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## **Report of the External Auditor on the scale-up and scale-down of resources in emergency operations**

### **Draft decision\***

The Board takes note of "Report of the External Auditor on the scale-up and scale-down of resources in emergency operations" (WFP/EB.A/2018/6-H/1) and management response in WFP/EB.A/2018/6-H/1/Add.1, and encourages further action on the recommendations, taking into account considerations raised by the Board during its discussion.

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\* 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.

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# EXTERNAL AUDIT OF THE WORLD FOOD PROGRAMME

REPORT OF THE EXTERNAL AUDITOR  
ON THE SCALE-UP  
AND SCALE-DOWN OF  
RESOURCES IN  
EMERGENCY OPERATIONS  
2017 EXERCISE

COUR DES COMPTES REFERENCE: WFP-2017-9



**World Food  
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## SUMMARY

The issue of scaling resources during emergency operations is one of the most complex issues facing WFP. It brings its core activity into play: intervention in a crisis situation, as well as its ability to stabilize its action and then gradually withdraw from the lowest-priority sites.

The growing number of emergency situations and especially their increasing duration led the External Auditor to question the nature of the administrative resources that WFP could deploy to optimize its action.

Whether it involves comprehensive cost control, which is a condition of increased visibility and therefore of a true commitment from donors, or the more flexible use of emergency experts, progress can still be envisaged.

## I. AUDIT OBJECTIVES, SCOPE, AND APPROACH

1. As announced in our notification letters dated 13 July 2017 and 1 December 2017, a team of three External Auditors conducted a verification at the World Food Programme (WFP) headquarters in Rome in several stages, from 11 to 15 September 2017, from 18 to 20 October 2017, and from 22 to 26 January 2018. In addition, all the field missions scheduled in the external offices during the 2017–2018<sup>1</sup> fiscal year contributed to the preparation of this report. The aim of this audit was to examine the organization's ability to scale up its resources in an emergency, mainly at the start and end of level 2 and 3 emergency operations, between 1 January 2012 and 31 December 2017.<sup>2</sup>
2. Pursuant to an Executive Board decision of 10 November 2015, WFP External Audit was entrusted to the First President of the *Cour des comptes* of France for the period 1 July 2016 to 30 June 2022, in accordance with Article 14.1 of the WFP Financial Regulations.
3. The External Auditor's mandate is set out in Article XIV of the WFP Financial Regulations and its Annex, and in the call for applications for the appointment of the External Auditor. Its terms of reference comprise the call for applications, together with the detailed technical offer of services of the *Cour des comptes* approved by the Board.
4. The responsibilities of the External Auditor consist of auditing the accounts of WFP (Article 14.1 of the Financial Regulations) and making observations, if he sees fit, with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of WFP (Article 14.4 of the Financial Regulations).
5. Pursuant to Article 3.1 of the WFP Financial Regulations, the Executive Director is responsible and accountable to the Board for the financial management of WFP activities.
6. A letter of engagement was drawn up with the Executive Director in order to ensure that, in accordance with international audit standards, the respective obligations of management and of the External Auditor are clearly understood. In addition, before each audit, the External Auditor communicates to the Secretariat the scope of the audit activities to be undertaken.
7. This report was included in the annual work plan of the External Auditor submitted to the Executive Board at its second regular session in November 2016, which detailed the audits to be carried out between July 2017 and June 2018. Pursuant to the terms of reference, the Auditor shall each year produce an audit report on the financial statements of WFP (submitted to the Board for approval) accompanied by an opinion on the accounts, a report each on the performance and the compliance of WFP management, also known as "performance audits" (submitted to the Board for consideration) and ten management letters issued following field office visits (including regional bureaux and country offices). The External Auditor also reviews the draft annual report on the implementation of the recommendations of the External Auditor submitted by the Secretariat to the Board for consideration.
8. The audit of the scaling resources at the start and end of emergency operations was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAI) on performance and compliance audits, the WFP Financial Regulations and the additional terms of reference annexed to it. These standards require the External Auditor to comply with the relevant ethical rules in respect of the audit, to exercise professional judgement and to take a critical approach throughout the audit.

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<sup>1</sup> Regional bureaux of Cairo and Johannesburg; country offices of Kenya, Zimbabwe, Lebanon, State of Palestine, Turkey, Nepal, Malawi, and Ukraine.

<sup>2</sup> Since October 2012, WFP has categorized its emergency responses on a three-level scale (see paragraph 19).

9. The primary aim of the audit was to determine:

- whether the governance of resources deployed in emergencies is sound and undergoes specific internal control measures;
- whether WFP is able to control the level of resources to be allocated to the start and end of an operation in a context of a growing number of emergency operations and their longer duration;
- whether the operational mechanisms to facilitate the deployment at the start and the reduction of resources at the time of deactivation are effective.

10. Each observation and each recommendation were discussed with the relevant staff, in particular the staff of the Emergency Preparedness and Support Response Division (OSE). The audit closure meeting was held in the presence of the Director of Emergencies on 8 March 2018. Management confirmed the validity of the statements made. This report takes full account of its comments and responses, provided in writing on 23 March 2018.

11. During an audit conducted according to the international standards, performance, and compliance are examined on the basis of appropriate criteria, and the causes of any variations from these criteria are analysed. The goal is to answer the main audit questions and to recommend improvements. The first step of the audit is to specify the outlines of the subject matter, i.e., the information or activity to be measured. This subject matter can take various forms and have various characteristics, depending on the audit aim. An appropriate subject matter is identifiable and capable of consistent evaluation or measurement against the adopted criteria, such that it can be subjected to procedures for gathering sufficient and appropriate audit evidence to support the audit opinion or conclusion.<sup>3</sup>

12. The subject of this audit was level 2 and 3 emergency situations. Triggered when the resources of country offices are insufficient, their smooth functioning is an indicator of WFP's ability to resize its resources in times of an acute crisis. Resources were understood as the main levers and capacities needed to deal with these situations: emergency funding, deployment of additional human resources, stocks of commodities and materials, and means of decision-making, coordination and supervision.

13. To assess WFP's ability to scale its resources, the External Auditor classified its aims: logically as immediate, operational, and strategic. To achieve each type of aim, a programme targets outcomes of a varying nature: immediate aims are translated into factual achievements; operational aims assume that results are obtained, which call for a more qualitative assessment; strategic aims are manifested through long-term expected effects, the analysis of which is more of an evaluation. The expected actions, results, and effects identified in the logical framework constitute the base criteria for assessing the performance of the operation.

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<sup>3</sup> ISSAI 100, paragraphs 22 and 26.

Immediate aims	Operational aims	Strategic aims
<ul style="list-style-type: none"> <li>• <b>Collect information</b> necessary to understand the situation;</li> <li>• Establish a sufficient <b>roster of qualified personnel available</b> for deployment in an emergency;</li> <li>• Raise awareness among <b>donors</b> upstream and have access to immediately mobilizable reserves of funds;</li> <li>• Establish <b>regional logistics platforms</b> and preposition commodities (forward purchase facility (FPF), global logistics cluster (GLC));</li> <li>• <b>Precontractualize</b> with suppliers of IT and financial services;</li> <li>• <b>Identify</b> reliable, suitable <b>partners</b>;</li> <li>• <b>Adapt internal procedures</b> to the limited time frames;</li> <li>• Define <b>roles</b> in advance, simplify administrative <b>procedures</b>, and clarify <b>delegations of authority</b>;</li> <li>• Establish <b>clear rules relating to detections and transmissions of cases of fraud</b>;</li> <li>• Establish a <b>system to secure</b> WFP's staff and assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Quantify and qualify <b>needs</b>;</li> <li>• <b>Target the beneficiaries</b> (number, nature, and location);</li> <li>• Recruit/deploy the <b>necessary employees</b> (number and skills);</li> <li>• <b>Reallocate employees</b> during the reduction of the intervention;</li> <li>• Choose the <b>intervention methods</b>;</li> <li>• Define the <b>post-emergency activities</b>;</li> <li>• Use <b>clusters</b> and rely on <b>offers of external assistance</b>;</li> <li>• Establish <b>new sub-offices</b> if needed;</li> <li>• <b>Collaborate with the relevant agencies</b> and players;</li> <li>• Guarantee <b>effective supervision and support</b> by headquarters and the regional offices;</li> <li>• <b>Monitor and report on operations</b>;</li> <li>• <b>Obtain</b> and disseminate accurate, sufficient <b>data</b> and <b>detect any abnormalities</b>.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure an <b>immediate, appropriate response</b>;</li> <li>• Manage the <b>reduction</b> of operations and the <b>transition</b> to resilience activities;</li> <li>• Guarantee <b>the availability of resources</b> (financial, human, procurement, and infrastructures);</li> <li>• Ensure <b>access to healthy, nutritious food</b>;</li> <li>• Create <b>synergies</b> through solid partnerships (leverage);</li> <li>• Facilitate <b>communication and coordination</b> (chain of command);</li> <li>• Preserve WFP's <b>credibility and reputation</b>;</li> <li>• Minimize <b>financial losses</b> and cases of <b>fraud</b>;</li> <li>• Maintain <b>strong internal controls</b> despite the emergency context;</li> <li>• Meet the obligations of <b>accountability</b> towards donors.</li> </ul>
Actions	Results	Effect

Source: External Auditor

14. The External Auditor considered all of the more general processes involving emergency management, i.e., the WFP organizational resilience framework, which constitutes appendix 1 to the Emergency Response Activation Protocol (OED 2015/014) dated 17 July 2015. In this context, resilience is defined as the continuous ability to respond to strategic and operational aims, including when the organization faces changes, threats, or disruptions to its current activity.

