CSP or ICSP budget) applied to determine which budget revisions are submitted to Member States for review. This responds to feedback from the field that thresholds for determining whether or not budget revisions are shared for comment are unduly complex and cumbersome and should be simplified.

93. During a series of informal consultations leading up to the 2019 second regular session, management discussed the use of a single dollar value threshold or a proportion-based threshold for sharing crisis-response related revisions. Based on Member State feedback, management is a proposing a single proportion-based threshold. This retains Executive Board oversight of significant budget revisions and the element of proportionality in recognition of variation in the operational size of CSPs and ICSPs.

94. The Secretariat also considered various percentages for the threshold, including 25 percent, 22 percent, 20 percent, 18 percent and 15 percent. As of 9 September, there had been 52 crisis-response-related budget revisions,[50] of which 20 exceeded the current applicable budgetary thresholds (i.e. the lesser of USD 150 million or 25 percent of the last Board approved CSP or ICSP budget) and were subject to the five-day Member State review process.[51]

- If the 25 percent threshold had been applied, Member States would have instead reviewed 19 budget revisions.[52] Based on feedback from Member States, this level of visibility and oversight was considered too low.
- A threshold of 22 percent would have resulted in Member States reviewing 20 crisis-response-related revisions.
- A threshold of 20 percent would have resulted in Member States reviewing 21 crisis-response-related revisions.
- A threshold of 18 percent would have resulted in Member States reviewing 22 crisis-response-related revisions.
- A threshold of 15 percent would have resulted in Member States reviewing 26 crisis-response-related revisions.

95. In order to balance the oversight and workload of the Executive Board, management recommends the single proportion-based threshold of 15 percent, which would ensure

[50] Since revisions can comprise more than one focus area, it should be noted that the value of crisis-response-related revisions are primarily – but not solely – accounted for by crisis response, with the exception of exclusive service provision-related revisions.

[51] It should be noted that paragraph 30 of the 19 September IRM document stated that there were 51 instead of 52 budget revisions of crisis-response-related strategic outcomes.

[52] The crisis-response-related budget revision for Somalia would not have gone through the review process because the revision accounted for 22 percent of the total CSP budget.

sufficient visibility for significant crisis-response-related revisions. This threshold would also be aligned with the threshold for non-crisis-related revisions and thus represents a simplification for country offices.

96. The Executive Director will continue to exercise the utmost discretion and conservative judgment when holistically assessing the operational context of each crisis-response budget revision, as highlighted in paragraph 89, to determine whether it should be shared for Member State comment before or after approval by the Executive Director and, if required, the FAO Director-General. This will enable a balance between Board oversight and the organization's need to operate swiftly and effectively in response to emergencies. Member States will still have the opportunity to comment on approved budget revisions post-factum and may request that a revision be presented at the next Board session, as noted in paragraph 90.

97. In addition, to mitigate any operational delays, management will seek to simplify the budget revision template and streamline internal processes.

98. Subject to feedback from Member States, the modified process would come into effect in 2020.

Proposal 3:

1. Modify the Member State review process by sharing for comment each crisis-response-related revision of a CSP or ICSP that increases its current overall budget by more than 15 percent.
2. Maintain the five-day review period.
3. Retain the ability of the Executive Director and, if required, the FAO Director-General, to approve crisis-response-related revisions without sharing the revisions for comment beforehand to ensure timely response.

Proposal to improve the usefulness of the CSP data portal

99. Transparency is a cornerstone of the IRM framework and WFP is committed to upholding the principles of good governance by continuing to provide enhanced transparency to ensure open and comprehensive engagement with the Board. Consistent with proposals 1, 2 and 3, management recognizes that it is necessary to strike a balance with regard to information provided to the Board for strategic engagement and more detailed information to facilitate decision making made available through WFP's online platforms.

100. To increase operational transparency under the IRM framework, WFP has created the CSP data portal to provide Member States with budgetary, financial and performance information. In line with feedback from Member States since the portal's launch in July 2018, WFP is implementing actions to better integrate data and enhance the presentation of detailed information to ensure that it is coherent, relevant and useful for decision making and oversight purposes. These enhancements are in line with recommendations 7 and 8 of the External Auditor's report on country portfolio budgets,[53] which recommended "improving the usefulness of the 'CSP Data Portal' for its users" and "rationalizing the coexistence of the different information portals". In response to the recommendations, management agreed to continue to improve the usefulness of the CSP data portal and to integrate the management plan website into the portal over the course of 2019.[54]

101. Actions include providing the original implementation plans for all approved CSPs and ICSPs; more regularly updated expenditure data, including allocations from the programme support and administrative budget; percentages of indirect and direct support costs; and

[53] WFP/EB.A/2019/6-E/1.

[54] WFP/EB.A/2019/6-E/1/Add.1.

information on requirements in relation to the needs-based plan and the implementation plan and on the resource situation.

102. The Secretariat remains committed to engaging bilaterally and through informal consultations with Member States and donor partners to ensure that the CSP data portal provides the information they require – in an easy-to-digest format – to support decision making and visibility.

Proposal 4: Provide more detailed information via the CSP data portal to improve its usefulness to users in line with recommendations 7 and 8 of the External Auditor's report on country portfolio budgets.

Proposal to amend the WFP General Rules to facilitate implementation of multi-country strategic plans

103. At the Board's 2018 second regular session,[55] and in the prefatory note to the Pacific interim multi-country strategic plan[56] (IMSCP), management outlined its approach to regions such as the Pacific and Caribbean, where WFP works on themes – disaster preparedness, for example – that are relevant to a number of similarly situated small states that do not have individual CSPs, ICSPs or transitional ICSPs in place. In these cases, an MCSP, which could also be interim or transitional in nature, would be approved by the Board as a single plan covering all the countries where WFP plans to implement a response. It should be noted that MCSPs follow the programmatic and budgetary structure of the CSP framework. The plans would not overlap with any existing CSP, ICSP, limited emergency operation or transitional ICSP.

