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Evaluation of WFP's Enterprise Risk Management Policy (2018)

Centralized evaluation report

OEV/2024/010
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Executive summary

Introduction

Evaluation features

1. This evaluation covers WFP's 2018 enterprise risk management (ERM) policy.¹ It assesses the quality of the policy, the effectiveness of measures taken to support its roll-out, the results from its implementation and the reasons why the expected results of the policy have, or have not, been achieved. The goal of the evaluation is to uphold accountability to stakeholders and to provide learning for future WFP risk management policy and systems.
2. The evaluation has a global scope and covers the period from 2018, when the policy was approved, to early 2025. It builds on evidence from assessments conducted since 2017, including a 2022 advisory assignment report on ERM commissioned by the WFP Office of Internal Audit and conducted by the firm Baldwin Global.² The evaluation did not specifically focus on WFP's global assurance project³ and could not consider in its analysis the management accountability framework⁴ endorsed in March 2025, as this was outside the evaluation timeframe.
3. The evaluation used a theory-based approach with primary and secondary data collection and analysis activities at the country, regional and corporate levels (box 1). The evaluation assessed how risks related to gender equality and women's empowerment, inclusion and the protection of vulnerable groups were considered and managed under the policy. Those aspects are reflected in the evaluation findings when relevant and when disaggregated data were available.

¹ "2018 Enterprise risk management policy" (WFP/EB.2/2018/5-C).

² WFP. 2022. *Advisory Assignment Report on Enterprise Risk Management Review and Assessment (AA-22-01)* (internal document).

³ Although not a focus of the evaluation, there are references to the global assurance project because it is part of WFP's wider risk management environment and illustrates how a proactive risk management culture, as envisaged in the ERM policy, has been realized. The project was launched in mid-2023 to support the development of the global assurance framework, which is aimed at making WFP's existing processes and systems more focused and effective and supporting the implementation of assurance actions and plans at the country office level. See WFP. 2024. Executive Director's circular OED/2024/004, *WFP Global Assurance Framework*.

⁴ WFP. 2025. *Management Accountability Framework: Aligned to the new direction of travel* (internal document).

Box 1: Evaluation data collection and analysis

- Retrospective and participatory construction of the theory of change underpinning the policy.
- Country studies – including field missions to the Dominican Republic, Ghana, Kenya and Malawi and “desk reviews plus”⁵ covering Armenia, the Central African Republic, Colombia, Pakistan, Somalia, Ukraine and Zimbabwe.
- Desk-based analyses of WFP policies, corporate and administrative data, audits and evaluations.
- Analyses with selected comparator agencies, namely the Office of the United Nations High Commissioner for Refugees and the Food and Agriculture Organization of the United Nations.
- Key informant interviews with WFP employees at headquarters, regional bureaux,⁶ country offices, Executive Board Member States and comparator agencies.
- Analysis of selected key decisions and business processes at WFP including, but not limited to, the development of country strategic plans (CSPs), operational decision-making regarding emergency scale-up, work with partners and risk consideration in cross-cutting areas such as the humanitarian principles.
- Quantitative data analysis with regard to corporate risk indicators.

Context

4. WFP confronts multiple risks under a diverse range of conditions, in many cases in increasingly fragile and complex operational settings. The period 2018–2024 was characterized by escalating humanitarian needs, fluctuating funding and a growing number of people in need of assistance⁷ as a consequence of new and protracted conflicts, the global climate crisis, the economic shocks and aftershocks caused by the coronavirus disease 2019 (COVID-19) pandemic, and food and energy price inflation.⁸ Rapid growth of operations in complex contexts exposes WFP to multi-layered risks, including operational and fiduciary risks, which may affect its ability to reach the people most in need.

5. Initially devised in the private sector, ERM constitutes a systematic approach in which risk identification and assessment are used to define and develop mitigation measures in order to maximize the achievement of results. Key milestones in the adoption of ERM frameworks and approaches across the United Nations system include United Nations General Assembly resolution 61/245⁹ of 2006, by which the assembly sought to enhance the United Nations’ governance and oversight framework and the management of risks affecting the United Nations system. The assembly recognized that United Nations organizations in humanitarian, development and peacekeeping settings faced a high degree of inherent risk and had to navigate trade-offs between the needs of the people they serve and the need to mitigate potential harm to their personnel, resources and reputations. Another such milestone was the 2019 and 2020 guidance issued by the High-Level Committee on Management of the United Nations System Chief Executives Board for Coordination, which sought to foster coherence among ERM approaches across the United Nations system.

Subject

6. WFP’s first ERM policy was adopted in 2005 and updated in 2015. Its successor, and the subject of this evaluation, was the 2018 ERM policy, which was supplemented with tools, mechanisms and guidance. The policy complements other corporate tools such as WFP’s 2015 internal control framework, the 2018 oversight framework and the anti-fraud anti-corruption policy, last revised in 2021.

⁵ A “desk review plus” is a desk-based analysis supplemented by key informant interviews conducted remotely.

⁶ The recent change in WFP’s organizational structure, including the names of various departments, divisions and other entities, came into effect in March 2025 (outside the temporal scope of the evaluation). This report therefore uses the previous nomenclature, including “regional bureau” rather than “regional office”.

⁷ United Nations Office for the Coordination of Humanitarian Affairs. 2023. *Global Humanitarian Overview 2024 – Abridged report*.

⁸ WFP. 2024. *Annual Review 2023 and “Annual performance report for 2023”* (WFP/EB.A/2024/4-A/Rev.1).

⁹ United Nations. 2007. *Resolution adopted by the General Assembly on 22 December 2006 – Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies* (A/RES/61/245).

7. The ERM policy aims to provide a structured framework for identifying, assessing, managing and monitoring risks across WFP's programmes and day-to-day operations. It envisages that WFP will:

- i) maintain a consistent risk management framework through which risks can be identified, analysed, addressed and escalated, and accountability can be assigned;
- ii) achieve a common understanding of WFP's risk exposure in relation to its appetite for risk and be able to articulate its risk profile coherently as this is relevant both internally, for its own workforce, as well as externally, for its partners and stakeholders, including host governments and donors; and
- iii) establish a culture in which risk management is linked to the implementation of WFP's strategic plan and is considered proactively in operational decision-making.