## II. LIST OF RECOMMENDATIONS

15. The recommendations are classified in order of priority:

- **Priority 1**, a fundamental matter requiring management's immediate attention.
- **Priority 2**, a control matter of a less urgent nature to be addressed by management.
- **Priority 3**, a matter brought to management's attention calling for improved controls.

Context	Priority	Recommendations
Definition of emergency situations	2	<b>Recommendation 1.</b> The External Auditor recommends that WFP and IASC (United Nations Inter-Agency Standing Committee) emergencies be more clearly articulated: a) providing criteria in the revised protocol allowing WFP to define the emergency level independently from IASC decisions; and b) when its decision differs (for example, for an L3 activated by WFP alone), producing a specific memorandum for the attention of donors setting out the reasons for the difference in assessment.
Governance of emergency situations	1	<b>Recommendation 2.</b> The External Auditor recommends clarifying the terms of the activation protocol, in particular: a) by providing for a target duration – albeit indicative – for the start phase of a crisis; b) by detailing the objectives (external or internal) targeted by the organization; c) by simplifying the chain of command; d) by revising the format of mandatory reporting; e) by specifying the criteria and stages of deactivations.
Preparing for emergency situations	1	<b>Recommendation 3.</b> The External Auditor recommends strengthening the scope of the preparatory measures, in particular by: a) defining the responsibilities of the regional bureaux in supervising the establishment of the Emergency Preparedness and Response Package (EPRP) on site; b) systematizing, as provided for in the protocol, reference to the degree of completion of preparedness actions in country director assessments; c) integrating into the risk registers mitigation measures specific to the potential risks of fraud and losses in an emergency situation.
Funding for emergency situations	1	<b>Recommendation 4.</b> The External Auditor recommends setting up a financial tool for rendering accounts regarding the total actual consolidated cost of L2 and L3 emergency operations.
Funding for emergency situations	2	<b>Recommendation 5.</b> The External Auditor recommends carrying out a series of financial analyses to: a) identify and quantify the additional budgetary effort allocated to L2 and L3 operations due to regional and headquarters intervention, and b) put in place unrestricted, more specific funding channels as appropriate.
Human resources management in emergencies	1	<b>Recommendation 6.</b> The External Auditor recommends establishing a broadened and centralized monitoring tool for WFP employees who can be deployed in emergencies, and formalizing its employment doctrine.
Human resources management in emergencies	1	<b>Recommendation 7.</b> The External Auditor recommends including in the performance assessment of country and regional directors an evaluation of their ability to contribute to the efforts to adapt the organization's human resources during the outbreak of crises.
Human resources management in emergencies	1	<b>Recommendation 8.</b> The External Auditor recommends rapidly translating into operational terms the discussions begun in 2017 on the support functions and the innovative plans to be put in place to increase the flexibility of the teams in an emergency situation (incentives, mentoring, long-term training strategy for staff with high potential for emergencies, etc.).

### III. FOLLOW-UP OF RECOMMENDATIONS

16. The External Auditor's report (WFP/EB.A/2015/6-G/1 – April 2015) on "Management of Corporate Emergencies" (level 3 interventions) had issued seven recommendations. All were considered fully or partially implemented by the Secretariat and by the External Auditor.

- The first encouraged strengthening the monitoring of criteria for triggering a level 3 emergency (scale, complexity, urgency, capabilities, reputational risk). Documents to track the decision-making process were provided in the examined cases.
- The second recommendation encouraged a more systematic monitoring of the minutes of the Strategic Task Force (STF) meetings. As this report shows, although recent progress has been made, it will be important to remain vigilant on this point.
- The third recommendation was to improve feedback exercises. The latest reports show that this process is now mastered in terms of timing and content.
- The fourth recommendation encouraged WFP to update the information available on the OPweb site to ensure comprehensive information on its ongoing operations. The existence of a specific unit (Operational Information Management – OIM) within OSE now ensures excellent visibility on WFP's operations. In addition, a redesign of the site for better integration into WFP's global information system is under way.
- The fifth recommendation encouraged WFP to present specific financial information about L3 operations ("L3s"). While the Standard Project Reports provide detailed visibility by project, this report shows that progress could still be envisaged in terms of consolidating and classifying expenditure.

The sixth recommendation was to strengthen WFP's capacity to mobilize donors. The establishment of a network of officers dedicated to this function (donor-relationship officers/focal points) is a real area of progress, although there is not yet a specific activity report to measure the added value provided to the organization.

- The seventh recommendation called for better consideration of the risks identified in the Corporate Risk Register with regard to the excessive solicitation of WFP resources when the number of emergencies increases. In this respect, the current revision of the activation protocols and the consideration of establishing a capacity-building unit will be, as the present report again shows, major factors in ensuring the sustainability and durability of the system to respond to extreme emergencies.

### IV. INTRODUCTION

17. Emergencies are defined in the Emergency Response Activation Protocol (OED 2015/014) dated 17 July 2015 as "urgent situations in which there is clear evidence that an extraordinary event or series of events have occurred – or that imminently threaten human lives and livelihoods – that produce dislocation in the life of a community, causing human suffering due to the lack of food availability or access to food, and which the government concerned does not have the means to remedy."

18. These situations correspond mainly to two categories of operations provided for by WFP's General Regulations.<sup>4</sup> The emergency operations (EMOPs) category is considered to be part of WFP's historic missions related to its core activity. The protracted relief and recovery operations (PRROs) category covers food aid in response to long-term needs beyond 24 months. PRROs usually take over from EMOPs. A third category of WFP's activities can contribute to emergency situations: special operations (SOs), which are carried out particularly to "rehabilitate and enhance transport and logistics infrastructure to permit timely and efficient delivery of food assistance, especially to meet emergency and protracted relief needs".<sup>5</sup>

19. Emergencies meet specific rules of engagement and are classified into three levels. Level 1 ("L1") operations can be managed with the means of intervention of the country office concerned, with the usual support of the regional bureau. Any country giving rise to an EMOP or a PRRO is de facto classified L1. Level 2 ("L2") operations require a regional increase in the available resources and capabilities of the country office concerned. Level 3 ("L3") operations require the mobilization of WFP's global response resources: these are major emergency responses coordinated from headquarters to assist the country office(s) and/or regional bureau(x) concerned. Level 2 and 3 emergencies are reported on the basis of five criteria: scale, complexity, urgency, capacity (of WFP to respond to the crisis), and reputational risk. Their activation is subject to a decision by the Executive Director and, for level 3 ("L3") operations, a justified extension, if necessary, every three to six months.

20. Since 2012, WFP must face a growing number of emergencies requiring an increase in local resources. Because of protracted conflicts, most have been triggered for several months or years, while others have occurred more occasionally due to climatic events. In December 2017, WFP managed six level 3 (L3) and six level 2 (L2) emergencies simultaneously.

