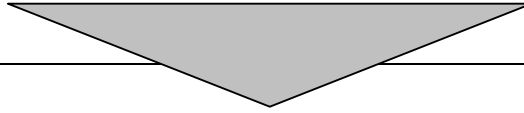


**Executive Board
Third Regular Session**



Note to the Executive Board



This document is submitted for consideration to the Executive Board.

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

Director, Office of the External Auditor: Mr G. Miller tel.: 00 44 20 7798-7136

Principal Auditor: Mr S. Kearney tel.: 066513-2772

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Supervisor, Meeting Servicing and Distribution Unit (tel.: 066513-2328).



Draft Decision*

The Board takes note of the “Report of the External Auditor on the Review of the World Food Programme’s Human Resources Strategy” (WFP/EB.3/2003/5-B/1).

*

EXECUTIVE SUMMARY

1. The effective management of human resources is key to the delivery of WFP's objectives. The Programme's Strategic and Financial Plan acknowledges that operational programmes can be implemented and the agreed strategies employed only if sufficient resources are mobilized and costs are kept to a minimum. Staff of the WFP have to work in difficult circumstances, particularly in relation to major and emergency operations, which are becoming an increasingly predominant focus of the Programme's work with changes in the nature of donor funding and donor requirements.
2. The delivery of staff resources, and the need to make appropriate provision for the effective assignment and development of the organisation's core staff, are posing greater challenges than have had to be faced in the past. While WFP has not previously benefited from a comprehensive and strategically integrated approach to human resource management, in 2002 the Programme's Human Resources Division embarked on a major review to develop and establish a new HR strategy.
3. As part of my 2002-03 audit, therefore, my staff have carried out an initial review of this important i coof 725.0Pep and of 7hnprogeass(m)11.7(a)-341(d)-571(e)1.9()-5.3 inesntalissit.6(rateys)-5.7s.



supporting a strategic approach to resource management in addition to the management of individual staff members and their operational responsibilities;

that WFP give appropriate emphasis to the review of technical needs for new electronic tools, so that future requirements can be addressed and integrated with other system developments in a cost effective way; and

that WFP consider the desirability of further steps to ensure the consistency of staff performance appraisals across the organisation in any future arrangements.

INTRODUCTION

The Human Resource dependency of WFP

8. The World Food Programme's mission statement has identified that the core policies and strategies governing the Programme's activities are to provide food aid:
 - to save lives in refugee and other emergency operations;
 - to improve the nutrition and quality of life of the most vulnerable people at critical times in their lives; and
 - to help build assets and promote the self-reliance of poor people and communities.
9. WFP's Strategic and Financial Plan sets the Programme's direction, outlines the actions required to take that direction, and projects how the actions will be funded. The current Strategic and Financial Plan, approved by the Executive Board in May 2001, articulated the Programme's goal for the period 2002-2005 as: excellence in providing food assistance that enables all planned beneficiaries of WFP relief activities to survive and maintain healthy nutritional status, and enabling the social and economic development of at least 30 million hungry people every year. This goal is pursued through main objectives in development (to have development activities that feed at least 30 million targeted hungry poor people annually); emergency operations (to feed 100 per cent of the hungry people targeted in approved emergency operations, EMOPs); protracted relief and recovery operations, PRROs (to have fed 100 per cent of the hungry people targeted by approved PRROs annually); and in special operations and support activities. The Strategic and Financial Plan acknowledges that WFP's programmes can be implemented and the strategies employed only if sufficient resources are mobilized and costs are kept to a minimum.
10. The resources necessary for this core mandate comprise both donations (in the form of funding and food) and staff. It is axiomatic that the staff of the Programme are the vital medium through which its operations are implemented. The Programme defined ten Strategic and Financial Plan priorities for 2002-2003, which included essential priorities for organisational capacity and resources, including building a new staff profile, so that WFP would have a staff adequate in skills and experience to fulfil its mission statement, but also able to be expanded and contracted in a balanced way as circumstances require.

The legacy and case for change

11. The World Food Programme operates in a complex and often unpredictable working environment. The unpredictable nature of the work brings with it risks to obtaining and maintaining efficient and effective staffing levels. The operational activities are varied and widely dispersed, with emergencies requiring rapid reaction and response, while development and protracted relief and recovery operations represent a longer term activity of a more predictable nature. Consequently the staffing requirements and human



resourcing issues differ for each type of operation and are influenced by the availability of funding for them.