104. For programmatic authority, each MCSP should be derived, where possible, from the individual UNSDCF for each country. This should help to ensure national ownership and coherence with the achievement of the SDGs and with the plans of other partners, in line with ongoing United Nations development system reform.

105. Since the accountability for monitoring and reporting progress towards SDG targets remains with national governments at the country level, a common collective strategic outcome for the MCSP would be applied to each country context, with the possibility that certain strategic outcomes would apply to only a subset of the countries involved.

106. One or more activities would be designed to achieve specified outputs and would be linked to a strategic outcome or outcomes; activities could be designed as common activities for implementation in all the countries covered by the plan, where these are linked to the same strategic outcome. To ensure flexibility, one country office in the region or the regional bureau could act as the coordinator for managing the implementation of an MCSP. Funds would be managed through a multi-country portfolio budget.

107. While an MCSP approved by the Board would generally have a programmatic focus common to the countries covered by the plan, emergency responses would be handled through existing mechanisms if and when the need arose, for example, by adding crisis-response-related strategic outcomes, outputs and activities through a revision of the original MCSP.

108. The Pacific interim MCSP (IMCSP)[57] was approved by the Board at its 2019 annual session and the Caribbean IMCSP will be presented for approval at its 2019 second regular session. The Pacific IMCSP contains necessary temporary derogations from the WFP General Rules, Financial Regulations and delegations of authority to the Executive Director in order to apply those rules and regulations analogously, such that the phrase "country strategic plan" is

[55] WFP/EB.2/2018/5-A/1, para. 48–52.

[56] WFP/EB.A/2019/8-B/3.

[57] WFP/EB.A/2019/8-B/3.

understood to mean "multi-country strategic plan" and the word "country" is understood to refer to the multiple countries covered by the IMCSP. It is expected that the draft decision on the approval of the Caribbean IMCSP, to be presented at the 2019 second regular session, will feature a similar provision, amended as necessary to consider experience gained through the implementation of the Pacific IMCSP.

109. Proposed changes to the General Rules that will facilitate the introduction of MCSPs are set forth in annex V. Taking into consideration the Board's feedback at its 2019 second regular session, management will present any necessary amendments to the WFP General Rules and Financial Regulations for approval by the Board at its 2020 first regular session, along with the permanent delegations of authority.

Proposal 5: Amend General Rule II.2 and General Rule X.2 to enable the implementation of multi-country strategic plans.

Summary of proposals

110. Based on feedback from Member States, the Secretariat has developed the following proposals with respect to permanent delegations of authority and other governance arrangements:

Proposal 1: Streamline the consultation process while ensuring the strategic engagement of the Board.

Proposal 2(a):

i) The Board will approve all new CSPs and ICSPs and any revisions that add or delete strategic outcomes from a CSP or ICSP.[58]

ii) The Board will approve each non-crisis-related revision of a CSP or ICSP that increases its current overall budget by more than 15 percent [59]

iii) For such revisions, the Board will employ a ten-day Member State review process and the mechanism for approval by correspondence in accordance with Rule IX.8 of the Rules of Procedure of the Executive Board.

Proposal 2(b): Maintain other delegations of authority to the Executive Director as applied during the interim period.

Proposal 3:

i) Modify the Member State review process by sharing for comment each crisis-response-related revision of a CSP or ICSP that increases its current overall budget by more than 15 percent;

ii) Maintain the five-day review period; and

iii) Retain the ability of the Executive Director and, if required, the FAO Director-General, to approve crisis-response-related revisions without sharing them for comment beforehand to ensure a timely response.

Proposal 4: Provide more detailed information via the CSP data portal to improve its usefulness to users in line with recommendations 7 and 8 of the External Auditor's report on country portfolio budgets.

[58] Except when the CSP or ICSP or the strategic outcome at issue is funded entirely by a host country that has not requested Executive Board approval or where the strategic outcome relates to emergency activities or service provision activities.

[59] Fundamental, emergency and service-provision-related revisions will not be included in the threshold calculation; in addition, upward revisions will not be offset by downward revisions.

Proposal 5: Amend General Rule II.2 and General Rule X.2 to enable the implementation of multi-country strategic plans.

111. The proposals, if enacted, would not affect the Board's increased approval of programmes and would ensure that WFP has the agility required for effective and efficient operational response, has the flexibility to align with the requirements of the new UNSDCFs and is able to reduce the administrative burden on country offices.

112. The proposed permanent delegations of authority and amendments to the WFP General Rules to reflect multi-country strategic plans – considering the Board's views – will be presented for approval at the 2020 first regular session. If they are approved the General Rules and appendix to the General Rules will be revised, with effect from 1 March 2020.

ANNEX I

1. **CSPs:** CSPs include WFP's entire portfolio of humanitarian and development activities in a country. They are prepared following country-led analyses of sustainable development[1] and may also be informed by evaluations, assessments – including joint needs assessments – and feasibility studies. A CSP that is funded entirely by the host country may be approved by the Executive Board, unless the host country elects to have the Executive Director approve the plan; all other CSPs are approved by the Board.

2. **ICSPs:** ICSPs include WFP's entire portfolio of humanitarian and development activities in a country but are prepared when a country-led sustainable development analysis for informing the design of a CSP has not been completed. ICSPs are based on WFP's existing strategies, studies, assessments – including joint needs assessments – analysis and data. Like a CSP, an ICSP that is funded entirely by a host country may be approved by the Executive Board, unless the host country elects to have the Executive Director approve the plan; all other ICSPs are approved by the Board.