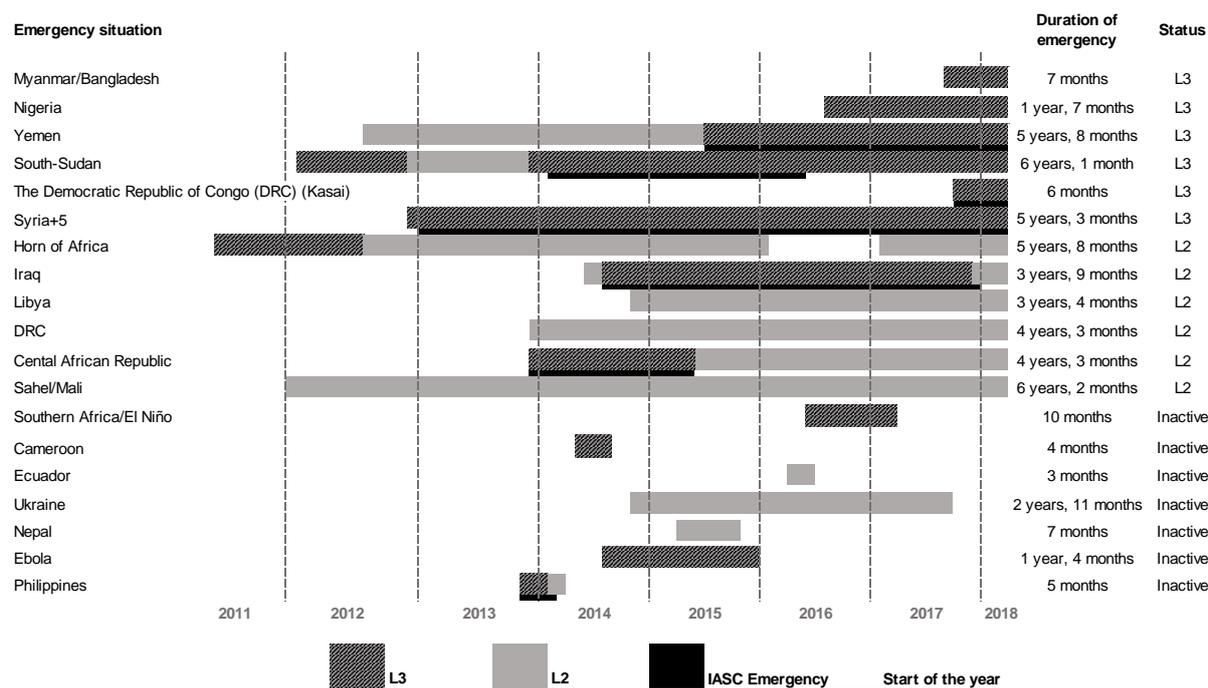
21. Between January 2012 and December 2017, WFP conducted 19 activations for only seven L2 or L3 emergency operation deactivations (Philippines, Cameroon, Ebola, Nepal, Ecuador, southern Africa, Ukraine).

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<sup>4</sup> Categories valid until full implementation of the new operation planning and organization structure provided for in the WFP Strategic Plan (2017–2021).

<sup>5</sup> Article II.2 of the General Regulations (General Rule II.2)

**Graphic 1 – Activation and deactivation of L2/L3 emergencies since 2012, between July 2011 and 31 March 2018**



Source: External Auditor, on the basis of information available in the Standard Project Reports (SPRs).

22. The increase in level 2 or 3 emergency operations puts significant pressure on its resources, with a risk of overstressing. From a financial perspective, WFP received USD 5.8 billion in contributions in 2016, an amount corresponding to only 67 percent of its theoretical total requirements. 51 percent of these funds<sup>6</sup> were devoted to L2 and L3 emergency operations, which the organization covered. In terms of human resources, 4,966 employees<sup>7</sup> were deployed to emergencies in the field in 2016, representing one third of the organization's total workforce. The extremely unstable, demanding context of these operations, as well as their time constraints, large-scale deployments of personnel, and the need for rapid decision-making, represent a complex challenge for the effectiveness of the organization's internal controls. WFP sometimes must intervene in some countries without the support of a pre-existing country office or using innovative techniques such as during the Syria operation, which required the development of new air delivery arrangements. The security concerns are major: riots in Juba (South Sudan) in July 2016 resulted in the looting of 4,600 mt of food stored by WFP; the same year, five WFP drivers were killed in the attack on a convoy in the Syrian Arab Republic.

23. The initial phase of level 2 and 3 emergencies, i.e., their activation, is a crucial moment of the operation: WFP must ensure an almost immediate response by deploying the appropriate means in both quantitative and qualitative terms, while exercising solid control over its action. The emergency deactivation phase is also a key phase for the organization, although less often examined. It requires a carefully defined and planned transition in order to permit reconstruction of the regions affected by the crisis.

24. The organization is aware of the major risks weighing on these operations, which constitute both its core activity and its area of greatest reputational exposure. It continuously works on revising the texts that organize the deployment of resources and, in particular, conducts discussions on the emergency response activation protocol adopted on 17 July 2015 (OED 2015/014) and whose operational limits have been partially identified with the feedbacks received. It still must make trade-offs as to the organization of its human resources to ensure

<sup>6</sup> [http://publications.wfp.org/en/annual-report/2016/section\\_2.html](http://publications.wfp.org/en/annual-report/2016/section_2.html)

<sup>7</sup> Annual Performance Report (APR) for 2016

greater availability and flexibility of its teams. The ambition of this report is to contribute to the discussions under way within the organization, taking into account the findings made during the External Auditor's annual missions.

## V. OBSERVATIONS AND RECOMMENDATIONS

### 1. Definition of emergency situations

25. The question of how WFP's definition of emergency situations relates to the definition by the United Nations Inter-Agency Standing Committee (IASC) remains open. WFP defines emergency situations as critical situations where it is clear that events of an extraordinary nature have occurred and directly threaten human lives. These situations cause disruptions in community life and human suffering due to lack of food or lack of access to food, as the government does not have the means to remedy the situation.<sup>8</sup> According to the protocol (OED 2015/014), this definition is in line with that of the IASC, which refers to sudden humanitarian crises triggered by natural disasters or a conflict requiring mobilization at the level of the United Nations system (level L3).<sup>9</sup>

26. Initially, the aim of the IASC's level L3 operation activation system was to improve emergency humanitarian responses during the two natural disasters in the early 2010s: the earthquake in Haiti in 2010 and the massive floods in Pakistan in 2011. The original activation protocol allowed for the priority allocation of resources of United Nations clusters to respond to these crises, the deployment of the Inter-Agency Rapid Response Mechanism (IARRM),<sup>10</sup> and a Central Emergency Response Fund (CERF) allocation.<sup>11</sup>

27. Since then, the IASC has revised its definition and based its identification of an L3 on five criteria: scale (size of affected areas, number of people affected or potentially affected, number of countries affected by the crisis), urgency (significance of population displacement, intensity of armed conflicts, mortality rate), complexity (urgency of several levels, several affected countries, presence of a multitude of players, difficulty of access for humanitarian staff, high risks for staff), local response capacity (occurrence of a crisis in a fragile State, over-capacity of country offices and regional bureaux), and reputational risk (visibility and media attention, donor expectations). The WFP activation protocol uses the same terminology without going into detail about the content of the criteria.

<sup>8</sup> WFP Emergency Response Activation Protocol (OED2015/014).

<sup>9</sup> "The IASC Principals have agreed that major sudden-onset humanitarian crises triggered by natural disasters or conflict which require system-wide mobilization (so-called 'Level 3/L3' emergencies) are to be subject to a Humanitarian System-Wide Emergency Activation (henceforth referred to as 'L3 activation'), to ensure a more effective response to the humanitarian needs of affected populations. This exceptional measure will only be applied for exceptional circumstances where the gravity justifies mobilization beyond normally expected levels, while recognising the complementarity of humanitarian systems." Source: "Humanitarian System-Wide Emergency Activation: definition and procedures", 13 April 2012, p. 1.

<sup>10</sup> The Inter-Agency Rapid Response Mechanism (IARRM) refers to the commitment of United Nations agencies to deploy a roster of experienced agents trained for level 3 (L3) emergency management. The IARRM is a composite of the individual abilities of the agencies to implement a rapid humanitarian response but is not a common, deployable team for all United Nations agencies. When activating the IARRM, all the rosters of individual agencies are not intended to be deployed, but all agencies agree to prepare for a possible deployment ("on alert"). Source: "Inter-Agency Rapid Response Mechanism (IARRM)", *Inter-Agency Standing Committee Transformative Agenda Reference Document*, 10 December 2013, <https://www.interaction.org/sites/default/files/IARRM%20concept%20note%2011Dec2013.pdf>.

<sup>11</sup> CERF is one of three pool funds – CERF, common humanitarian Fund (CHF), Emergency Response Fund (ERF) – from which WFP can benefit for its projects. It was established in 2005 and aims to provide allocations for Rapid Response (RR) operations and Underfunded Emergencies (UF). USD 450 million is available in the CERF, which allocated USD 825 million to WFP between 2009 and 2013; although this represents a small budget allocation compared with the overall funds available to WFP, the majority of CERF allocations dedicated to individual agencies were given to WFP over the same period. Source: "WFP's Use of Pooled Funds for Humanitarian Preparedness and Response (2009–2013): A strategic evaluation", *Evaluation Report*, Volume I, OEV, December 2014.

28. According to the IASC's definition of L3 situations, an L3 response is not intended to be active for the full length of a crisis.<sup>12</sup> It aims to ensure that the response to the crisis is comprehensive. In 2015, an IASC<sup>13</sup> document considered that the extension of L3 emergencies after the initial three months should cease. Extensions of L3 responses should remain exceptional and should not exceed nine months (i.e., a maximum period of one year). However, the IASC allows United Nations agencies, individually, to extend L3 status according to the nature and duration of an emergency.