8. The main features of the policy are as follows:

- Four risk categories,¹⁰ strategic, operational, fiduciary and financial, which are further classified into 15 risk areas and 41 specific risk types, and risk appetite statements that define acceptable levels of risk for each risk category (figure 1);¹¹
- Outline of roles and responsibilities for ERM processes and risk management tools, and allocation to the Risk Management Division (RMD) of the responsibility to oversee the design and management of ERM systems within WFP's governance framework.
- Risk management life cycle (figure 2), whereby risks are identified using tools such as risk reviews, planning exercises, internal incident tracking and external event analysis; assessed and, if required, escalated based on their likelihood and impact, using prioritization tools such as the risk assessment heatmap; subject to mitigation strategies according to risk appetite, whether through risk avoidance, reduction, sharing or acceptance; and monitored through performance metrics, audits and oversight mechanisms.
- Regular reviews and assessments of risk processes¹² and reporting mechanisms to ensure alignment with evolving risks.
- Dedicated tools and resources that support risk identification, assessment, mitigation and monitoring (figure 3).

¹⁰ Reputational risks are considered to be a consequence of risks materializing in any category.

¹¹ Risk appetite refers to the type and amount of risk that an organization is willing to accept to achieve its goals. As stated in the 2018 ERM policy, "(e)ach risk appetite statement reflects the intent to actively manage risks. The statements help WFP to share risks with partners and stakeholders and engender proactive engagement in operational decision-making".

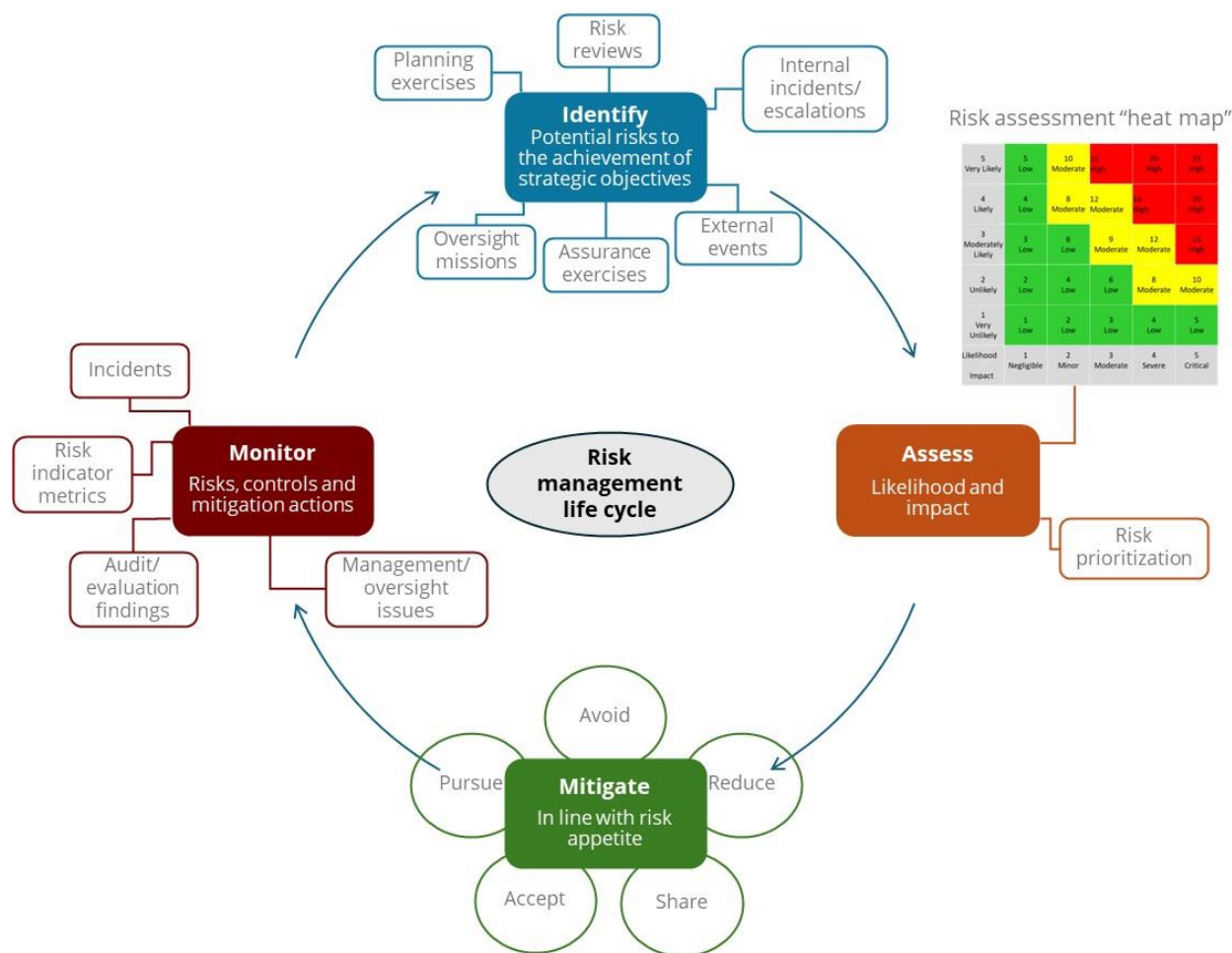
¹² These include the 2022 advisory assignment report on enterprise risk management review and assessment commissioned by the Office of Internal Audit in the Office of the WFP Inspector General, which was conducted by the firm Baldwin Global.

