

May 2013



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FINANCE COMMITTEE

Hundred and Forty-ninth Session

Rome, 27 - 28 May 2013

**WFP Management Response to the Recommendations of the Report of the
External Auditor on Working with Cooperating Partners**

Queries on the substantive content of this document may be addressed to:

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EXECUTIVE SUMMARY

- In its report on Working with Cooperating Partners, the External Auditor made ten recommendations. WFP management has analysed and agreed with the ten recommendations and has prepared a response and timeline for their implementation. WFP will draw on the External Auditor's findings and recommendations as it continues to enhance its management of working with cooperating partners.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to note the response made by WFP management to the recommendations of the Report of the External Auditor on Working with Cooperating Partners and to endorse it for the notification of the Executive Board.

Draft Advice

- **In accordance with Article XIV of the General Regulations of WFP, the Finance Committee advises the WFP Executive Board to take note of the management response to the recommendations of the Report of the External Auditor on Working with Cooperating Partners.**

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**Executive Board
Annual Session**

Rome, 3–6 June 2013

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda Item 6

For consideration



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WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON WORKING WITH COOPERATING PARTNERS

This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for consideration.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal point indicated below, preferably well in advance of the Board's meeting.

Director, RMF*:

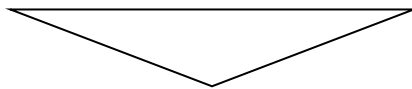
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Should you have any questions regarding availability of documentation for the Executive Board, please contact the Conference Servicing Unit (tel.: 066513-2645/2558).

* Finance and Treasury Division

DRAFT DECISION*



The Board takes note of “WFP Management Response to the Recommendations of the Report of the External Auditor on Working with Cooperating Partners” (WFP/EB.A/2013/6-F/1/Add.1).

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

BACKGROUND

1. This document presents the Secretariat's response to the recommendations in the "Report of the External Auditor on Working with Cooperating Partners" (WFP/EB.A/2013/6-F/1).
2. WFP management welcomes this review. Partnerships is one of the seven themes identified in the Framework for Action, and enhancing partnerships is a main tenet of WFP's vision. WFP particularly values its partnerships with non-governmental organizations (NGOs), which provide technical capacity, knowledge, relationships with communities and other resources. Establishing a robust dialogue with cooperating partners is a major priority; WFP's partners are critical for project implementation and also as strategic partners in policy and advocacy.
3. WFP will draw on the External Auditor's findings and recommendations as it continues to enhance its work with cooperating partners. Specific responses to the recommendations are presented in the attached matrix.

WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON WORKING WITH COOPERATING PARTNERS

| External Auditor recommendations | Action by | WFP management response | Timeframe |
|---|---|--|----------------------|
| <p>Recommendation 1: WFP HQ needs to have a single centre of responsibility, for managing information related to all its partners (governments, NGOs, Red Cross and Red Crescent Movement and UN Agencies), which could ensure that all information/data on them is readily available and accessible, as and when required by the Executive Board/Senior Management.</p> | <p>Operations Services Department (OS) Partnership and Governance Services Department (PG) Resource Management and Accountability Department (RM)</p> | <p>Agreed. As part of a review of business processes, the Secretariat will assess the potential for consolidating information-management responsibilities for all cooperating partners and government-managed activities within a single unit.</p> | <p>June 2014</p> |
| <p>Recommendation 2: As an online system was already in place to collect information on NGO partnerships from the country offices (COs), WFP HQ needs to review its reporting requirements and management information structure to ensure that the data is collected on all partners and the same is comprehensive and of value for decision-making by management at various levels.</p> | <p>OS; RM</p> | <p>Agreed. The Secretariat supports a review of reporting requirements and its management information structure to ensure that the data collected are comprehensive and valuable to managers – including regional bureau and country office managers – for making decisions.</p> | <p>June 2014</p> |
| <p>Recommendation 3: We recommend that WFP continue to closely monitor compliance to the action plan to improve its working with NGO partners. WFP may consider the feasibility of having similar consultative arrangements for government partners, to ensure compliance and strengthen operational relationships.</p> | <p>OS; NGO Partnerships Office (OSR) Operations Management Department (OM)</p> | <p>Agreed. The 2012 Annual Partnership Consultations (APC) Action Plan on NGO Partnerships has been approved by the Executive Management Group. Four teams were assigned to follow up; monthly update meetings will be held until the 2013 APC. The Secretariat, in consultation with the Board, will assess the feasibility of a consultative framework for implementing activities with non-NGO partners.</p> | <p>June 2014</p> |
| <p>Recommendation 4: We appreciate that WFP is in the process of reviewing its approach vis-à-vis global Memoranda of Understanding (MoUs), including criteria for concluding MoUs with NGOs. We recommend that WFP hasten the process of review of existing MoUs and evolve transparent criteria for establishing Global MoUs. A periodic review of International NGOs may also be done with a view to establish Global MoUs, where appropriate, in future.</p> | <p>OS, OSR</p> | <p>Agreed. WFP will expedite review of its position with regard to Global MoUs with NGOs. While the criteria for signing Global MoUs with NGOs should be flexible, Global MoUs should also be strategic and therefore limited in number. Existing MoUs will also be reviewed as part of this process and amended as needed.</p> | <p>December 2013</p> |



WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON WORKING WITH COOPERATING PARTNERS

| External Auditor recommendations | Action by | WFP management response | Timeframe |
|---|-------------|---|-----------|
| <p>Recommendation 5: We recommend that the COs maintain a databank/register of potential cooperating partners (CPs), in order to be able to identify suitable potential CPs for implementing a particular project. The databank should contain the detailed institutional profile of the CPs, which includes their financial capacity, core competencies, manpower profile, past experience, etc. and should be periodically updated. WFP HQ may design a standard format for the databank/register and issue directives for its periodic updation.</p> | OM | <p>Agreed.</p> <p>The corporate monitoring and evaluation tool COMET will enable country offices to register cooperating partners. The Secretariat believes that it could be useful for each country office to maintain a roster of international and national NGOs working in the country. Headquarters will provide guidance on the roster format and updating procedures.</p> | June 2014 |
| <p>Recommendation 6: We recommend that all COs have documented Standard Operating Procedures (SOPs) for selection of CPs. Although the document <i>Working with NGOs</i> provides a broad framework for CP selection, WFP may consider issuing a directive to ensure compliance by the COs to the minimum criteria outlined in the <i>Programme Guidance Manual</i> and provide additional optional criteria that may be used for CP selection. The directive may also include minimum documentation requirements for the selection process with the overall aim of having a fair and transparent selection mechanism. WFP may consider a greater oversight role for regional bureaux (RBs) and its HQ in CP selection by COs to ensure that all controls are in place to reduce all risks to acceptable levels.</p> | OS, OSR, OM | <p>Agreed.</p> <p>WFP agrees that guidance for country offices is critical and that the selection of cooperating partners must be transparent and based on clear criteria. WFP will issue a directive to augment the criteria outlined in the “Working with NGOs” section of the <i>Programme Guidance Manual</i>. WFP will also consider issuing additional guidance on the documentation required for selecting NGOs.</p> <p>In line with Fit for Purpose principles and core functions outlined in the 2013–2015 Management Plan, regional bureaux have an increasing role in overseeing country office performance.</p> | June 2014 |
| <p>Recommendation 7: We recommend that WFP ensure that all provisions of <i>Guidelines for Preparation of NGO Budgets in Support of WFP Operations</i> are followed by the NGOs and WFP. Guidelines may be reviewed to consider the obligations of the government partners.</p> | OM | <p>Agreed.</p> <p>The existing field-level agreement (FLA) guidance materials cover preparation of NGO budgets that support WFP operations; these are available to WFP staff and NGO cooperating partners. With the roll-out of the new FLA templates at the beginning of 2013, WFP will revise FLA guidance as necessary and will consider issuing a directive on the templates and procedures for signing FLAs.</p> <p>As noted in above, the Secretariat – in consultation with the Board – will assess the feasibility of establishing a consultative framework for implementing activities with non-NGO partners.</p> | June 2014 |



WFP MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE REPORT OF THE EXTERNAL AUDITOR ON WORKING WITH COOPERATING PARTNERS

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|---|---|--|---------------|
| <p>Recommendation 8: We recommend that WFP strengthen mechanisms with respect to the entire process of signing FLAs to ensure that all of WFP's programmes are implemented, as outlined in the FLAs, in an efficient and effective manner.</p> | OS, OSR | <p>Agreed.</p> <p>WFP has committed to implementing the FLA and associated guidance in all WFP operations. A memorandum reinforcing this commitment with NGOs was issued to all Country Directors in January 2007. As outlined above, WFP will revise guidance and issue a directive as necessary.</p> | December 2013 |
| <p>Recommendation 9: We recommend that WFP HQ consider issuing directive to COs for developing SOPs for CP monitoring and evaluation (M&E) and may also prescribe minimum essential monitoring mechanisms for compulsory compliance.</p> | Performance Management and Reporting Division (RMP) | <p>Agreed.</p> <p>As part of the implementation of its monitoring and evaluation strategy, WFP will develop guidance on M&E and will consider issuing a directive to country offices so that they develop Standard Operating Procedures in line with the guidance. This guidance could include minimal M&E requirements to be met by country offices and standards for assessing cooperating partner compliance with WFP's M&E requirements.</p> | March 2014 |
| <p>Recommendation 10: We recommend that WFP RBs play a larger role in oversight over COs. In particular, oversight missions, to evaluate the performance of COs in managing their CPs, must be planned and executed.</p> | OM | <p>Agreed.</p> <p>In line with the 2013–2015 Management Plan, regional bureaux are responsible for oversight of country office performance and for conducting oversight missions.</p> | June 2014 |



ACRONYMS USED IN THE DOCUMENT

| | |
|-----|---|
| APC | Annual Partnership Consultation |
| CO | country office |
| CP | cooperating partner |
| FLA | field-level agreement |
| M&E | monitoring and evaluation |
| MoU | Memorandum of Understanding |
| NGO | non-governmental organization |
| OM | Operations Management Department |
| OS | Operations Services Department |
| OSR | NGO Partnership Office |
| RB | regional bureau |
| RM | Resource Management and Accountability Department |
| SOP | Standard Operating Procedure |