29. Therefore, while WFP must inform the IASC when activating an L3 response, the two mechanisms remain administratively uncorrelated (an inter-agency L3 may not be an L3 operation for WFP; a WFP L3 may not be an inter-agency L3.) This results in a lack of potential visibility for donors. Even if the L2 or L3 designation is not mainly intended to attract donors' attention, it is in practice a factor they take into account when allocating funds. To mitigate this limitation, WFP could clarify the nature of its interventions using its own definitions that cannot be confused with those of the IASC and would allow its partners to identify the nature of its action immediately (L2/3 or WFP L2/3). The creation of new categories (L3 "surge" for the beginning of a crisis and L3 "response" for the management of a medium-term crisis) is worth considering, as is that envisaged by the IASC decision of 17 December 2017. Therefore, here too, it is important to know whether WFP will be able, and under what conditions, to define the duration of each of these phases itself, independently from their designation by the IASC. **As long as the organization wishes to preserve its room for manoeuvre for the activation of an emergency situation regardless of its recognition by the United Nations system, WFP should make clearer choices, defining its own criteria in so far as they may differ from those of the IASC and have specific operational consequences as regards crisis management.**

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<sup>12</sup> "The activation period should not exceed 3 months initially. The priority will be to revert as soon as possible to the regular methods of work of the humanitarian system, under a strong national leadership. Ideally, during this period, the system would put in place the required capacities and response would get well underway, such that the activation should not have to be extended." Source: *Humanitarian System-Wide Emergency Activation: definition and procedures*, 13 April 2012.

<sup>13</sup> "What does the IASC Humanitarian System-Wide Level 3 Emergency Response Mean in Practice? Agreeing on a common understanding of the L3 Response", IASC website, 2016.

**Table 1 – Activated and deactivated emergencies of WFP and IASC as of January 2018**

Activated WFP L3	Activated IASC L3
<ul style="list-style-type: none"> <li>Democratic Republic of the Congo (6 October 2017)</li> <li>Myanmar/Bangladesh (activated 22 September 2017)</li> <li>North-eastern Nigeria (activated 19 August 2016)</li> <li>South Sudan (8 February 2012)</li> <li>Syrian Arab Republic and Syrian refugees (14 December 2012)</li> <li>Yemen (3 July 2015)</li> </ul>	<ul style="list-style-type: none"> <li>Syrian Arab Republic (15 January 2013, extended until March 2018)</li> <li>Iraq (12 August 2014, extended until the end of 2017)</li> <li>Yemen (1 July 2015, until March 2018)</li> <li>Democratic Republic of the Congo (activated in October 2017 for six months)</li> </ul>
Deactivated WFP L3	Deactivated IASC L3
<ul style="list-style-type: none"> <li>Philippines (activated 12 November 2013, deactivated 10 March 2014)</li> <li>Central African Republic (activated 13 May 2013, deactivated 5 June 2015)</li> <li>Ebola (activated 14 August 2014, deactivated 23 October 2017)</li> <li>Iraq (activated 10 November 2014, deactivated 30 November 2017)</li> <li>Southern Africa – El Niño drought (activated 12 June 2016, deactivated 13 March 2017)</li> </ul>	<ul style="list-style-type: none"> <li>Central African Republic (activated 12 December 2013, deactivated 13 May 2015)</li> <li>Philippines (activated 14 November 2013, deactivated 11 February 2014)</li> <li>South Sudan (activated 11 February 2014, deactivated 5 May 2016)</li> </ul>

Source: Inter-agency Standing Committee, "IASC Transformative Agenda", website consulted 22 February 2018. <https://interagencystandingcommittee.org/iasc-transformative-agenda/news-public/l3-iasc-system-wide-response-activations-and-deactivations> Decision Memorandums

**Recommendation 1. The External Auditor recommends that WFP and IASC (United Nations Inter-Agency Standing Committee) emergencies be more clearly articulated: a) providing criteria in the revised protocol allowing WFP to define the emergency level independently from IASC decisions; and b) when its decision differs (for example, for an L3 activated by WFP alone), producing a specific memorandum for the attention of donors setting out the reasons for the difference in assessment.**

## 2. Governance of emergency situations

### 2.1. Goal of activation

30. The current activation protocol (OED 2015/014) dated July 2015 (subject to the draft amendments that were being reviewed by the organization at the time of the audit) defines the concept of emergency, the different categories of emergency, the activation criteria, the management process adapted to each level, particularly the chain of command and the division of responsibilities (responsibility and accountability), the coordinating bodies that must meet, the role of headquarters in terms of support, the procedures that must be conducted from alert to activation, and finally the general methods of deactivation.

31. At the time of the audit, the protocol did not distinguish between the capacity for a very rapid increase in resources at the onset of a crisis (surge) and the medium-term resource management capacity in order to strengthen an intervention in the field.<sup>14</sup> The consequence is that the L2 or L3 categorization is no longer reserved for situations of extreme crisis or new emergency but may continue to apply, over time, to relatively stable or at least ongoing situations: for example, L2 responses in the Sahel/Mali, the Horn of Africa, or DRC, which have been activated for more than five years, or L3 responses in the Syrian Arab Republic and South Sudan, which have been in place for more than five years. **The organization would benefit from better defining the duration, at least approximately, of an operation in its initial rapid-intervention phase (surge) by distinguishing it from its consolidation phase. Based on the organization's experience accrued since its inception, the aim of making a reliable estimate of the initial rapid-reaction phase (surge) does not seem to be achievable. If the duration cannot be set uniformly in advance, as it depends on each specific situation, it could nevertheless be the object of an indicative target, entailing the production of an explanatory memorandum in the event of an overrun.**

**Table 2 – Duration of emergency situations activated and deactivated between 2012 and 2017 (status as of 31 March 2018)**

Emergency situation	Nature of emergency	Duration of emergency
Myanmar/Bangladesh	L3	7 months
Nigeria	L3	1 year, 7 months
Yemen	L3 (previous L2)	5 years, 8 months
South Sudan	L3	6 years, 1 month
DRC (Kasai)	L3	6 months
Syria + 5	L3	5 years, 3 months
Horn of Africa	L2 (previous L3)	5 years, 8 months
Iraq	L2 (previous L3)	3 years, 9 months
Libya	L2	3 years, 4 months
DRC	L2	4 years, 3 months
Central African Republic	L2 (previous L3)	4 years, 3 months
Sahel/Mali	L2 (previous L3)	6 years, 2 months
El Niño	Inactive (L3)	10 months
Cameroon	Inactive (L3)	4 months
Ecuador	Inactive (L2)	3 months
Ukraine	Inactive (L2)	2 years, 11 months
Nepal	Inactive (L2)	7 months
Ebola	Inactive (L3)	1 year, 4 months
Philippines	Inactive (L3, L2)	5 months

Source: External Auditor, on the basis of the SPRs.

32. No maximum duration is currently set for the renewal of an L2 or L3. The result is a natural tendency for the organization to maintain a high level of alert, particularly for flagging purposes addressed to the donor community, in order to avoid a possible demobilization that would lead to a decrease in funding. This can result in a degree of confusion as to the aim of using the L2/L3 terminology: **when an emergency situation is activated, WFP is divided between an implied objective relating to communication, which is aimed primarily at drawing the international community's attention to a new or particularly serious situation that would require an exceptional intervention, and another objective,**

<sup>14</sup> Unlike the distinction made by the IASC since its decision of 17 December 2017.

**formalized in the protocols but not de facto exclusive, relating to operational constraints, essentially aimed at activating procedures specific to the management of L2 and L3 emergency operations. These two very different objectives (to raise awareness and to support operational management), both targeted by an activation, would benefit from being redefined and distinguished.**

33. Regarding the operational aspects, the direct impacts of L2 or L3 activation appear limited as to the modifications of the usual management channels, considering all the interviews conducted in the field offices. The increased involvement of the regional bureau and headquarters in terms of material and human support is the main concrete consequence of an activation. However, in practice, neither the regional bureau nor headquarters waits for L2 and L3 classification to deploy additional resources where necessary. The funding channels (see below) are not modified in their nature by a shift to L2 or L3. This classification takes into account a necessity previously noted on site. As the regional bureau directors readily acknowledge, they would not be able to deny resources to a country office calling for their assistance simply because its appeal does not involve an L2 or L3 operation. Only three operational consequences arising from the application of the Activation Protocol (as opposed to a target linked to communication with donors) could be identified.