Figure 1: ERM policy risk categorization framework

Risk category	Strategic	Operational	Fiduciary	Financial	Reputational
Risk appetite	Risk hungry: <i>Programming in difficult contexts; need to actively manage external relationships with external stakeholders including host governments and donors</i>	Risk averse: <i>Constant improvement of internal controls</i>	Highly risk averse: <i>Recognition of duty of care to employees, obligations to stakeholders and commitment to corrective action on internal conduct</i>	Risk averse: <i>Mitigation of risk relating to cost and efficiency</i>	
Risk description	Risks that have an impact on WFP's ability to achieve its strategic goals, objectives and plans	Risks related to the implementation and execution of WFP's activities	Breaches of obligations in terms of ethics and standards of conduct by WFP and its partners; failure to implement policies; and unauthorized activities, including breaches in relation to the delegation of authority	Risks related to currency and exchange rate concerns, adverse pricing and the inefficient use or misuse of financial or other assets	<i>Consequential risk whereby risks occurring in any category could have a negative impact on WFP's reputation</i>
Risk areas	• Programmes • External relationships • Context • Business model	• Beneficiary health, safety and security • Partners and vendors • Assets • Information technology (IT) and communications • Business processes • Governance and oversight	• Employee health, safety and security • Breach of obligations • Fraud and corruption	• Price volatility • Assets and investments	

Source: Office of Evaluation, based on the ERM policy.

Figure 2: Risk management life cycle and associated tools and processes as defined in the ERM policy



Source: Evaluation team, based on the -ERM policy.

Figure 3: Overview of risk reporting mechanisms, processes and tools as set out in the 2018 ERM policy



Source: Office of Evaluation, based on the ERM policy.

9. To strengthen governance and accountability, the policy incorporates the Institute of Internal Auditors' "three lines" model for risk management and addresses recommendations from a 2017 internal audit of ERM operationalization.

Evaluation findings and conclusions

10. The following section presents the five main conclusions of the evaluation and the findings that support them.

Conclusion 1: Policy quality, roll-out and support for implementation

The 2018 ERM policy provides a firm foundation for risk management at WFP, with marked improvement compared to earlier iterations. However, the links between the processes and objectives of the policy lack clarity and were not articulated in a clear theory of change. Critical gaps were noted in the definitions of risk appetite and tolerance and specific risk response mechanisms such as escalation.

11. *Strengths in policy design and roll-out.* The policy has provided WFP with a structured framework for risk management, marking significant progress compared to earlier iterations. The development of the policy was informed by evidence, and the policy clearly integrates high-priority agreed actions from relevant audits¹³ and reflects agreed actions to improve ERM leadership and governance and enhance WFP's culture of risk management. Awareness of the policy and knowledge of its contents is stronger among risk specialists and senior management than among other employees, including the heads of functional units, who play a leading role in risk management.

12. The risk taxonomy in the policy is generally robust and provides a structured framework for analysing risks, with some exceptions where risk categorization (with regard to "security", for example) is misaligned with existing framing used in day-to-day programming. Cross-cutting issues including gender, disability, inclusion and protection receive limited attention in the ERM policy document or risk taxonomy and are inadequately featured in risk assessments and risk reporting. To varying degrees, recent guidance aligned with the ERM policy has started to address this issue.

13. The policy goes beyond outlining employee responsibilities for ERM by clarifying risk management implementation arrangements at various levels. It articulates a clear vision of why and how WFP should embrace risk management by establishing a consistent risk management framework to underpin a culture that links ERM to the organization's strategic objectives and performance.

14. With regard to coherence, the ERM policy is coherent with United Nations-wide frameworks¹⁴ and relevant industry standards.¹⁵ It is well aligned with the policies categorized in the WFP policy compendium¹⁶ as "enablers and corporate policies", which reflects efforts to embed risk management in WFP's policy architecture. However, the evaluation found that the integration of ERM into policies pertaining to "cross-cutting priorities" and "principles" was more limited, which leaves a gap concerning the role of risk management in informing decisions about access, humanitarian principles and related balancing and trade-offs. The ERM policy also supported the commitments set out in WFP's strategic plan for 2017–2021 to enhance capacity for effective risk management, which the strategic plan for 2022–2025 takes even further.

¹³ WFP. 2017. *Internal Audit of the Operationalization of WFP's Enterprise Risk Management*.

¹⁴ United Nations. 2017. *Report of the Secretary General – Shifting the management paradigm in the United Nations: ensuring a better future for all* (A/72/492).

¹⁵ In particular, the 2017 enterprise risk management framework by the Committee of Sponsoring Organizations of the Treadway Commission, which consists of an integrated framework for internal controls.

¹⁶ The compendium arranges policies in four categories: drivers of food and nutrition insecurity; principles and approaches; strategic outcomes and cross-cutting priorities; and enablers and corporate policies. "Compendium of policies relating to the strategic plan" (WFP/EB.2/2024/4-F).

15. *Areas of weakness.* The ERM policy introduced greater detail on roles and responsibilities for risk management, including in response to agreed audit actions. However, normative gaps and limited clarity – partly due to the absence of a theory of change underpinning the policy¹⁷ – are found in the following areas:

- the division of ERM responsibilities between headquarters in Rome, regional bureaux and country offices and practical implications for carrying out the responsibilities set out in the policy;
- risk escalation protocols – the policy and guidance clearly prescribe when risks should be escalated but do not specify how the process should be formalized or how accountability is affected, except in the case of emergency response;¹⁸
- the role of ERM in incident management, considering that the current ERM policy focuses only on risks before they materialize; and
- implementation of control mechanisms for high-risk settings as called for in the global assurance project and subsequently the global assurance framework.

16. *Policy roll-out and implementation.* ERM has been supported through the establishment of a dedicated function at headquarters in Rome. The ERM reporting structure shifted in February 2024, moving from the Chief Financial Officer to the Deputy Executive Director/Chief Operating Officer. ERM human resources significantly increased at the regional and country levels during the period under evaluation. Specifically, between 2018 and 2024:

- the programme support and administrative (PSA) budget for RMD as a proportion of the total headquarters PSA budget remained stable, at between 1.4 percent and 1.6 percent; and
- the risk network, consisting of risk officers and focal points, was expanded from 65 risk focal points in 2019 to 163 in 2024 with the aim of supporting policy implementation and accelerating the uptake of ERM processes and related tools (figure 4).

17. Currently, the majority of high-risk profile country offices have full-time risk management employees, and between 2022 and 2024, 21 full-time risk officers increased capacity in twelve high-risk profile country offices (table 1).