3. **MCSPs:** MCSPs cover a number of countries and will not overlap with any existing CSP, ICSP, limited emergency operation or transitional ICSP. MCSPs are employed in regions where WFP works on themes are that relevant to a number of similarly situated small states. Where possible, an MCSP will be derived from the individual UNSDCF for each country that it covers. All MCSPs are approved by the Board.

4. **Limited emergency operations:** A limited emergency operation includes emergency relief in a country or countries where WFP does not operate under a CSP or ICSP. A limited emergency operation may include the provision of services or capacity strengthening support, as required. 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 FAO Director-General. After the initial six-month period, operations are planned and implemented under a transitional ICSP as described in the next paragraph.

5. **Transitional ICSPs**: A transitional ICSP may be carried out between the end of a limited emergency operation and the start of a CSP or ICSP. A transitional ICSP following a limited emergency operation may be approved by the Executive Director, with joint approval, if required, by the FAO Director-General.

[1] A country-led sustainable development analysis typically consists of a zero hunger strategic review or a country analysis that informs the development of a United Nations development assistance framework.

ANNEX II

Review of the application of interim delegations of authority

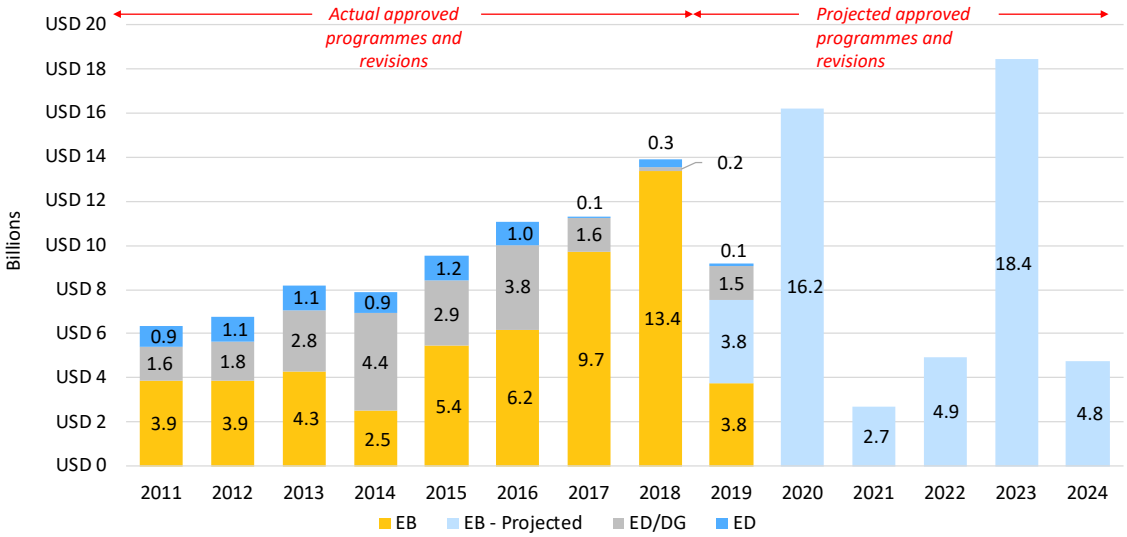
1. At the 10 July and 4 September 2019 informal consultations, the Secretariat presented the findings from the review of the application of interim delegations of authority. The analysis and key findings are described in paragraphs 3–17 below.

2. Following a discussion with Member States, at the 4 October 2019 informal consultation the Secretariat provided an overview of those delegations of authority applied during the interim period from 1 January 2018 to 30 June 2019 per paragraph vi of the Board's decision 2017/EB.2/2 that are recommended to be maintained under proposal 2(b). Paragraphs 18–20 below are intended to supplement paragraphs 60–81 of the main document.

Finding 1: Analysis of approvals - value of new programmes and revisions

3. In undertaking the review the Secretariat first analysed the value of all initial programmes and revisions of existing programmes that had been approved. Figure A.II.1 shows the annual value of initial programmes and revisions approved, the actual value of approved programmes and revisions from 2011 to 2018 and the first six months of 2019 and the projected value of approved programmes and revisions for the second half of 2019 through 2024. The total amount approved each year is disaggregated by approving authority: the Executive Board, the Executive Director and the Executive Director and the FAO Director-General jointly. The Secretariat also analysed the proportion of the value approved to account for the increasing size of WFP's programme of work from 2011 to 2019.

Figure A.II.1: Value of initial programmes and revisions approved



*Note: 2017 includes approvals for initial programmes and revisions under both the project-based system and the IRM framework and excludes T-ICSP approvals and project approvals related to the transition. 2018 excludes all approvals under the project-based system, the approval of T-ICSPs and all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework. 2019 includes actual approvals from January to June and projected Board approvals for July to December.

4. Under the project-based system, between 2011 and 2016 the Executive Board approved on average USD 4.4 billion in programmes annually.[1] This represented 53 percent of the total average annual value approved of USD 8.3 billion.

5. In 2017, the Board approved programmes and revisions valued at USD 9.7 billion, 86 percent of all programmes and revisions approved (valued at USD 11.3 billion). In 2018, the Board approved USD 13.4 billion of programmes and revisions, or 96 percent of all programmes and revisions approved (valued at USD 13.9 billion).[2] In the first six months of 2019, the Board approved USD 3.8 billion. After taking into consideration CSPs and ICSPs that will be approved at the 2019 second regular session, it is estimated the Board will approve programmes and revisions totalling USD 7.6 billion, or 83 percent of the total programmes and revisions expected to be approved in 2019.

6. As shown in figure A.II.1, looking ahead to the 2020–2024 period, the Board is projected to approve CSPs and ICSPs with an average annual value of nearly USD 9 billion – more than double the value of the programmes that the Board approved annually under the project-based system. These projections do not include revisions because they cannot be predicted with any accuracy.