12. Although the main resource of WFP is its staff, the management of which directly affects the Programme's ability to provide aid to recipient countries, until now the Programme had not established a coherent, structured and comprehensive high-level strategy for the management of human resources, reviewed and approved by the Executive Board.
13. In 2002, to address this deficiency and in recognition of continual change in the number, location and nature of WFP's operations - and predicted continued change in the nature of emergencies, the funding base and the availability of new technologies - the Secretariat's Human Resources Division embarked on a comprehensive strategic review of human resource management. The case for review acknowledged that the Programme needed to ensure a staff of adequate size and skills to meet the challenges faced by the organisation; and to clearly identify the skills and abilities needed to perform and support food aid programming currently and in the future. The review was intended to support a bringing together of WFP's corporate and human resource management strategies, so that the latter might support the former; and to build a competency framework that would support staff requirements.
14. In the light of the importance of human resources management to delivery of the WFP's objectives, and the strategic relevance of these issues to the governing body, my staff carried out a review of HR Division's progress in developing a human resources strategy for the Programme.

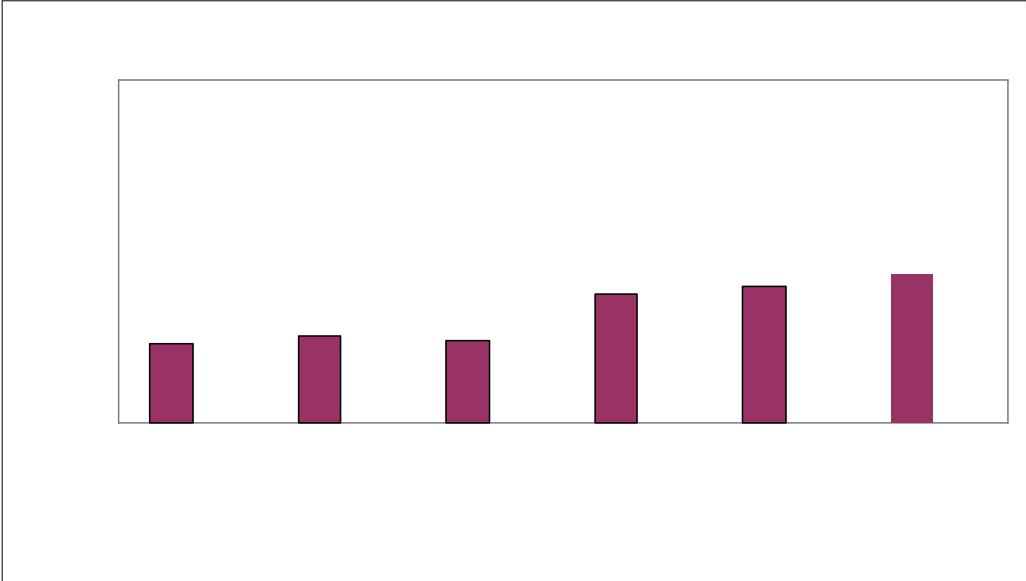
BACKGROUND

1995 internal review

15. In 1995 an internal steering group had been established to recommend a career development system that would lead to achieving a balance between staff members' individual career needs and the organisation's workforce requirements. The recommendations from the steering group included:
 - the development and implementation of an inventory of skills, capabilities and work experiences of WFP staff on an easily up-dated and accessible database;
 - the introduction of strategic staffing, a systematic approach for human resources planning to meet organisational goals;







for the national staff (7,165 as at 31 December 2002) are not readily available to Headquarters management in a comprehensive or systematic manner.

27. While information on the costs of staff charged to Programme Support and Administration (PSA) is available in WINGS, the staff costs charged to Direct Support Costs cannot be distinguished in the system at present without analysis at individual transaction level. In consequence, complete information on the staff costs associated with projects and programmes is not presently available to managers to support the decision making process, or to facilitate a strategic view of resource consumption and needs.

Recommendation 1. I recommend that WFP consider the merits of identifying and disclosing staff costs on a comprehensive and systematic basis; and review whether current and future informational needs are being fully met by WINGS as presently configured.