¹⁷ When the 2018 ERM policy was being developed there was no formal requirement to include theories of change in WFP policies. The practice has since evolved, and evidence and lessons on policy quality underscore the importance of theories of change. See WFP. 2018. *Top 10 Lessons for Policy Quality in WFP* (internal document) and WFP. 2020. *Synthesis of evidence and lessons from WFP's policy evaluations (2011–2019)*.

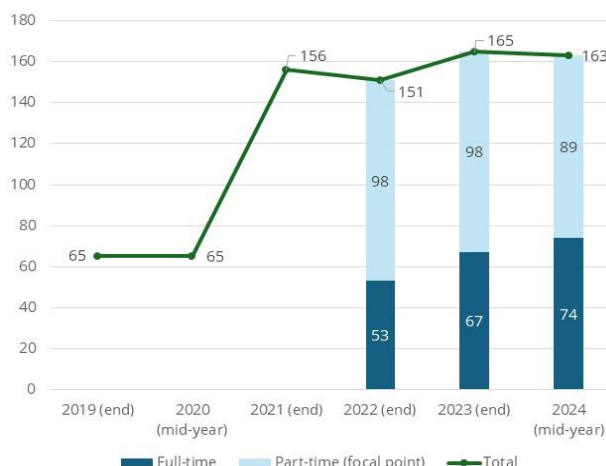
¹⁸ WFP. 2018. *Emergency activation protocol for L2 and L3 emergencies* (not available online). Revised in 2023.

Table 1: Increase in the number of full-time risk officers in WFP operations, 2022–2024

WFP country office	2022	2024	Increase
Yemen	3	6	3
Somalia	1	4	3
Democratic Republic of the Congo	1	3	2
Cameroon	1	3	2
Mali	1	3	2
Haiti	0	2	2
South Sudan	2	3	1
The Sudan	1	2	1
Syrian Arab Republic	2	3	1
Burkina Faso	1	2	1
Lebanon	1	2	1
Pakistan	1	2	1
The Niger	1	2	1
Total			21

Note: Red denotes country offices with high-risk operations in 2024; yellow indicates country offices with medium-risk operations in 2024.

Figure 4: Expansion of WFP's risk network, 2020–2024



Note: Data disaggregated by part-time vs. full-time status from 2022 onwards.

Source: Risk Management Division annual reports for 2019–2020; country risk profile reports for 2022–2024.

18. During the period under evaluation, financial resources remained relatively stable, reflecting continuing organizational support for ERM. Future financial prospects for risk management may be uncertain, however, including as a result of the expiry in December 2024 of a trust fund dedicated to risk management.¹⁹

19. Finally, core to policy roll-out, the use of ERM-related tools such as risk registers, a risk catalogue and risk appetite statements has been hindered by fragmented guidance, gaps in policy dissemination and uneven uptake of online training. Delays in establishing a dedicated ERM IT system – which are currently being addressed – have also limited policy implementation, creating an additional administrative burden.

Conclusion 2: ERM and risk culture at WFP

Several factors have helped to enhance risk culture at WFP, including increasingly well-established risk categorization and framing, better-integrated risk management functions, and sustained attention from senior leadership placing ERM high on the corporate agenda. There is evidence that WFP is gradually moving from ERM implemented by specialists towards risk management becoming “everyone’s business”. However, this progress is not yet reflected in employee roles and responsibilities, including for example in employee performance management processes. Shortcomings in relation to trust and the positive incentives¹⁹ needed to foster open and transparent risk management practices also remain.

20. *Corporate prioritization.* ERM has become a higher priority on the corporate agenda. Buy-in from senior management at all organizational levels appears to have increased since 2022, principally due to actions taken following high-profile incidents and in the context of the global assurance project.

¹⁹ The trust fund was established by the United States Agency for International Development Bureau for Humanitarian Assistance.

21. *Responsibilities for risk management.* The adoption of ERM responsibilities has steadily advanced throughout the organization. While RMD has led their roll-out, and risk specialists in the field generally fulfil their roles as outlined in the ERM policy, additional efforts are needed to underpin a transparent and actively engaged ERM culture beyond risk specialists.

22. Across WFP, significant progress has been made in embedding a culture of risk management, which has been reinforced by the use of platforms for risk discussions at the operational and country levels, such as risk management committees (for example in Kenya); the regularity and depth of collaboration between risk specialists and non-risk specialists; and the capacity and resources for ERM available to country offices. Risk specialists are increasingly recognized as trusted advisors, moving beyond a role focused solely on risk management compliance and oversight. However, there is also the occasional misperception that beyond advising on risk management, it is the responsibility of risk officers to also manage risks, even if they are not embedded in business processes or programming decisions. This misperception exists even though employees across functions and organizational levels are aware of the risk exposure associated with individual roles, tasks and programming and there has been clear communication on the need to routinely identify and take steps to manage risk.

23. The evaluation identified opportunities to strengthen the promotion of ERM and include it more systematically in employee core competencies and individual performance objectives and appraisals. Moreover, additional attention could be paid to issues related to incentives and the under-reporting of risk, considering that WFP's corporate culture of "getting things done" and "coming up with solutions, not problems" can discourage risk reporting, escalation and at times mitigation. WFP employees must have trust in the organization if they are to retain the level of autonomy and resilience expected of them while also engaging in open and transparent risk management.

Conclusion 3: Achievement of policy implementation results

Guided by the ERM policy and its tools, risk-informed decision-making has improved across WFP. However, there are opportunities to enhance the link between risk management, programme planning and operational decision-making and to strengthen the management of risk escalation.

24. *Effectiveness and use of key ERM processes.* The ERM policy envisions the implementation of a risk management framework that supports risk-informed decision-making, consisting of processes, tools and structures, including the four-step risk management life cycle (see paragraph 8) and a three-line approach to risk functions. By the end of 2024, this ambition had largely been fulfilled, thanks in particular to improvements in the consistency, coverage and clarity of risk identification, risk assessment and risk monitoring. Some improvements in risk mitigation were also noted, but challenges regarding risk escalation persisted.