7. It was determined that because a CSP or ICSP encompasses WFP's entire portfolio of humanitarian and development activities in a country, including outcomes relating to crisis response and service provision and activities funded entirely by the host government, that the transition to the IRM framework has resulted in a significant increase in the value of the programmes and revisions approved by the Board, from USD 4.4 billion (53 percent of the value of all approved programmes and revisions) between 2011 and 2016 to USD 13.4 billion in 2018 (96 percent of the value of all approved programmes and revisions) and an estimated USD 7.6 billion in 2019 (83 percent of the value of all anticipated approvals).

Finding 1

Under the IRM framework there has been a substantial increase in the Executive Board's role in approving WFP programmes (CSPs and ICSPs) in terms of absolute value – from USD 4.4 billion between 2011 and 2016 to USD 13.4 billion in 2018 and an estimated USD 7.6 billion in 2019 – and as a proportion of programmes and revisions approved each year compared with the project-based system – from an average of 53 percent per year between 2011 and 2016 to 96 percent in 2018 and 83 percent in 2019. The increase in the approval of programmes by the Board is expected to be sustained in future years, based on conservative projections.

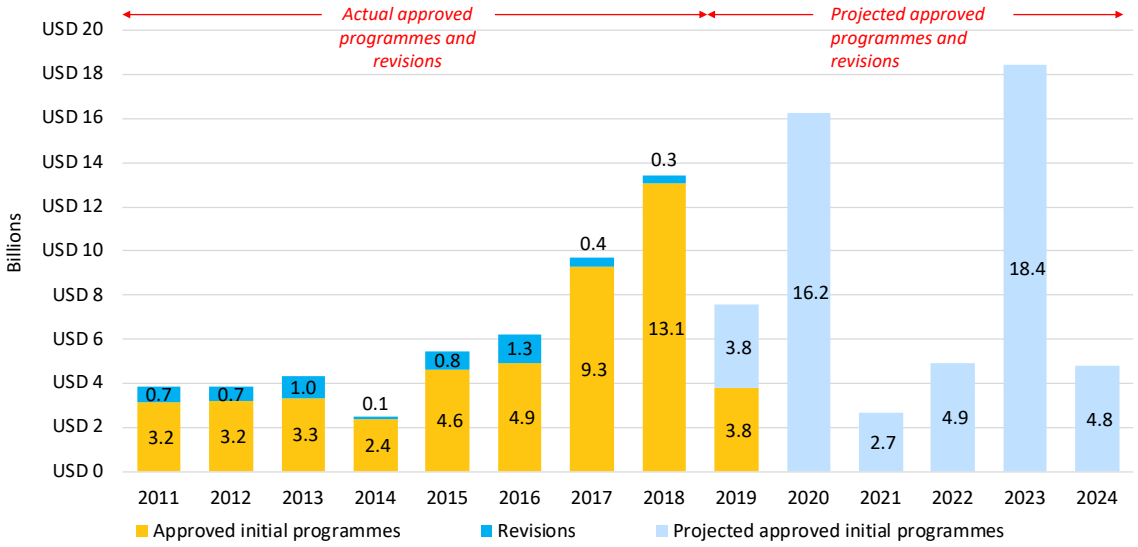
Finding 2: Analysis of approvals - value of initial programmes and revisions approved by the Board

8. The Secretariat next analysed the annual value of only those programmes and revisions that had been approved by the Board. Figure A.II.2 shows the annual value of initial programmes and revisions approved by the Board for the period 2011–2018 and the first six months of 2019 and the projected value of approved programmes and revisions for the second half of the period 2019–2024. It was determined that the significant increase in the Board's approval role derives almost exclusively from its initial approval of CSPs and ICSPs, each of which includes the entire portfolio for a country, including crisis response.

[1] Under the project-based system, the Board approved protracted relief and recovery operations and revisions with budgets exceeding USD 20 million in food value and country programmes and revisions costing more than USD 3 million in food value. The Board did not approve emergency operations, special operations or country-level trust funds.

[2] Board approvals in 2017 and 2018 included 48 new CSPs and ICSPs, one CSP revision, one transitional ICSP revision and five project revisions.

Figure A.II.2: Value of initial programmes and revisions approved by the Board



*Note: 2017 includes approved initial programmes and revisions under both the project-based system and the IRM framework and excludes approved projects related to the transition. 2018 excludes all approvals under the project-based system and all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework. 2019 includes actual approvals from January to June and projected Board approvals for July to December.

9. Finding 1 concluded that the annual value approved by the Board averaged USD 4.4 billion between 2011 and 2016 and USD 13.4 billion in 2018 and that it is currently projected at USD 7.6 billion for 2019.[3]

10. Figure A.II.2 makes clear that the value of the initial programmes – and not the revisions – is key to the substantial increase in the value of programmes and revisions approved by the Executive Board. If the value of approved budget revisions is excluded, the value approved by the Board decreases only slightly, to USD 3.6 billion between 2011 and 2016 and to USD 13.1 billion in 2018. Thus the increase in the Board's approval role is occurring independent of budget revisions, with the value of approved initial programmes rising significantly with the transition to the IRM framework. This increase is projected to be sustained in future years.

Finding 2

Under the IRM framework, the substantial increase in the Executive Board's role in approving WFP programmes (CSPs and ICSPs) has occurred independently of revisions. The increase in the approval of programmes by the Board is expected to continue in future years, based on conservative projections.