28. The current system for forecasting organisational staffing needs is run centrally from Rome Headquarters. At the beginning of each year, the Human Resources Division with other WFP divisions carries out a review of the forecast requirements for international professional posts for the year ahead. These short-term demands have been assessed and addressed either through reassignment of current staff or through recruitment of new staff. Hitherto, this process did not consider the medium and long-term requirements of the various functional areas; nor did it address the requirements for locally recruited staff, even though these represent approximately 80 per cent of the total staff employed.
29. The current WFP policy is to resource emergency activities from its most experienced staff to ensure that operations are up and running as quickly and as effectively as possible. This involves identifying WFP staff who could be reassigned from other locations and obtaining them on Temporary Duty stasb.0001 6e(r)3.17176an(ng)-5i1(e)29mwe de5.3(rs)-5expions 3 TD-0.S(



Staff employed in the six major emergency operations at 31 December 2002, compared with the total number of staff employed by WFP worldwide.

| | Afghanistan | Iraq | Sudan | Ethiopia | Southern Africa | Angola | SUBTOTAL | TOTAL STAFF | |
|----------------------------|-------------|------------|------------|------------|-----------------|------------|-------------|-------------|---------------|
| International staff | 44 | 37 | 40 | 32 | 123 | 43 | 319 | 1036 | 30.79% |
| National Staff | 929 | 764 | 406 | 308 | 591 | 377 | 3375 | 7165 | 47.10% |
| Consultants | 38 | 6 | 9 | 4 | 46 | 5 | 108 | 170 | 63.53% |
| Other (excl. casual) | 13 | 0 | 0 | 1 | 68 | 1 | 83 | 209 | 39.71% |
| Total staff numbers | 1024 | 807 | 455 | 345 | 828 | 426 | 3885 | 8580 | 45.28% |

Source: NAO External Audit questionnaire responses from Country Directors, 2003

32. Further analysis of the information provided by field offices confirmed that consultants play a significant role in these operations, accounting for some 25 per cent of the international professional staff.

33. The numbers of staff employed for countries with long term projects was as follows:

Staff employed in countries with significant development operations as at 31 December 2002, compared with the total number of staff employed by WFP worldwide.

| | Bangladesh | Cambodia | Indonesia | Colombia | Haiti | Honduras | SUBTOTAL | TOTAL STAFF | |
|---------------------|------------|----------|-----------|----------|-------|----------|----------|-------------|-------|
| International staff | 12 | 11 | 13 | 3 | 4 | 3 | 46 | 1036 | 4.44% |



34. By contrast with emergency operations, long term projects offer the opportunity for some stability in staffing, although the total numbers of staff involved are relatively few. The staffing numbers in both types of operations have a strong correlation to the total expenditure in those areas: 45 per cent of staff and 45 per cent of expenditure on the major operations, compared with 5 per cent of staff and 6 per cent of expenditure on long term projects.
35. As donor funding for longer term development operations declines, the opportunity to utilise the staff employed on such operations as a source of experienced staff for emergencies also falls. As new emergencies develop, WFP may be forced to draw on experienced staff from other emergency operations, with concomitant risks to the management of those emergencies.
36. There has therefore been a relative reduction in the extent of the Programme's non-emergency operations, and a corresponding reduction in the availability of a core of other, more stable activities from which emergency staffing requirements can be met and on which the permanent staff may be deployed longer term. In these circumstances, it is



Comparison of staff numbers by contract between 1998 and 2002

| All staff worldwide | 31 December 1998 | 31 December 2002 |
|-------------------------------------|-------------------------|-------------------------|
| International professional and JPOs | 833 | 1,036 |
| General Service | 1,083 | 1,225 |
| Consultants | 226 | 170 |
| Service Contracts/Limited Duration | 260 | 4,730 |
| Special Service Agreements | 2,262 | 1,210 |
| Other | 310 | 209 |
| Total | 4,974 | 8,580 |



44. Against the background of processes to recruit, retain and develop staff, the review identified three key areas to align management practice with the future needs of the organisation. Firstly, to develop a competency framework for each area, to improve the



50. The assessment of national staffing requirements is presently delegated to regional/country level. HR Division expect that over time, Staffing Coordinators will have a role to play in the identification and development of local staff as potential candidates for international posts. It will be important for Staffing Coordinators to be used in this expanded role if the Human Resources Strategy is to integrate effectively WFP's requirements in both international and national staffing.