- i) *Risk identification* at WFP is generally comprehensive and well established, supported by the extensive use of risk registers. The risk areas identified vary according to the ERM responsibilities of headquarters in Rome, regional bureaux and country offices. While clear efforts have been made to improve risk and incident identification, some country and regional operational risk registers have gaps in key risk areas prioritized by WFP, such as fraud and corruption. Nonetheless, risks relating to fraud and corruption, employee health, safety and security represent the most frequently identified risks at the country office level.
- ii) While *risk assessment* is becoming more systematic and precise, notable discrepancies exist between risk assessment trends at the country and corporate levels. Gaps noted in risk assessment include lack of differentiation between short-, medium- and long-term risk and omission of the concept of "risk velocity".²⁰ Both issues can reduce the utility of the corporate risk register as a strategic tool.
- iii) *Risk mitigation* has become more systematic and increasingly embedded across WFP programme functions and business processes. Good examples include mitigation strategies implemented for risks related to funding shortages and workforce planning and staffing.

²⁰ Defined as the time between a risk event materializing and its impact(s) being experienced by the organization.

However, mitigation actions are rarely costed, and when implemented, they are often not documented. This can lead to missed opportunities for exchange and learning, particularly at the regional level. The alignment between minimum controls and mitigation actions varies, and minimum controls are not always effectively adapted to different settings.

- iv) *Risk escalation* remains a challenge, as highlighted in internal and external audits.²¹ Despite an increase in the use of key risk indicators (see paragraph 26), inadequacies in the timeliness and effectiveness of escalation processes remain, compounded by confusion about why and how to escalate and who is responsible and accountable for risk escalation and post-escalation action. Triggers for escalation are often unclear due to a general lack of defined country-specific risk appetites and a lack of distinction between risk appetite and residual risk tolerance.²² Furthermore, once escalated, risks and incidents do not always receive a useful or timely response.

25. *Effectiveness and use of ERM tools.* WFP maintains timely risk registers, although the proportion of divisions and offices maintaining an operational risk register at headquarters in Rome is lower than in regional and country offices. With some variation, the quality of country office risk registers has improved markedly in terms of detail and analysis. Generally, country offices with high levels of risk capacity, formalized structures for consultation and strong buy-in from leaders maintain better risk registers. At the corporate level, updates to the corporate risk register have improved its utility and actionability.

26. *Key risk indicators* – risk monitoring tools that define escalation thresholds – are increasingly being used. This also responds to the need, identified in internal audits, to enhance the quality of escalation processes, even if there continues to be substantial variation in regional uptake and use of such processes.

27. *Main challenges to the effective uptake of ERM.* The evaluation identified the following main challenges to ERM uptake:

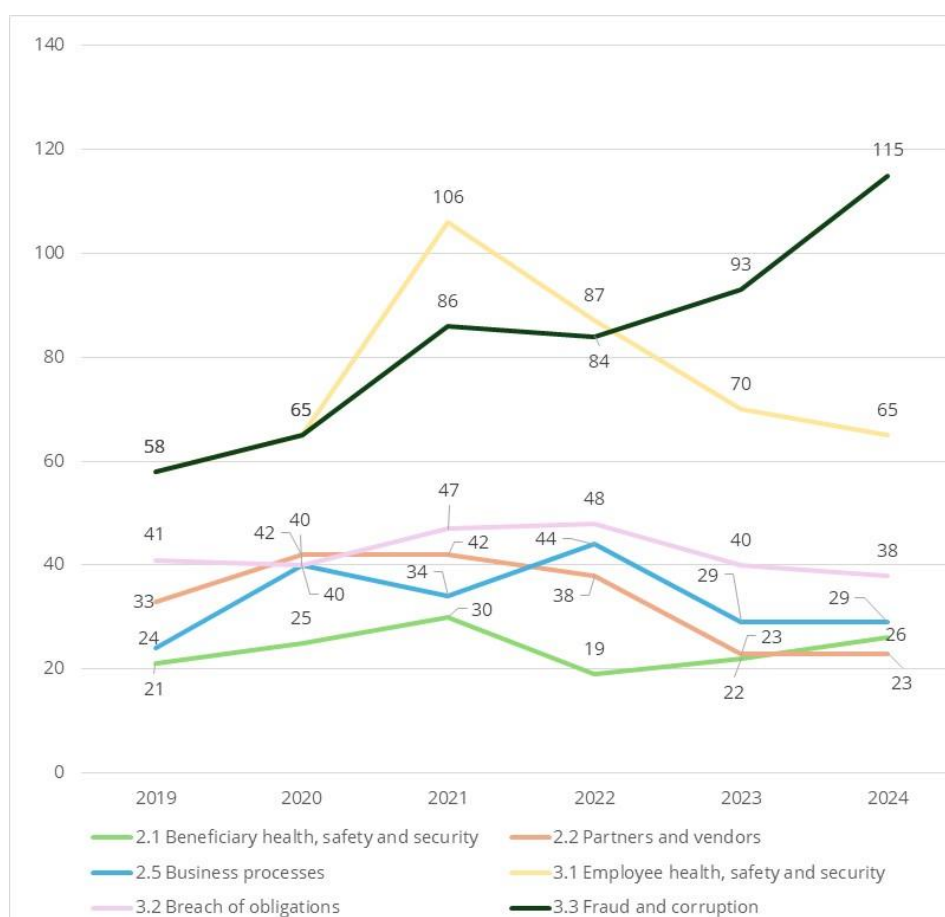
- Limited collaboration in ERM across functional areas, which constrains effective risk-related decision-making, impedes common understanding of cross-cutting risks and can dilute accountability, hindering shared risk mitigation and response efforts.
- Missed opportunities to better integrate risk analysis into country strategic planning.
- Lack of a centralized ERM IT system, creating administrative burdens and complicating reporting processes.

28. In the management of out-of-appetite risks, country offices sometimes lack support for their mitigation efforts. Overall, mitigation actions, controls and changes in circumstance were found to bring back risk within acceptable levels (i.e., “within appetite”) in most categories. However, while the number of out-of-appetite risks relating to employee health and safety decreased following the COVID-19 pandemic, the number of out-of-appetite fraud and corruption risks has grown dramatically since 2019 (figure 5). This trend could reflect increased reporting but also suggests that mitigation actions and controls are not yet sufficient to bring these risks within WFP's risk appetite. Other risk areas where WFP struggles to mitigate longstanding challenges are those relating to insufficient funding, and workforce planning and staffing (for example, a skills shortage or mismatch).