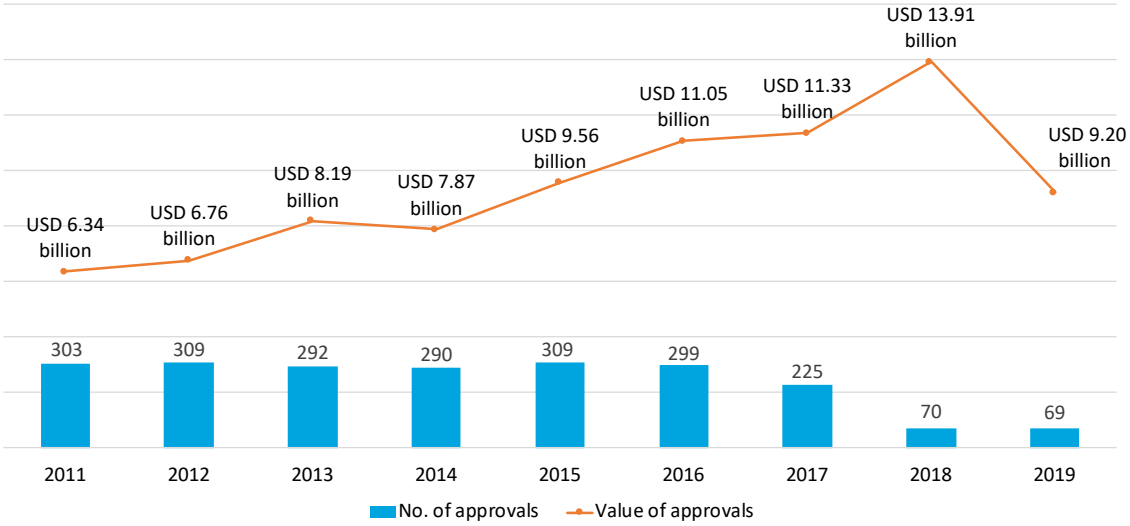
[3] This analysis excluded four transitional ICSP extensions in time approved by the Board because they were linked to the transition from the project-based system to the IRM framework.

Finding 3: Analysis of approvals - value and number of approved initial programmes and revisions

11. The Secretariat also analysed the data to determine whether any efficiency gains had been made in the transition from the project-based system to the IRM framework showed that the *dollar value* of programmes and revisions approved significantly increased under the IRM framework in 2018 and the average *number* of approvals decreased compared with the 2011–2016 average under the project-based system, a notable increase in efficiency.

12. Figure A.II.3 show the total value (in billions of dollars) and the total number of initial programmes and revisions approved by the Board, by the Executive Director and by the Executive Director and the FAO Director-General jointly. In the first six months of 2019, there were 57 approvals (valued at USD 5.4 billion). It is anticipated that 12 CSPs or ICSPs will be approved at the 2019 second regular session, bringing the total number of approvals to 69 (valued at USD 9.2 billion). Projections do not include revisions because they cannot be predicted with any accuracy.

Figure A.II.3: Value and number of approved initial programmes and revisions



*Note: 2017 includes approvals for initial programmes and revisions under both the project-based system and the IRM framework and excludes T-ICSP approvals and project approvals related to the transition. 2018 excludes all approvals under the project-based system, the approval of T-ICSPs and all T-ICSP extensions in time because they are linked to the transition from the project-based system to the IRM framework. 2019 includes actual approvals from January to June and projected Board approvals for July to December.

13. Between 2011 and 2016, the average value of programmes, projects and revisions approved annually was USD 8.3 billion and the average number of approvals was 300. Under the IRM framework in 2018, the annual value of initial programmes and revisions approved increased to USD 13.9 billion while the number of approvals decreased to 70.[4] As shown in figure A.II.3, the additional data from 2019 (actual approvals and projected approvals) confirms that the dollar value of programmes remains high while the number of approvals has significantly decreased under the IRM framework compared to the project-based system.

[4] The 70 approvals covered 24 initial programmes and 46 revisions.

Finding 3

Under the IRM framework, the overall dollar value of programmes and revisions approved has increased while the number of approvals has declined, leading to efficiency gains.

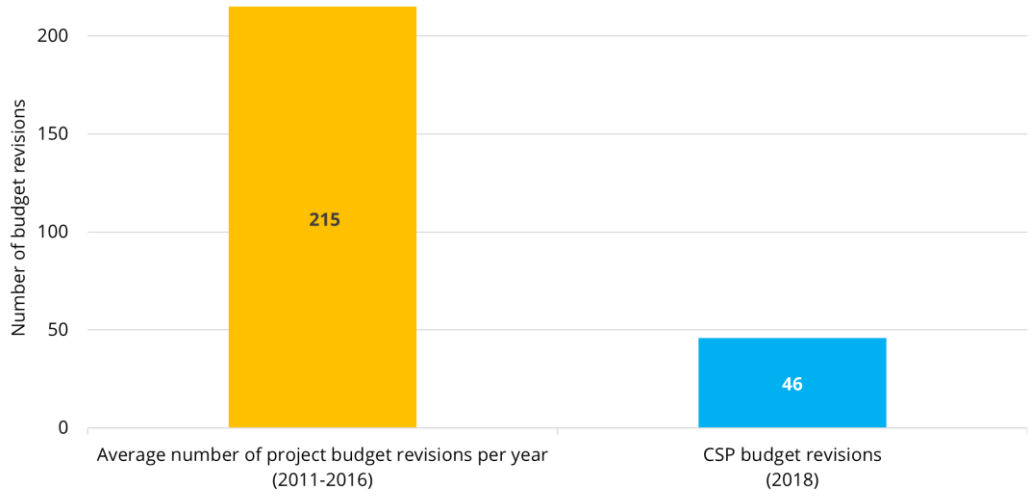
Finding 4: Analysis of approvals – number of revisions

14. As the fourth component of the review, the Secretariat analysed the number of approved revisions to determine whether any efficiency gains had been achieved. One indicator of increased efficiency would be fewer revisions, as a lower number would mean less time and fewer resources were being spent on processing revisions.