## 2.2. Operational consequences of activation

34. The first concerns the chain of command. Variable command schemes according to the level of emergencies are explained in appendix 1 to the activation protocol. In a level 1 (L1) situation the Country Office Director is accountable to the Regional Director for the efficiency and effectiveness of the implementation of operations. In a level 2 (L2) situation the Regional Director is directly accountable to WFP's Executive Director. However, operations remain the concrete responsibility of an Emergency Coordinator, who is the Country Office Director in practice and in most cases. In an L3, the Executive Director is directly accountable and can delegate the supervision of operations to the Chief of Staff. However, the Regional Director is designated as the Field Response Manager, and an Emergency Coordinator is designated here again. As things stand, this division of responsibilities does not really have practical consequences: certain individuals interviewed in the regional bureaux remain perplexed about the distinctions generated by the L2 or L3 categorizations in terms of command. While the activation of an L2 leads the Regional Director to reinforce the supervision exercised in any situation, in principle, on the country offices, it does not change the nature of it. During an L3 situation, the Regional Director becomes accountable for the operational management of the operation as Corporate Response Director, but where he/she is director or only supervisor as in L2, he/she is accountable in all cases, and his/her involvement is no less great in the second case than in the first. The distinction proposed by the protocol between the concepts of accountability and responsibility remains very abstract or even ineffective for the main players. **The chain of command would therefore benefit from being simplified and clarified.**

35. The second operational consequence concerns the nature of the internal coordination bodies and the reporting to be provided. The activation of level 2 and 3 (L2 and L3) situations involves a major administrative change, establishing the obligation for WFP to gather, for level 2 (L2) situations, an operational task force (OTF) chaired by the Regional Director and, for L3, the same group chaired by the Executive Director's Chief of Staff as well as a special Strategy Task Force (STF) chaired by the Executive Director or his/her representative. In practice, the OTF meeting minutes show that all the people who are supposed to participate ("as a minimum") in these meetings are not always available and that their format therefore varies according to the operational needs. The sparse participation of key officials (Chief of Staff; Assistant Executive Director, Operations Services Department; Deputy Executive Director) and their representatives gives the Director of Emergencies a pivotal role in ensuring the OTF's role of "corporate-level operational decision-making", although she/he does not have hierarchical authority over the regional bureau directors. It is in this context that, in 2017,

the Executive Director created a deputy position to the Assistant Executive Director in charge of the Operations Services Department in order to strengthen supervision of emergencies in particular. Moreover, the STF meeting minutes were not systematically formalized until recently, despite the recommendation of the previous external audit. **The format of OTF meetings, as to the number and the role of the participants, would benefit from being made more flexible (determined by its chairman according to the operational needs) and STF minutes being formalized and recorded in a uniform manner.**

36. The third operational consequence is the facilitated use of a specific roster of officers and consultants (see below), which is the only “exceptional” HR procedure that can be activated in the event of a transition to an L2 or L3 situation.

37. As things stand, the WFP protocol does not provide for the criteria or details of the steps involved in the deactivation of an emergency, whether it is an L3 situation becoming L2 or an L2 situation becoming L1, or even a total withdrawal of WFP, as in the case of Ukraine.

#### Example of deactivation in Nepal

Nepal was classified as a level 2 emergency for a total of seven months in 2015 following the earthquake that struck the country. The scaling-down was anticipated throughout the emergency. OTF meeting minutes detail the various evaluation criteria underpinning this decision because it was delayed due to the imminent monsoon and the political upheaval in summer 2015. The reduced assistance needs, the scaling-up of cash-based transfer programmes instead of food distribution as a result of the recovery of domestic markets, and the security stabilization in the country were the key determinants. At the intermediate level, some units perceived the scaling-down with some brutality. This feeling was accentuated by the fact that certain units, due to unanticipated vacancies, were without heads and little senior management. Moreover, many expressed regret at the sudden departure of the international staff, who clearly took little time to properly hand over ongoing work to office staff. All in all, the office proved capable of effectively initiating the scaling-down process. Staff numbers were back at pre-L2 levels by end-2015 (128 staff at 1 December 2015 compared with 137 a year earlier). The provisional regional sites in the theatres of operation were rapidly removed.

#### Example of deactivation in Iraq

After the three years of conflict that followed the triggering of the level 3 emergency, the country office, according to the decision memoranda and the OTF meeting minutes, was able to benefit from the strengthening of resources and flexible mechanisms<sup>15</sup> that allowed it to reach, on average over the emergency period, 79 percent of the beneficiaries targeted by the organization.<sup>16</sup> In 2017, Iraq was in a post-conflict situation. The number of people in need of humanitarian assistance has also been reduced as a result of declining numbers of internally displaced persons and the capacity for rapid recovery of newly liberated villages. The link between Iraq’s scaling-down in November 2017 and the continuation of the level 3 situation at the IASC level until the end of 2017 has been the subject of discussions by the various authorities of WFP in charge of conducting an analysis of the level of urgency required, but not included in the Iraqi scale-down Decision Memorandum: while the IASC decided to maintain the level 3 categorization of the emergency in Iraq, WFP made the decision to downgrade the emergency to level 2.

<sup>15</sup> In particular, the Inter-Agency Rapid Response Mechanism (IARRM), which enables WFP to provide Immediate Response Rations (IRRs) to displaced families.

<sup>16</sup> Calculations of the External Auditor, on the basis of Dashboards.

**Recommendation 2. The External Auditor recommends clarifying the terms of the activation protocol, in particular: a) by providing for a target duration – albeit indicative – for the start phase of a crisis; b) by detailing the objectives (external or internal) targeted by the organization; c) by simplifying the chain of command; d) by revising the format of mandatory reporting; e) by specifying the criteria and stages of deactivations.**

### 3. Preparing for emergency situations

38. WFP's emergency preparedness policy is based on a package of procedures and tools known as the Emergency Preparedness and Response Package (EPRP).<sup>17</sup> These procedures must enable detailed knowledge of risks at the country office level. All natural, safety, health, political, etc. risks are identified at this level. **As things stand, the regional bureau plays only a coordinating role in the feedback of information, but not a control role.**

39. EPRP involves the creation of a detailed check list (Minimum Preparedness Actions – MPAs) of all emergency measures to be prepared, by unit, specifying deadlines for completion and updating as well as owners. The preparation and production of this list make it possible to give a sense of responsibility to everyone involved. MPAs, associated with Advanced Preparedness Actions (or APAs) and a Concept of Operation, as well as Standard Operating Procedures, organize the continuity of the office's activities in case of a major crisis and provide for the operational deployment of the emergency response.

40. However, contrary to what paragraph 9 of the aforementioned directive explicitly provides, **the Performance and Competency Enhancement (PACE) programme does not formally or systematically take into account the degree of preparation for emergencies as an evaluation criterion.**

41. In the offices visited by the External Auditor, the **specific risk of fraud related to emergency situations** was not specifically identified and documented, even though the control, for example, of the activity of partners, from the hand-over of commodities by WFP until delivery and distribution to the beneficiaries remains an identifiable risk area (for example, the year of the earthquake in Nepal stands out for the relatively high proportion of declared losses attributable to partners, i.e., 38 percent in 2015, compared with 10 percent in 2016 and 12 percent in 2017).<sup>18</sup>

**Recommendation 3. The External Auditor recommends strengthening the scope of the preparatory measures, in particular by: a) defining the responsibilities of the regional bureaux in supervising the establishment of the EPRP on site; b) systematizing, as provided for in the protocol, reference to the degree of completion of preparedness actions in country director assessments; c) integrating into the risk registers mitigation measures specific to the potential risks of fraud and losses in an emergency situation.**

<sup>17</sup> Directive no. OM2014/003 of 17 October 2014, updated in 2017.

<sup>18</sup> In L2 and L3 emergencies certain internal controls tend to be relaxed informally: in Malawi (L3) the deputy director signed an order for an amount exceeding his delegated authority while the director was present.

## 4. Funding for emergency situations

### 4.1. Consolidated financial data

42. WFP does not prepare consolidated financial data specific to L2/L3 emergency situations and does not intend to report on these costs. The L2/L3 designations are understood by the organization as an internal tool (although used in external communications) to increase the attention of its officers and its support capabilities in order to meet the needs of an emergency. The organization considers that the L2 or L3 designation has no direct impact on the funding channels or the nature of accountability in terms of financial reporting to donors – these operations being treated like all operations of the organization.

43. The financial information is presented in the management plan by major category of operations and in the financial statements by type of expenditure, without being broken down into level 2 or 3 emergency responses and other emergency responses.

44. From time to time, platforms can be set up to communicate on level 3 operations costs.<sup>19</sup> In addition, in 2015, the External Auditor presented to the Executive Board a report (WFP/EB.A/2015/6-G/1) on the management of major emergency responses coordinated at the central level, i.e., L3 operations, with a table of the annual overall budget for these situations. However, this type of table is not regularly monitored and updated by the organization's management.

45. In order to obtain the cost of L2 and L3 interventions, **the External Auditor was encouraged by the Emergency Preparedness and Support Response Division (OSE) to refer to financial reporting documents by project** (Standard Project Reports – SPRs) designated as those related to emergencies that occurred between 2012 and 2016.<sup>20</sup> The study of SPRs leads to relying on, for each emergency situation, several reports relating to the subsets constituted the funds for emergency operations (EMOPs), protracted relief and recovery operations (PRROs) and special operations (SOs). For 2016, for example, it was necessary to refer to 24 different projects for seven L2 situations and 40 different projects for eight L3 situations. In addition, SPRs are designed by the country offices for a particular country and not for a geographical zone, as emergencies may be. This largely overshadows the financial visibility of each emergency, let alone the ability to analyse a consistent set of financial data.