²¹ See for example the 2023 “Annual report of the Inspector General” (WFP/EB.A/2024/6-D/1).

²² Risk appetite is an expression of the types and amount of risk, on a broad level, that an organization is willing to accept in pursuit of value. Risk tolerance identifies the limit of the type and amount of residual risk that an organization can accept, including potential losses, after risk mitigation measures are implemented (that may include a response/action and internal escalation).

Figure 5: Number of out-of-appetite risks at WFP country offices



Source: Risk Management Division data (extracted in November 2024).

Conclusion 4: Contribution of ERM to enhanced WFP performance

Whereas corporate and strategic planning processes emerged as highly-risk informed, there is a need to improve the link between risk management and performance management.

In several policy and programme areas and business processes such as operational scale-up and private sector partnerships, there is evidence that risk thinking is clearly factored in and decision-making is guided by risk considerations, although this is not always documented. It may be noted in this regard that the nature of WFP's work and the circumstances in which it operates call for an approach to risk management that draws upon both formalized risk processes and more implicit risk management practices.

29. *Corporate strategic processes.* During the period under evaluation, overall corporate and strategic planning processes were increasingly risk-informed.

- **Corporate management plans** integrate risk considerations in resource allocation processes and priorities are also informed by analysis of the corporate risk register and complemented by highlights from operational risk registers.
- **WFP's regular three-to-five-year strategic workforce planning process is also risk-informed, responding in part to workforce misalignment identified as a risk in corporate analysis²³ and operational risk registers.**

²³ "Management review of significant risk and control issues, 2023" (WFP/EB.A/2024/6-E/1) and the Executive Director's assurance exercise of the same year.

30. ***Country strategic planning processes.*** Risk management is formally integrated into CSPs, although with missed opportunities to improve how the analysis of operational risk registers could feed into CSP development. This is due to several factors:

- Activities (under the CSP) and risk categories (under the risk register) are developed and based on different frameworks, which does not facilitate clear links between them.
- There is currently no standard IT tool for connecting risks, CSP outcomes and performance metrics.
- Since 2020 the operational risk register template allows country offices to tag a particular risk to a CSP activity, but this functionality is not consistently used.

31. The **role of risk officers** emerged as very important for enhancing risk-informed decision-making – for example through their contributions to the development of CSPs and participation in targeting decisions. However, in some situations consultation between risk and non-risk specialists is perceived as ineffective and siloed between roles and functions. For example, in some cases risk discussions were separate from programmatic decisions, with risk management committees (if established) engaged only after decisions were made.

32. *Programmatic and operational decision-making processes.* Evidence from several programme areas and key business processes indicates that risk-related considerations are clearly factored into decision-making. For example, in decisions and processes relating to operational scale-up, this aspect was often formalized in specific guidance and provisions, while in other areas, such as private sector partnerships, risk-informed inputs are provided in a less formal but nonetheless effective manner.

33. *Context-specific considerations.* The ERM policy features corporate risk appetite statements for each risk area, which are expected to be relevant across the range of settings in which WFP works. However, WFP has to balance the need for standardization with the need to adapt to the situation in each country. Variations were noted in the relevance and interpretation of risk categories in different contexts – particularly where WFP confronts risks relating to host government engagement and where its programming is mainly oriented towards strengthening national capacity. An emerging, albeit limited, practice has seen some country offices, at their own initiative, developing country-level risk appetite statements in order to better reflect the specific circumstances of their country-level operations. However, due to varying risk appetites among external stakeholders, including host governments and donors, and tolerance for risk after mitigation (i.e., residual risk), which can also change over time, the evaluation found persistent challenges in WFP's management of risk escalation and out-of-appetite risks²⁴ (see conclusion 5).

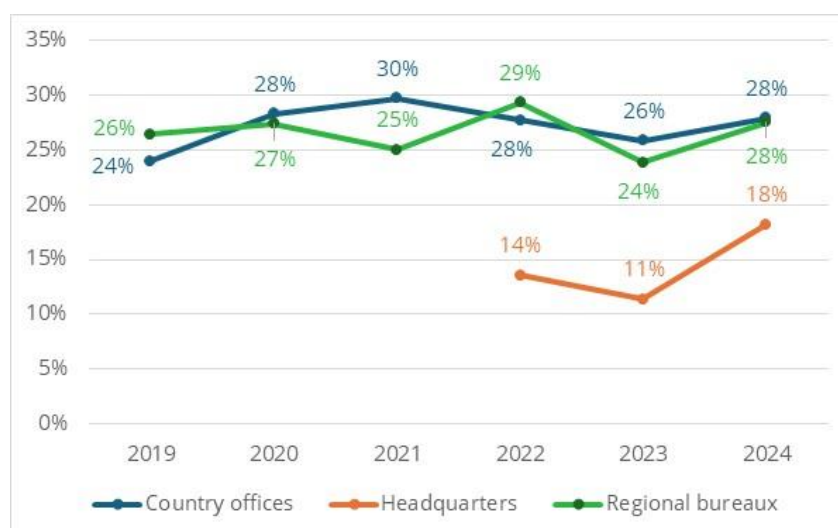
34. *Risk exposure in relation to risk appetite.* Where risks are poorly defined at the country level, and in cases where even after risk mitigation residual risk is high, WFP often pursues activities defined as out-of-appetite²⁵ by its corporate risk appetite statements. The evaluation analysed cases of continued delivery of assistance and implementation of programme activities despite high residual risks (for example, in Zimbabwe during the COVID-19 pandemic, and in Ukraine during the scale-up in response to the outbreak of conflict in 2022). These actions were taken in order to achieve WFP's objectives to reach beneficiaries and deliver assistance in a principled manner (see paragraphs 42–44). Data show that the extent of out-of-appetite risks reported by country offices is generally higher than the thresholds set in corporate risk appetite statements (figure 6).