15. The introduction of a country-wide portfolio framework was expected to increase efficiency in the revision process. This is because instead of managing three or four different projects of different durations, each of which might require revision, the CSP framework consolidates the work into a single revision. In addition, as outlined in the update on the IRM presented at the Board's 2017 second regular session,[5] the enhanced flexibility of the country portfolio budget structure and the use of resource-based implementation plans was expected to improve operational planning at the country level and reduce the need for revisions related to technical adjustments.

16. Figure II.A.4 relates to revisions only and shows the average number of revisions approved per year between 2011 and 2016 under the project-based system and the number of revisions approved in 2018 under the IRM framework. In the first six months of 2019 there were 31 approved revisions.[6] Because revisions cannot be predicted with any accuracy it is difficult to estimate how many revisions may be presented in the latter half of 2019. However, management is confident that the final number of revisions approved in 2019 will be significantly less than the annual average of 215 revisions under the project-based system.

Figure A.II.4: Average number of revisions in a one-year period



*Note: 2018 excludes the approvals of all T-ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework.

17. In the period 2011–2016 there were an average of 215 revisions each year. In 2018 under the IRM framework there were 46 revisions. This is a good indication that under the IRM

[5] WFP/EB.2/2017/4-A/1/Rev.1.

[6] This number excludes four transitional ICSP extensions in time as these are linked to the transition from the project-based system to the IRM framework.

there are substantial improvements in efficiency, resulting in time and cost savings, as well as a reduction in fragmentation.

Finding 4

The change from the project-based system to the IRM framework has improved efficiency, as evidenced by a substantial reduction in the number of revisions being processed annually.

Analysis of delegations of authority proposed to be maintained under proposal 2(b)

18. Under proposal 2(b), presented in paragraphs 60–81 of the main document, management recommends maintaining delegations of authority from the Executive Board to the Executive Director as applied during the interim period with the exception of delegations of authority for budget increases that are not related to fundamental changes, emergency responses or service provision.

19. Table A.II.1 provides an overview of how delegations of authority that are proposed to be maintained were exercised in the period from 1 January 2018 to 30 June 2019.

20. It should be noted that limited emergency operations and immediate response activities approved by the Executive Director or by the Executive Director and the Director-General of FAO as well as revisions of country strategic plans and interim country strategic plans and corresponding budget increases approved by the Executive Director or by the Executive Director and the Director-General of FAO are reported to the Executive Board twice a year.[7]

TABLE A.II.1: DELEGATIONS OF AUTHORITY EXERCISED BETWEEN 1 JANUARY 2018 AND 30 JUNE 2019

Appendix to the General Rules, paragraph (a)(i): Limited emergency operations and transitional ICSPs (T-ICSPs), with the joint approval of the Executive Director and the FAO Director-General when the limited emergency operation or the emergency-related component of the T-ICSP exceeds USD 50 million.	**3 limited emergency operations** (Papua New Guinea, Latin American countries impacted by the situation in Venezuela, Comoros)
Appendix to the General Rules, paragraph (a)(ii): Country strategic plans (CSPs) and interim country strategic plans (ICSPs) funded entirely by a host country where the host country has not requested the Executive Board to approve the plan.	Not exercised
Appendix to the General Rules, paragraph (b)(i): Revision of any limited emergency operation or emergency-related revision of a CSP, ICSP or T-ICSP, with the joint approval of the FAO Director-General for any increase exceeding USD 50 million.	**42 emergency-related revisions**, 7 of which exceeded the USD 50 million threshold and required joint approval with the FAO Director-General
Appendix to the General Rules, paragraph (b)(iii): Downward revision of any individual strategic outcome of a CSP, ICSP or T-ICSP.	**38 revisions** revised at least one strategic outcome downward

[7] WFP/EB.2/2018/8-E/1, WFP/EB.2/2018/8-E/2, WFP/EB.1/2019/8-E/1, WFP/EB.1/2019/8-E/2.

TABLE A.II.1: DELEGATIONS OF AUTHORITY EXERCISED BETWEEN 1 JANUARY 2018 AND 30 JUNE 2019	
Appendix to the General Rules, paragraph (b)(iv): Revision of non-emergency components of a T-ICSP following limited emergency operations.	Not exercised
Appendix to the General Rules, paragraph (b)(v): Revision of a CSP, ICSP or strategic outcome funded entirely by the host country.	Not exercised
Appendix to the General Rules, paragraph (b)(vi): Addition to a CSP, ICSP, or T-ICSP of a strategic outcome funded entirely by a host country that has not requested that the Board approve the strategic outcome.	Not exercised
Appendix to the General Rules, paragraph (b)(vii): Revisions related to service provision activities.	**5 revisions** exclusively revised service provision activities

ANNEX III

The table below presents the proposed delegations of authority, to be effective from 1 March 2020 onwards, and reflects proposals 2(a) and 2(b) set forth in the body of the present document.

It should be noted that references to the transitional interim country strategic plan (T-ICSP) category have been amended due to the fact that the T-ICSP category under the interim delegations of authority referenced two distinct types of plans.

One category of T-ICSPs was based on previously approved project documents and was used by country offices as a bridge to transition to the IRM system from the project-based system. These plans were introduced in January 2018 and had a maximum duration of two years.[1] These plans will no longer be under implementation when the permanent delegations of authority come into effect in 2020. Accordingly, they are not referenced in the proposed delegation of authority.

The T-ICSPs in the other category are to be used as a bridge between the end of a limited emergency operation and the start of a country strategic plan or interim country strategic plan. General Rule II.2 refers to these plans as T-ICSPs, and they constitute an integral part of the country strategic plan framework. These plans are simply referred to as T-ICSPs in the proposed delegations of authority. The approval authority in respect of these plans under the proposed delegations of authority remains the same as the approval authority in respect of them under the interim delegations of authority.