46. Monitoring financial data on emergencies in the SPRs has significant methodological biases.

- WFP provides funds to emergency operations (EMOPs) or to protracted relief and recovery operations (PRROs),<sup>21</sup> projects that can be used for level 2 or 3 emergencies, but operations for countries in a level 2 or level 3 (L2 or L3) emergency may have been implemented at a date prior to the start of the emergency.
- The designation of an emergency does not necessarily imply a change in the type of project being carried out by WFP. The number of beneficiaries reported in the SPRs therefore does not correspond only to the beneficiaries of an emergency operation.

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<sup>19</sup> <https://www.wfp.org/dashboards/yemen>

<sup>20</sup> Questionnaire dated 1 December 2017, question 1: "Provide a detailed list of all emergency operations L2/L3 including associated cost to this day". OSE reply: "See SPRs"; question 4 – part 5: "Provide the financial information (including expenditure incurred) on projects related to level 3 operations". OSE reply: "See SPRs".

<sup>21</sup> These two types of projects can be supported by special operations (SOs), corresponding to logistical support or infrastructure operations enabling EMOPs and PRROs to be effective. For example, when beneficiaries of WFP projects are located on inaccessible land, food delivery is facilitated by air transport or the construction of new roads.

- The SPRs of the same project type (EMOP, PRRO, SO) are not all uniform. Among WFP's projects in South Sudan, EMOP 200859<sup>22</sup> is not followed in the same way from year to year. While the 2015 report provides information only on the level of contributions received by WFP from donors but not the number of beneficiaries planned and reached, the 2016 report on the same project provides more comprehensive information on the number of beneficiaries expected and reached, the contributions obtained, and a more general assessment of the country office's aims and the implementation of projects. Information is thus missing in certain SPRs on the number of beneficiaries actually reached per project.
- Information on approved budgets and contributions actually received by country offices for the implementation of projects is always reported in the SPRs with details of expenditures made. The fact remains that the periods are not uniform: the statements of expenditure appearing at the end of each SPR may cover the period from 1 January to 31 December of a given year but may also correspond to a shorter period over the same year (half-year, quarter).

47. All in all, the data obtained by adding up the SPRs cannot be considered reliable. Data retained by the External Auditor concern the change in the number of beneficiaries of emergency aid under L2 and L3 emergency responses, which increased from 19.5 million in 2014 to 32.7 million in 2016. This growth in the number of beneficiaries, which the External Auditor advises should be analysed with caution due to the methodological weakness of the collection of information obtained through the SPRs, is explained by the number of operations related to level 2 and 3 emergency situations – increasing from 20 EMOPs and PRROs in 2014 to 34 in 2016 – and in areas of operation where the number of beneficiaries reached compared with the intended beneficiaries also increased significantly in the cases of the Syrian Arab Republic, Yemen, and South Sudan.

48. Other documents, the dashboards, on OPweb<sup>23</sup> intend to track the beneficiaries reached by month or by quarter with a statement on the contributions received to fund the project as well as the funding rate. However, not all of them are available for all operations in countries or territorial areas in emergency situations. Moreover, they are not all uniform, and the information provided is sometimes uneven from one date to another for the same country. These dashboards, established by country, are supplemented by country briefs, intended for external communication to donors.

49. There seems to be a gap between the organization's willingness to communicate on budgets associated with level L3 emergency operations and the impossibility of accurately linking financial data entered into the organization's IT systems.

50. The case of Nepal is an interesting illustration of this situation. Despite the extensive post-mortems undertaken following its L2 deactivation, no proper financial report on the full cost of the level L2 situation was formally undertaken by the country office, the regional bureau, or headquarters. The External Auditor attempted an initial approximation estimating the cost of the operation through EMOP 200668<sup>24</sup> directly put in place to fund the operation (dated 27 April 2015 to 31 January 2016), totalling USD 34 million. In a second approximation, it noted that it would be necessary to add the expenses borne by other programmes that would not have been undertaken had it not been for the earthquake and that were primarily used at the time of the earthquake for a total of USD 14.4 million for 2015 alone (SO 200448). A third approximation would be to add the increase in the budgets for the office's other operations caused by the earthquake during the L2.<sup>25</sup> Lastly, a fourth approximation, on

<sup>22</sup> Emergency Operation in Response to Conflict in South Sudan 200859

<sup>23</sup> OPweb is WFP's corporate operations intranet for the management of key operational information in a single location.

<sup>24</sup> Emergency Food Assistance to Populations Affected by the Earthquake in Nepal, EMOP 200668.

<sup>25</sup> In country programme CP 200319, there is a USD 1.8 million increase in expenses between 2014 and 2015 and a further USD 2.4 million increase between 2015 and 2016.

a full-cost basis, would be a factor in the ongoing expenses borne by WFP for staff and assets assigned and employed to manage the crisis (e.g. salaries of regional bureau staff deployed to Nepal, the cost of which is not known). The External Auditor thus feels that the operational cost approach captured by the EMOP largely underestimates the actual cost of the operation for WFP. This example shows that the concept of total cost of L2 or L3 emergency operations should be better defined.

51. While level L2 and L3 situations mobilize more than half of WFP resources, they are only designed as an internal operational management tool, disconnected from any specific financial reporting attempt.<sup>26</sup> Given the growing importance of these situations in WFP operations, better monitoring of annual expenditures might seem necessary, in order to gauge better the new constraints the multiplication of these operations could entail.

**Recommendation 4. The External Auditor recommends setting up a financial tool enabling accounts to be rendered of the total actual consolidated cost of L2 and L3 emergency operations.**

#### 4.2. *Full-cost approach*

52. In the absence of full consolidated costs, some analyses can still be done using annual financial data by budget project. The data for 2014 to 2016 were used, representing just over 2,500 lines of budget allocations for projects, whether they relate to emergencies or not. Based on the information available in the organization's financial data and the distinction of projects mobilized in the framework of L2 and L3 emergencies operated by the Emergency Preparedness and Support Response Division (OSE)<sup>27</sup> the External Auditor has constructed the following table.

**Table 3 – Annual financial data by project from 2014 to 2016  
(in USD million)**

	2014	2015	2016
<b>L2</b>			
Needs	667	996	1 537
Resources	327	573	754
Unmet needs	51%	42%	51%
<b>L3</b>			
Needs	2 201	2 920	3 080
Resources	1 709	1 640	2 211
Unmet needs	22%	44%	28%
<b>Other</b>			
Needs	5 580	4 748	4 227
Resources	3 006	2 640	2 842
Unmet needs	46%	44%	33%
<b>Total</b>			

<sup>26</sup> OSE: "the L2 and L3 designations are used as an internal WFP tool to elevate corporate attention and strategic support to existing or developing emergency situations. The L2 and L3 designations are not intended to be linked to financial data".

<sup>27</sup> The selection of projects involving emergency situations was done by OSE; it corresponds to 168 projects in the annual grid (i.e., counting a multi-year project as many times as how many years it lasts).

	2014	2015	2016
Needs	8 448	8 664	8 844
Resources	5 042	4 853	5 807
Unmet needs	40%	44%	34%
<b>Undirected resources</b>			
L2	4.7%	7.2%	10.6%
L3	2.3%	6.2%	3.9%
Other	5.6%	7.7%	4.1%

Source: External Auditor according to Budget and Programming Division (RMB) budget data.

53. Projects developed in emergency situations represent an increasing share of the resources mobilized by the organization: from 40 percent in 2014 to 51 percent in 2016 (of which 13 percent for L2 situations and 38 percent for L3 situations).<sup>28</sup>

54. L3 operations were significantly better funded than average, and L2 projects were less well funded than average in 2014 and 2016, but not in 2015. It was not possible to assess the factors that may drive donors to behave differently between emergency and non-emergency situations, whether in terms of amount or number of donations and donors. A more detailed analysis would be needed to support the organization's donor strategy.

55. L2 emergencies are financed more from undirected multilateral resources (10.6 percent against 3.9 percent for L3 emergencies), which suggests that as donors are more inclined to provide priority finance to L3 operations through directed contributions, WFP needs to compensate by allocating more undirected multilateral resources to L2 situations.

56. The organization's focus on emergency situations can also be assessed by considering the areas in which it deploys the densest budget activity. In 2016, nine of the ten offices with the largest programme budgets dealt with emergencies of type L2 or L3.<sup>29</sup>

57. These preliminary analyses are based on a fragile methodology in the absence of consolidated financial data at the organization level. The methods used must therefore be improved to reinforce the robustness and relevance of the analyses.