35. There is also evidence of cases where out-of-appetite activities were ultimately discontinued, suspended or profoundly altered. This has been the case, for example, following allegations of a cooperating partner engaging in political campaigning while distributing assistance; where the level of risk exposure was too high for people targeted by specific activities; or where the risk of fraud and corruption in food distribution was also too high.

²⁴ Out-of-appetite compared to the definition found in corporate risk appetite statements.

²⁵ As defined by corporate risk appetite statements.

Figure 6: Out-of-appetite risks²⁶ as a proportion of total risks reported, by organizational level



Source: Risk Management Division data (extracted in November 2024).

Conclusion 5: ERM, WFP's external partners and consideration of humanitarian principles

For effective risk management that translates into risk-informed decision-making and enhanced performance, WFP needs to collaborate with a range of different partners. This requires balancing the following: WFP's commitment to delivering on its mandate within finite resources; attention to humanitarian principles; and efforts to address gaps and imbalances with regard to the sharing of information on risk. There are missed opportunities to enhance WFP's engagement in risk management with diverse partners including host governments and donor partner countries. The external funding situation, the volatility of operating environments and varying levels of information and risk-sharing with partners are also key factors with a bearing on the effectiveness of ERM and, consequently, on WFP's ability to secure the confidence of donors.

36. With an unprecedented gap between operational needs and available funding, WFP is required to do more and do to better with less. This creates pressure to maintain the confidence of donors, government partners and other external stakeholders by managing effective but at times costly risk practices at all levels while also balancing demands to reduce costs and enhance efficiency.

37. *ERM and WFP's external partners.* WFP interacts with many different kinds of stakeholders – including host governments, donors and cooperating partners. WFP shares risks with these partners to varying degrees, in some cases managing risks together and sharing responsibilities for risk management. However, WFP's detailed guidance on sharing risk with different types of partners is unevenly used across the organization.

38. *Risk management and cooperating partners.* In operational settings, working with cooperating partners – including local NGO partners – is one of WFP's key risk mitigation strategies, and there is specific guidance covering this type of engagement.²⁷ The effectiveness of risk management practices between WFP and cooperating partners is mainly determined by the type of partner involved, their capacity²⁸ and the extent to which risk-related exchanges with cooperating partners feed into risk identification and assessment. Whereas risk management practices – particularly with regard to risk information sharing – are relatively well established at the level of individual projects and programmes, cooperating partners are not

²⁶ Out-of-appetite risks are defined as “high” (15+ seriousness) operational and financial risks, and “moderate” or “high” fiduciary risks.

²⁷ WFP's guidance on WFP management of NGO partnerships (not available online).

²⁸ This is also discussed in the 2024 *Synthesis of evidence and lessons on WFP's cooperating partners from centralized and decentralized evaluations*.

consistently consulted on country-level risk management issues, despite their key role in WFP's risk mitigation approaches and strategies. This shortcoming fosters the perception that WFP, as a mitigation measure, transfers risks to cooperating partners rather than sharing risks with them, while at the same time tightening its controls on their work (for example, through more frequent spot checks).

39. *Risk management and host governments.* Host governments play a key role as strategic and sometimes operational partners of WFP and, in some cases, are also WFP donors. However, risk sharing with host governments is not consistently formalized in partnership agreements. This presents challenges in relation to the following:

- risk-related information sharing – while WFP publishes its risk category and area-specific²⁹ appetite statements in the ERM policy, the exchange of information between WFP and governments on their respective risk appetites is more limited;
- formalization of risk-related arrangements – whereas programme-specific agreements with host governments are informed by and feature detailed risk-related information, country-level partnership agreements (for example through memorandums and letters of understanding signed by country directors and government ministers) are not always explicit about risk sharing or risk tolerance.

40. *Risk management and other United Nations entities.* Although the ERM policy and related guidance do not include specific risk-sharing provisions between WFP and other United Nations entities, WFP often shares risks effectively with its United Nations partners. In these partnerships, such as with the Office of the United Nations High Commissioner for Refugees, mutual consultations are systematic, open and often formalized and are characterized by peer-to-peer communication and real-time sharing of risk information.

41. *Risk management with donors.* Risk sharing with WFP Member States as donors is inherent to WFP's work. Given that WFP's funding base is voluntary and that donors (which include – but are not limited to – government actors) entrust their financial resources to WFP, donors may indirectly incur some of the financial and reputational risks run by WFP. Moreover, the evaluation notes the implicit assumption that WFP and its donor base share a common interest in saving lives and avoiding loss while upholding humanitarian principles and that historically donors have been aligned with the view that WFP faces higher risk exposure than other organizations because of the humanitarian component of its mandate.

42. Against this backdrop, there is evidence of improvement in WFP's interactions with Member States on ERM:

- lessons learned from past cases of aid diversion (for example, in Ethiopia in 2023³⁰) prompted WFP to provide more frequent updates to external stakeholders, including donors, about its operational risks and challenges, thus increasing transparency and encouraging dialogue on risk management;
- WFP has increased the regularity and clarity of its communication with external stakeholders, including donors, regarding emergency situations in which the "no regrets" approach is expected to help in the swift mobilization of resources to address immediate humanitarian needs despite uncertainty – which calls for a higher risk appetite by both WFP and external stakeholders, including donors;
- there is a greater focus on accountability and transparency in risk management practices, as reflected in third-party monitoring agreements (for example with regard to operations in Ukraine); and
- there are examples (albeit infrequent) of official, transparent and detailed agreements on risk sharing between WFP and donors (including – but not limited to – government actors), that encompass information about their risk tolerance and that have decisively supported WFP's

²⁹ There are 15 risk areas, and they cover specific themes or specific areas of operation, namely, programme; external relationship; context; business model; beneficiary health, safety and security; partners and vendors; assets; information technology and communications; business process; governance and oversight; employee health, safety and security; breach of obligations; fraud and corruption; price volatility; and assets and investments.

³⁰ WFP. 2023. Widespread food diversion impacts WFP food distributions across Ethiopia.

operational decision-making in complex situations such as drought and acute food insecurity in Somalia in 2023.