Recommendation 3. I recommend that the Human Resources Division review the role and additional responsibilities of the Staffing Coordinators, to ensure that they have the capacity to be fully effective in supporting a strategic approach to resource management in addition to the management of individual staff members and their operational responsibilities.

Use of WINGS in recruitment

51. In the initial stages of the development of the new HR Strategy, the use of electronic tools established in WINGS was identified as an important aid to successful implementation. It was envisaged that these tools, consisting of sub-systems linked in WINGS, would be developed to aid the implementation and monitoring of key aspects of the Strategy. This would include, for example, the linking of individual staff histories to key competencies and their development over time.
52. Plans to develop electronic tools in the WINGS environment to support this have not yet been taken forward, pending an upgrade to the system. It is envisaged that these tools will be provided within the WINGS environment to allow manager and staff authorised access to data. The HR Division has developed an online database, integrated with WINGS, to collect information for each staff member, accessible world wide. This information is intended to form the foundation of the skills database, which is required to implement much of the Human Resources Strategy.

Recommendation 4. Appropriate use of WINGS can offer considerable benefits to the effectiveness and efficiency with which the Programme's HR Strategy and resource management arrangements can be implemented. I recommend that WFP give appropriate emphasis to the review of technical needs for new electronic tools, so that future requirements can be integrated with wider system developments in a cost effective way.

Performance management

53. The HR review identified the need for a transparent and effective methodology for managing and assessing staff performance against competencies. A computerised system is being developed for this, designed for simplicity and applying performance categories to staff being assessed, although the design of the performance management framework is still being finalised. The system is being designed to help identify potential future leaders within the organisation as well as poor performers. It is proposed that this will assist managers to identify skills shortages and help staff review their skills mix for future personal career development. HR Division intend to launch this revised performance management system in 2004.
54. One of the needs identified early on in the review exercise was that new systems need to provide objective and reliable input to human resources decision making, to ensure that staffing, promotion and re-assignment decisions are based on individual merit within a transparent process. At present the Human Resources Division are not intending to undertake comparisons of staff in functional areas as a means of ensuring consistency in assessments, although current arrangements will continue for the review of staff members' technical performance by technical/functional area focal points.



Recommendation 5. The consistency and objectivity of the assessment process is important to aid WFP in its long-term goal of achieving excellence amongst its staff and I therefore recommend that WFP consider the desirability of further steps to ensure consistency of appraisals across the organisation in any future arrangements.

Progress and implementation to date

55. Throughout the development of the emerging new strategy, HR Division have consulted the staff associations and more than 350 staff across the organisation in focus groups and discussions. To ensure consistency over the Programme as a whole, HR Division intend to carry out a trial of the competencies with a further 400 staff before formal adoption. This collaborative and inclusive approach to the identification of the needs of the organisation and its staff is intended to make the introduction of the new strategy easier to manage.
56. Implementation of the strategy will involve some significant changes in the culture of the WFP, as managers and staff become more involved with career and development issues affecting their working lives. The HR Division has used the staff magazine to promote changes through a series of articles. My staff were informed that in September 2003 the HR Division intend to launch a comprehensive website as a focal point for the new strategy, which would be available world-wide to WFP staff.
57. The Division has identified that the cost of development and implementation of the strategy will be approximately US\$ 500,000. This does not include internal staff time spent on development. The HR Division envisages that there will be additional running costs (beyond those presently incurred), for which three additional posts have been requested in 2004-05 budget submissions.
58. During the design and implementation phase of the Human Resources Strategy, HR Division have addressed the issue of expected outcomes from successful implementation of the Strategy in WFP. My staff were informed that the Division was in the process of



alternative solutions, such as increased outsourcing of activities, or purchaser/provider arrangements as an alternative to the recruitment of professional staff.

ACKNOWLEDGEMENT

62. I wish to record my appreciation for the co-operation and assistance provided by the Executive Director and the staff of the Programme during the audit.

**Sir John Bourn
Comptroller and Auditor General, United Kingdom
External Auditor**