**58. Nevertheless, they can demonstrate the value of a financial analytical approach to L2 and L3 emergencies. They prove the financial specificity of these situations and the usefulness for headquarters to construct an appropriate analytical framework. In particular, better quantifying the limits of L2 funding, and correspondingly the greater share of unallocated resources that they receive, would make it possible to highlight the tensions inherent in this type of situation and thus think about the most appropriate funding tools. This is especially necessary in a context where it is accepted that "deactivation of a level 3 emergency does not imply any change in the gravity of a situation" (Deputy Executive Director on the occasion of the declassification of the emergency in Iraq from L3 to L2<sup>30</sup>), which requires ensuring that the transition from one situation to another does not systematically result in a loss of financial capacity.**

<sup>28</sup> 2014:  $327 \text{ (L2 resources)} + 1709 \text{ (L3 resources)} / 5042 = 40$  percent; 2016:  $754 \text{ (L2)} + 2211 \text{ (L3)} / 5807 = 51$  percent;  $754 / 5807 = 13$  percent and  $2211 / 5807 = 38$  percent.

<sup>29</sup> South Sudan, DRC, Chad, Malawi, Dakar Regional Bureau, Ethiopia, Niger, Nepal, Kenya.

<sup>30</sup> All Staff message, 30 November 2017: "the deactivation of the WFP level 3 emergency response statuses does not imply any change in the gravity of the situation" (Deactivation of the L3 and Activation of an L2 Emergency Response for the Republic of Iraq).

### 4.3. Emergency funding

59. Another way to address WFP's ability to adapt to emergencies is to analyse the mobilisation of advanced funding mechanisms, whether in the form of a loan (Internal Project Lending Facility – IPL) or advances (Immediate Response Account – IRA). These mechanisms allow country offices, which cannot wait for donations to be made to them, to benefit from loans or advances. The Budget and Programming Division (RMB) was able to aggregate annual financial data for both types of mechanisms, taking into consideration projects categorized as contributing to L2 and L3 emergencies.

**Table 4 – Financial allocations of advanced funding mechanisms  
(US million)**

	2014	2015	2016
<b>Immediate Response Account – IRA</b>			
<b>Global</b>	182	164.2	215.2
<b>L2–L3</b>	66.6	95.4	143.1
<b>Share of L2–L3 (as %)</b>	36.6%	58%	66.5%
<b>Internal Project Lending Facility – IPL</b>			
<b>Global</b>	1 092.8	777.5	1 072.4
<b>L2–L3</b>	558.9	441.7	735.3
<b>Share of L2–L3 (as %)</b>	51%	567%	69%

Source: External Auditor according to RMB division budget data

60. For the internal project lending (IPL) mechanism, loans granted to L2 or L3 emergency projects represent an increasing share of the overall annual amount of loans granted to projects, from 51.1 percent in 2014 to 68.5 percent in 2016. The IPL is an internal loan system with a debt cap of USD 570 million. This mechanism is not an available allocation of credit, but it permits an advanced expenditure authorization based on a contribution forecast (or collateral). When the contribution in question is paid, it is used to repay the advance guaranteed by the IPL. In 2016, USD 1,072.4 million was advanced through the IPL (179 advances for 68 operations).

61. Use of the Immediate Response Account (IRA) is also growing, from 36.6 percent of annual advances in 2014 to 66.5 percent in 2016. The IRA is a multilateral fund established in 1991 to fund immediate assistance (EMOPs, IR-EMOPs, PRROs, IR-PREPs). Unlike the IPL, it is an actual allocation of credit: donors fund it in the form of replenishment contributions or repayments made on this fund, and WFP can only use the available funds.

62. The average annual amount reached by IRA contributions from 2012 to 2017 was USD 63 million, with a target set by the Executive Board in its decision 2014/EB.2/4 to reach USD 200 million in contributions per year. In 2017, the IRA received USD 61.89 million in contributions, including a transfer of USD 15 million from the PSA Equalization Account. The account's opening balance in 2017 was at a historically low level of USD 13.78 million.

63. The fund is increasingly called upon, but contributions are stagnating. Grants paid increased from USD 126 million in 2012 to USD 154.23 in 2017 (+22 percent), with a peak of USD 215.2 million in 2016. At the same time, contributions remained at a fairly stable level, from USD 56.2 million in 2012 to USD 61.8 million in 2017 (top-up of the Equalization Account of USD 15 million), or +9.9 percent.

64. The analysis according to which the contributions do not reach the level of resources of USD 200 million set by the Executive Board must be qualified because the level of resources is assessed, according to article 4.3 of the Financial Regulations, by taking into account not only replenishment contributions but also repayments of advances. In total, the annual resource, consisting of *ex ante* donor contributions, and *ex post* contributions, given to repay allocations made for specific operations, was USD 173.1 million in 2016 and USD 176.3 million in 2017.<sup>31</sup>

65. The limitations of the fund stem more from the financing structure than its level. Undirected multilateral contributions remain low, while central governments are more willing to undertake the subsequent repayment of advances when they have resulted in specific operations or activities. It is therefore the principle of an undirected emergency reserve that donors are reluctant to support fully.

**66. Given the evolution of the IRA situation and the difficulties faced by the organization in replenishing the fund, its role in funding emergencies could be re-evaluated against the particular needs of L2 and L3 operations. To date, the organization has never been equipped with its own mechanisms which could only be mobilized during an activation in an extreme emergency. The creation of a sub-fund dedicated to unrestricted contributions earmarked for the mobilization of the first three months of an L3 in the surge phase could thus be considered, constituting both an emergency operational reserve and an incentive to mobilize resources in the very limited and restricted time of the start of a crisis.**

**Recommendation 5. The External Auditor recommends carrying out a series of financial analyses to: a) identify and quantify the additional budgetary effort allocated to L2 and L3 operations due to regional and headquarters intervention, and b) put in place unrestricted, more specific funding channels as appropriate.**

## 5. Human resources management in emergencies

67. The very purpose of WFP is to respond quickly and effectively to food emergencies. This characteristic, specific to an international humanitarian agency, necessarily entails a strain on resources when the ability to deploy its agents on the ground beyond the usual means is necessary. In recent years, the combination of a growing number of L2/L3 emergencies, which are often persistent, and the non-indefinitely extendable nature of human resources has led to an increased demand for labour power in the most vulnerable countries.

68. WFP's Corporate Risk Register emphasizes that the proliferation of humanitarian crises limits WFP's ability to deploy experienced staff trained to deal with emergencies and causes overstretching of management at the expense of other operations. This inability to respond rapidly to humanitarian needs is one of the central risks facing WFP.

69. This situation means being able to make the best use of immediately deployable teams and, more broadly, to form a suitable roster, both in terms of quantity and quality, in order to be able to meet needs effectively. This function is not fully effective today. In 2017, the Human Resources (HR) and emergency divisions (OSE) commissioned a report<sup>32</sup> to explore the issue of rapid intervention personnel (staff surge capacity). The external audit therefore

<sup>31</sup> Adding the reported balance from the previous year, total resources come to USD 228.9 million in 2016 and USD 190.1 million in 2017.

<sup>32</sup> "Design a rapid surge support system for L2 and L3 emergencies, which may include an internal leadership roster, internal technical experts roster, enhance use of standby partners, and an exploration of a WFP rapid response team", *Rapid response work force planning* (Shaver, Bosch, May 2017), Term of reference, January 2017

took place in a shifting context, while discussions were already very far along – but not completed – in this area.

70. The main human resource management tool developed to respond to rapid intervention needs is the emergency response roster (ERR),<sup>33</sup> created in May 2014. This roster receives recurring criticism, particularly from the internal auditors<sup>34</sup> and the various versions of the Corporate Emergency Lessons Learned:

- regarding admission criteria: the application of ERR admission criteria varies according to supervisor and there is no way of ensuring that the ERR candidate's individual performance is taken into account;
- regarding its representativeness: between 2014 and 2016, it consisted of 90 percent local staff, although it is open to all staff categories, it risks suffering from a lack of high-level staff. The already insufficient presence of international staff has since decreased further, since they represented only 4.5 percent of the workforce in 2017;<sup>35</sup>

**Table 5 – Composition of the Emergency Response Roster from 2014 to 2017  
(in numbers of agents)**

	2014	2015	2016	2017
International staff (from P-1 to D-1)	90	50	48	31
Consultants (CSTs)	71	58	54	86
United Nations volunteers (UNVs)	30	11	10	14
National officers (from A to C)	149	137	98	128
General Service (from G-2 to G-7)	223	225	127	230
Service contracts (SCs)	185	160	126	192
Special service agreements (SSAs)	2	2	9	7
<b>Total</b>	<b>750</b>	<b>643</b>	<b>472</b>	<b>688</b>
<b>Share of international staff (as %)</b>	<b>12%</b>	<b>7.7%</b>	<b>10.1%</b>	<b>4.5%</b>

Source: WFP, Human Resources Division (HR)

- regarding its intensity of use: the ERR provided only 19.9 percent of WFP deployment needs<sup>36</sup> between 2013 and 2017 (430 out of 2,158 deployments, see table below); moreover, the share of ERR deployments compared with those outside this roster varies greatly according to the emergencies<sup>37</sup> (13 percent in Nepal and the Central African Republic but 45 percent in Iraq);
- regarding the nature of deployments: the following table shows that the number of deployments does not necessarily correlate with the intensity or duration of an emergency situation (e.g. Malawi – 24 deployments – or the Philippines –

<sup>33</sup> The ERR operates on a yearly basis, through a selection process where the WFP country offices and divisions choose their candidates and the regional bureaux and headquarters filter these applications. ERR candidates are hired over a period of 3 to 12 months to be deployed in an emergency situation.