Further revisions can be expected based on guidance and feedback received from the Executive Board and the outcomes of continued internal reviews. The revisions set forth herein are therefore preliminary in nature and are subject to change prior to being presented to the Executive Board for approval at the Board's 2020 first regular session.

[1] See Paragraph 97, Policy on Country Strategic Plans (WFP/EB.2/2016/4-C/Rev.1), and decision point vii and related paragraphs 109–111 of the update on the Integrated Road Map set out in document WFP/EB.2/2018/5-A/1.

TABLE A.III.1 PROPOSED DELEGATIONS OF AUTHORITY	
Text	**Commentary**
The following are authorities delegated to the Executive Director by the Executive Board in accordance with Article VI.2 (c) of the WFP General Regulations.	Under Article VI.2 (c) of the WFP General Regulations, the Board is responsible for the approval of activities of WFP, but may delegate to the Executive Director such approval authorities as it may specify.
A. Initial approval: 1. Limited emergency operations and transitional interim country strategic plans (T-ICSPs), with the joint approval of the Executive Director and the FAO Director-General when the limited emergency operation or the emergency-related components of the T-ICSP exceed USD 50 million in value; and 2. Country strategic plans (CSPs) and interim country strategic plans (ICSPs) funded entirely by a host country where the host country has not requested the Executive Board to approve the plan.	This provision lays out initial approvals that are delegated to the Executive Director. All approvals that are not specifically delegated to the Executive Director, with the FAO Director-General where applicable, are by implication retained by the Executive Board. The Board therefore retains the authority to approve CSPs and ICSPs, other than those funded entirely by a host country that has not referred them to the Board for approval, as such authorities have not been delegated to the Executive Director.
B. Approval of modifications: 1. Revision of any limited emergency operation or emergency-related revision of a CSP, ICSP or T-ICSP, with the joint approval of the FAO Director-General for any increase exceeding USD 50 million. 2. Increase in the value of a CSP or ICSP, provided that the value of the increase does not exceed 15 percent of the plan's current overall budget. 3. Decrease in any strategic outcome of a CSP or ICSP. Any such decrease shall not, in calculating whether the delegation of authority threshold set forth in para B.2 above has been met, offset an increase in the budget of the plan. 4. Revision of non-emergency components of a T-ICSP. 5. Revision of a CSP, ICSP or strategic outcome funded entirely by the host country. 6. Addition to a CSP or ICSP of a strategic outcome funded entirely by a host country that has not requested the Executive Board to approve the strategic outcome. 7. Revisions related to service provision activities.	This provision lays out approvals of modifications to the CSP framework that are delegated to the Executive Director, acting alone or jointly with the FAO Director-General. All approvals that are not specifically delegated to the Executive Director, with the FAO Director-General where applicable, are, by implication, retained by the Executive Board. Therefore, the Board retains the authority to approve: 1. increases in the value of strategic outcomes that exceed the specified threshold; and 2. the addition or removal of entire strategic outcomes from a CSP or ICSP except in the case of strategic outcomes that relate only to emergency or service provision activities or are funded entirely by a host country that has not requested the Executive Board for approval, in which case the addition or removal falls under the Executive Director's general authority in those areas. The percentage threshold for an increase to a CSP or ICSP will be calculated based on the value of the CSP or ICSP budget on the date that the revision is made. For the purposes of threshold calculation, revisions will not be treated cumulatively. Consistent with the Executive Director's authority to approve non-emergency-related components of T-ICSPs, the Executive Director is delegated the authority to approve all such revisions to those plans. The approval of service provision activities beyond those included in a CSP or ICSP initially approved by the Executive Board is delegated to the Executive Director.

TABLE A.III.1 PROPOSED DELEGATIONS OF AUTHORITY	
Text	**Commentary**
	Revisions in respect of emergency or service provision activities, or the addition or removal of a strategic outcome, will not count towards the Board approval thresholds.

ANNEX IV

Crisis response revisions that warranted Member State review

1. Paragraphs 82–87 of the main document cover the background of the Member State review process for crisis-response-related revisions. Table A.IV.1 shows the 20 revisions that exceeded the applicable budgetary thresholds and were subject to the five-day Member State review process. A total of 14 revisions were shared with Member States prior to approval by the Executive Director and, where required, the FAO Director-General. Due to their urgency, the remaining six revisions were shared with Member States after their approval by the Executive Director and, where required, the FAO Director-General.

TABLE A.IV.1: CRISIS RESPONSE REVISIONS THAT WARRANTED MEMBER STATE REVIEW AS OF 9 SEPTEMBER 2019

Date approved	Country office	Value in USD*	Shared with Member States before approval	Member States commenting
16 March 2018	Mauritania	21 869 847	No	Belgium, Canada
23 March 2018	Zambia	8 495 532	Yes	United Kingdom, United States
30 April 2018	Mali	39 880 444	Yes	Belgium, Canada, United States
31 May 2018	Burkina Faso	41 520 530	Yes	Denmark, Kuwait United States
29 June 2018	Bangladesh	188 550 905	Yes	Canada, Myanmar
24 August 2018	Colombia	43 780 256	Yes	Colombia, United States, Venezuela
16 Jan 2019	Democratic Republic of the Congo	452 884 490	No	Spain, United States
27 Feb 2019	Bangladesh	438 125 978	Yes	Australia, Bangladesh, Canada, Myanmar, Spain
21 March 2019	Eswatini	9 521 617	No	(none)
5 April 2019	Mozambique	168 103 739	No	Belgium, Finland
8 April 2019	Madagascar	45 112 763	No	United States
2 May 2019	Colombia	93 303 121	Yes	Canada, Denmark
13 June 2019	Somalia	214 529 478	No	Australia, Canada
3 July 2019	Cameroon	86 682 316	Yes	Canada, United States
3 July 2019	Yemen	1 483 114 732	Yes	Canada
18 July 2019	Lebanon	364 354 369	Yes	Australia, Canada, Kuwait
16 August 2019	Central African Republic	212 620 887	Yes	(none)
16 August 2019	Zimbabwe	156 166 408	Yes	Sudan, United Kingdom
In progress	Mozambique	162 970 276	Yes	Canada, United Kingdom, United States
In progress	Burkina Faso	124 099 381	Yes	Belgium, Canada, United States

*Value is primarily – but not solely – accounted for by crisis response, since revisions rarely relate to just one focus area.