<sup>34</sup> Report AR/16/13.

<sup>35</sup> The possible causes are multiple and difficult to distinguish. More experienced agents may be induced to go on mission via more informal mechanisms or they may prefer to preserve their freedom of choice by only applying in the case of a specific emergency. There may be reluctance to take part in emergency operations in certain contexts where teams are exhausted. The institution's recognition does not necessarily take suitable forms into account, particularly in the case of career progression. Finally, changes to the IT system could have been an obstacle to staff signing up in 2017.

<sup>36</sup> The concept of "deployment" refers to a movement and not to a person; a person can be deployed multiple times.

<sup>37</sup> The comparison is qualified by the difference in scope, the ERR having only started in mid-2014.

18 deployments, as much as in Yemen). Initially intended to support L3 situations, it was occasionally used for L2 situations;

**Table 6 – Deployments in an emergency since 2013**

Emergency	Country	Total ERR 2014- 2017	Of which TDY <sup>38</sup>	Average duration of ERR TDY (d)	Total Non- ERR 2013- 2017	Total deployments 2013-2017
Cameroon	Cameroon	18	100%	46	23	41
Central African Republic	Central African Republic	19	74%	152	144	163
Ebola	Ghana	5	80%	58	23	28
Ebola	Guinea	39	77%	115	129	168
Ebola	Liberia	43	70%	105	130	173
Ebola	Senegal	10	70%	53	46	56
Ebola	Sierra Leone	51	63%	87	143	194
El Niño	Botswana	0	n.a.	n.a.	3	3
El Niño	Lesotho	1	100%	64	4	5
El Niño	Madagascar	9	78%	81	19	28
El Niño	Malawi	24	79%	91	37	61
El Niño	Mozambique	12	92%	n.a.	19	31
El Niño	South Africa	3	67%	62	14	17
El Niño	Eswatini	1	0%	64	8	9
El Niño	Zambia	2	100%	n.a.	2	4
El Niño	Zimbabwe	0	n.a.	n.a.	14	14
Horn of Africa Drought	Ethiopia	5	40%	38	72	77
Iraq	Iraq	21	81%	81	60	81
Iraq	Iraq (Mosul)	13	69%	88	15	28
Nepal	Nepal	35	86%	49	255	290
North-eastern Nigeria	Nigeria	27	81%	145	66	93
Philippines	Philippines	18	83%	90	236	254
South Sudan	South Sudan	41	85%	107	130	171
Syrian Arab Republic	Syrian Arab Republic	7	71%	78	9	16
Ukraine	Ukraine	8	50%	118	48	56
Yemen	Yemen	18	67%	82	79	97
<b>Total</b>		<b>430</b>	<b>73%</b>	<b>84.2</b>	<b>1728</b>	<b>2158</b>

Source: WFP, Human Resources Division.

<sup>38</sup> Consultants who are registered in the ERR are not considered TDY when they travel. "TDY (temporary duty assignments) are employees deployed in a different duty station during a limited period of time (between 1 and 6 months)". Source: WFP, Human Resources Division.

71. As a result, the ERR tool is only one of the modes of deployment among others in WFP whose intensity and nature of use are not correlated with the characteristics of an emergency.

72. Deployment data alone are therefore not a tool for analysing WFP's ability to adapt its human resources to emergency situations. A deployment decision is subject to several variables associated not only with the emergency situation, but at least as much with the local structure of the country office or management's decisions.

73. WFP has other tools for identifying deployable personnel in the event of an emergency such as the Standby Partners Agreements (ALITE), the regional rosters, the roster of external consultants, and even informal rosters on a national or regional scale.<sup>39</sup> For example, there is an informal pool of professional staff and retirees whom WFP usually mobilizes in an emergency situation, taking their competences into account, although most of them are not members of the ERR. Moreover, the External Auditor's efforts, both in the local offices and at headquarters, show that informal identification practices are still largely in the majority, alongside these formal tools. **By allowing several rosters of employees likely to be deployed to coexist, the discretionary nature of the choices is increased, which can lead to the existence of risks for the organization: insufficient profiles to be deployed or dispersal of the mechanisms for reviewing performance of deployed employees.**

74. WFP needs a system that would ensure the rapid deployment of people with the full range of skills required in a crisis. It is thus indicated in the aforementioned draft report of the HR and OSE divisions that "the establishment of this system would last from one to three years", subject to appropriate funding. A project has been started in 2018 in the HR Division to remedy this.

75. In the shorter term, several initiatives are possible to improve the existing system. **Thus, an inventory of available skills, a formalization and review of the ERR admission criteria, as well as the development of special incentives or even the obligation to participate in the roster at least once in one's career, except in the case of objective personal criteria of incompatibility, should be considered in order to broaden the profiles and skills available.** Lastly, emergency training would benefit from being better supported by WFP. The FASTER (Functional and Support Training for Emergency Response) training could thus be, if not systematized, at least much more widely recommended.

**Recommendation 6. The External Auditor recommends establishing a broadened and centralized monitoring tool for WFP employees who can be deployed in emergencies, and formalizing its employment doctrine.**

76. The final decision to deploy a WFP employee ultimately rests with his/her line manager and, in the case of country office employees, the country director. Country offices facing L2/L3 situations are being forced to reduce their deployments to other emergency sites. However, the current use of the L2/L3 framework, for situations sometimes lasting more than five years, means a significant loss of flexibility for the organization. Furthermore, country directors have no particular incentive to tolerate the deployment of an agent to another emergency. In theory, there is a higher level of assessment of the relevance of assignment choices in an emergency: the relevant regional bureau. However, the role of the regional bureau is being reduced overall in the allocation and distribution of resources between countries, in the absence of any clear guidance in this area. No performance indicator is linked to management's ability to adapt to WFP's overall needs.

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<sup>39</sup> The OSE Division's Rapid Response Work Force Planning report provides the following examples of services that have established informal rosters of employees who can be deployed in an emergency: "Global Food Security Cluster, Emergency Telecommunications Cluster, Logistics (Supply Chain), Nutrition, regional bureaux in Panama, Nairobi, and Bangkok, country offices (not able to identify individually)".

**Recommendation 7. The External Auditor recommends including in the performance assessment of country and regional directors an evaluation of their ability to contribute to the efforts to adapt the organization's human resources during the outbreak of crises.**

77. Several key functions in emergency situations call for reinforcement. This is the case for specific tasks of emergency coordinators, rarely separate from the country directors and for whom no specific roster exists. More generally, the ongoing discussions on the creation of a possible permanent unit capable of deploying exceptional resources very quickly for the activation of a new emergency (surge) should be completed quickly. According to internal documents, the estimated budget that could be allocated to it would be between 10 and 20 million dollars annually.<sup>40</sup> However, this amount must be considered in the light of the significant improvements that this creation could imply for the organization. In addition, such a unit could be responsible for managing and improving the ERR, particularly by developing a long-term strategy for the development of staff with high potential for emergencies, which would include a mentoring function (deployment of senior/junior pairs at the head of major operations), as well as the search for double posting with, for example, the appointment of confirmed L2 managers to L3, associated with the appointment of L1 managers to L2, with the aim of training new generations of emergency experts. Although it is not up to the External Auditor to decide on how such an initiative is deployed, the External Auditor notes that these decisions would benefit from occurring quickly, in a context that again recently (hurricanes, Rohingya situation, etc.) demonstrated the need for standby personnel and alert cells ready to be deployed immediately in the light of current events.

**Recommendation 8. The External Auditor recommends rapidly translating into operational terms the discussions begun in 2017 on the support functions and the innovative plans to be put in place to increase the flexibility of the teams in an emergency situation (incentives, mentoring, long-term training strategy for staff with high potential for emergencies, etc.).**

## VI. ACKNOWLEDGEMENTS

78. The audit team wishes to thank the Emergency Preparedness and Support Response Division (OSE), the Budget and Programming Division (RMB), and the Human Resources Division (HRM), who were all called upon.

*End of audit observations.*

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<sup>40</sup> Unaudited figures

**Acronyms used in the document**

CERF	Central Emergency Response Fund
DRC	Democratic Republic of the Congo
EMOP	emergency operation
EPRP	emergency preparedness and response
ERR	emergency response roster
IARRM	Inter-Agency Rapid Response Mechanism
IPL	Internal Project Lending Facility
IRA	Immediate Response Account
OSE	Emergency Preparedness and Support Response Division
OTF	operational task force
PRRO	protracted relief and recovery operation
SO	special operation
SPR	Standard Project Report
STF	Strategic Task Force
TDY	temporary duty assignment