Shaded rows indicate revisions that were shared with Member States for comment after their approval by the Executive Director or the Executive Director and the FAO Director-General.

ANNEX V

The General Rules revisions set forth in this annex reflect the legal amendments required to implement the multi-country strategic plan policy proposal, as detailed in paragraphs 103–109 of the present document. Further revisions can be expected based on guidance and feedback received from the Executive Board and the outcomes of continued internal reviews. The revisions set forth herein are therefore preliminary in nature and are subject to change prior to being presented to the Executive Board for approval at the Board's 2020 first regular session.

Note that only rules and regulations with changes are included below. Unchanged rules and regulations are omitted for brevity and ease of reference.

GENERAL RULES: CURRENT TEXT	**GENERAL RULES: PROPOSED TEXT (new text is underlined)**
General Rule II.2: Programme categories In order to carry out the purposes of WFP, the Board establishes the following programme categories: (a) Country Strategic Plans include WFP's entire portfolio of humanitarian and development activities in a country, prepared following a country-led sustainable development analysis; (b) Interim Country Strategic Plans include WFP's entire portfolio of humanitarian and development activities in a country, prepared without a country-led sustainable development analysis; (c) Limited Emergency Operations include emergency relief in a country or countries where WFP does not have a country strategic plan or an interim country strategic plan; and (d) Transitional Interim Country Strategic Plans include WFP's entire portfolio of humanitarian and development activities in a country, to be carried out between the end of a limited emergency operation and the start of a country strategic plan or interim country strategic plan.	**General Rule II.2: Programme categories** In order to carry out the purposes of WFP, the Board establishes the following programme categories: (a) Country Strategic Plans include WFP's entire portfolio of humanitarian and development activities in a country <u>or countries</u>, prepared following a country-led sustainable development analysis; (b) Interim Country Strategic Plans include WFP's entire portfolio of humanitarian and development activities in a country <u>or countries</u>, prepared without a country-led sustainable development analysis; (c) Limited Emergency Operations include emergency relief in a country or countries where WFP does not have a country strategic plan or an interim country strategic plan; and (d) Transitional Interim Country Strategic Plans include WFP's entire portfolio of humanitarian and development activities in a country <u>or countries,</u> to be carried out between the end of a limited emergency operation and the start of a country strategic plan or interim country strategic plan.
General Rule X.2: Development of programmes (a) WFP shall work with governments, employing country-led sustainable development analyses, where available, to assess needs and develop programmes, with the collaboration of the United Nations, FAO and other relevant organizations. (b) Programmes should integrate the humanitarian and development plans and priorities of recipient countries and establish clear linkages with relevant activities of the United Nations system, including, wherever possible, joint programming.	**General Rule X.2: Development of programmes** (a) WFP shall work with governments, employing country-led sustainable development analyses, where available, to assess needs and develop programmes, with the collaboration of the United Nations, FAO and other relevant organizations. (b) Programmes should integrate the humanitarian and development plans and priorities of recipient countries and establish clear linkages with relevant activities of the United Nations system, including, wherever possible, joint programming.

GENERAL RULES: CURRENT TEXT	GENERAL RULES: PROPOSED TEXT (new text is underlined)
(c) All programmes shall: (i) define the type of assistance to be provided by WFP, the targeted beneficiaries, the geographic location of the assistance to be provided, and the expected results; and (ii) contain a country portfolio budget that encompasses all programme costs, organized in the following cost categories: 1. transfer costs, which correspond to the monetary value of the item, cash, or service provided, as well as the related delivery costs; 2. implementation costs, which correspond to expenditures that are directly linked to specific activities within the programme, other than transfer costs; 3. direct support costs, which correspond to country-level expenditures that are directly linked to the execution of the programme as a whole but cannot be attributed to a specific activity within it; and 4. indirect support costs, which are costs that cannot be directly linked to the execution of the programme.	(c) All programmes shall: (i) define the type of assistance to be provided by WFP, the targeted beneficiaries, the geographic location of the assistance to be provided, and the expected results; and (ii) contain a country portfolio budget that encompasses all programme costs <u>of the country or countries</u>, organized in the following cost categories: 1. transfer costs, which correspond to the monetary value of the item, cash, or service provided, as well as the related delivery costs; 2. implementation costs, which correspond to expenditures that are directly linked to specific activities within the programme, other than transfer costs; 3. direct support costs, which correspond to country-level expenditures that are directly linked to the execution of the programme as a whole but cannot be attributed to a specific activity within it; and 4. indirect support costs, which are costs that cannot be directly linked to the execution of the programme.

Acronyms used in the document

CRF	corporate results framework
CSP	country strategic plan
FAO	Food and Agriculture Organization of the United Nations
ICSP	interim country strategic plan
IMCSP	interim multi-country strategic plan
IRM	Integrated Road Map
MCSP	multi-country strategic plan
SDG	Sustainable Development Goal
UNSDCF	United Nations sustainable development cooperation framework