43. Persistent challenges in WFP's engagement in ERM with donors mainly relate to the following:

- navigating the tension between WFP's operational requirements, the need to secure donors' confidence and funding, and the inherent aversion to loss shared by all parties involved in operational response; and
- operating in challenging high-risk situations without a clear prior understanding of the risk appetite of external stakeholders, including donors, and what residual risks they are ready to tolerate after relevant risks have been mitigated.³¹ This was found to put WFP in an asymmetric position with its stakeholders, which in turn affects WFP's ability to take risk-informed decisions based on more comprehensive risk information.

44. *Principled humanitarian action and risk management.* The ERM policy highlights the need to balance risk management and adherence to humanitarian principles. The evaluation found that when WFP operates in a risk-informed manner, there can be a tension – although no outright contradiction – between humanitarian principles and the pressure to reduce risk. While adherence to humanitarian principles can contribute to risk reduction, WFP routinely grapples with the trade-offs between agile delivery, the pressure to get things done and compliance with ERM requirements. This challenge is particularly notable in emergency response settings, where risk management processes can lengthen WFP's response times if additional requirements are placed on decision-makers.

45. Moreover, gaps are noted between how risks materialize in operational settings and how they are defined and catalogued at the corporate level. The standardized approach to ERM at WFP is seen, in some cases, as failing to capture the nuanced and immediate risks faced in the field, both strategically and operationally. This is particularly challenging in politically sensitive environments where ERM approaches need to be combined with other factors such as emergency protocols, conflict sensitivity frameworks and the “do no harm” principle when WFP is faced with complex operating environments and strives to adhere to humanitarian principles.

46. The evaluation found evidence of mutual reinforcement between adherence to humanitarian principles, a “no regrets” approach to operations,³² and risk mitigation. The evaluation underscores that the no regrets approach – in line with ERM and with WFP's 2024 emergency activation protocol – is a risk-informed approach. The evaluation also revealed a perspective expressed both at headquarters in Rome and at the country level whereby the principle of humanity was often associated with acting on the basis of no regrets. Challenges in balancing risk management and adherence to the humanitarian principles in increasingly complex operating environments nevertheless persist. In particular, tensions between ERM and the neutrality, impartiality and operational independence principles were found to require further guidance.

47. *Resourcing challenges.* A constrained funding environment may pose challenges to WFP's ability to sustain ERM practices, as risk mitigation measures can be expensive. For example, human and financial resource constraints may limit WFP's ability to systematically assess and monitor risks based on relevant, sufficient and high-quality data. The risk mitigation measures required by donors (which include – but are not limited to – government actors), can also be costly, sometimes disproportionately so. Declining funding levels also appear to change WFP's risk appetite, because financial losses (and reputational risk) become more consequential. Moreover, the evaluation noted concerns by country offices and regional bureaux that human resource requirements for risk management could end up competing with requirements for more operationally focused personnel, particularly in smaller country offices.

48. When fewer financial resources are available, and particularly given high levels of earmarking of contributions, WFP must strike a balance between addressing operational needs in a principled manner and responding to risk management requirements, particularly in high-risk settings. As resources shrink, tension between maintaining controls and mitigation measures in line with corporate and donor risk

³¹ This is also referred to as “residual risk” (see footnote 22).

³² The Inter-Agency Standing Committee adopts a forward-leaning “no regrets” approach to preparedness action, especially once thresholds that have been identified through risk analysis are met. Inter-Agency Standing Committee. 2012. *Humanitarian System-Wide Emergency Activation: definition and procedures*.

appetite and tolerance and preserving WFP's ability to deliver can be expected to intensify. Consideration of both balance and the sustainability of ERM requirements and resourcing will therefore be essential going forwards.

Recommendations

49. The table below presents the recommendations stemming from the evaluation of WFP's 2018 ERM policy, along with the proposed WFP entities responsible for implementing them, the priority of each recommendation and a target date by which each recommendation should be addressed.

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
Recommendation 1: Revise, update and consolidate the ERM policy document and accompanying guidelines, ensuring adequate dissemination and communication.		RMD		
1.1 Revise the ERM policy, ensuring that it clarifies and strengthens WFP's approach to ERM at all levels. At a minimum, when revising the policy, WFP should consider developing a theory of change.³³ The updated policy should also include the following elements: • a vision for ERM; • the mission of the ERM policy; • the mandate of RMD; • the contours of the ERM system, namely: ◦ the three lines model and the roles to be performed; ◦ the five basic steps of the risk management life cycle; ◦ the principles and framework governing risk escalation; and ◦ the concepts of stages of risk realization and risk velocity; • the principles guiding the implementation of the policy, distinguishing between: ◦ corporate risk appetite statements for risk areas before treatment;³⁴ and ◦ corporate risk tolerance statements for risk areas after treatment	High	RMD	Programme Policy and Guidance Division, Security Division	Fourth quarter 2027
1.2 Strengthen mechanisms and guidance and their dissemination to support implementation of the revised ERM policy throughout WFP. At a minimum, the following issues should be covered: • protection from sexual exploitation and abuse, security, privacy and data protection, in line with the revised ERM policy update related guidance;	High	RMD	Emergency Preparedness and Response Service, Strategic Coordination and Assistant Executive Director Office (POC),	First quarter 2028

³³ The full evaluation report includes a fully fledged theory of change that was developed as part of the evaluation process in order to make explicit the intended pathways along the results chain set out in the policy. The theory of change was reviewed and discussed with RMD employees as well as with regional risk officers and advisors and could serve as a basis for developing a theory of change to inform the ERM policy revision process.

³⁴ Risk treatment can involve "accepting", "avoiding", "mitigating", or "transferring" risks.

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
- the five steps of the risk management life cycle and their components, as well as ongoing controls, as a guiding framework for employees; - the roles, responsibilities and accountability for ERM beyond RMD, particularly in terms of ERM's contribution to enhanced decision-making and programming; - guidance on how to assess risk exposure, how to identify risk realization and how to assess risk velocity; - the types of mitigation measures; - a step-by-step guide on the process of risk escalation; and - guidance on residual risk after treatment.			Security Division, Global Privacy Office, Protection from Sexual Exploitation and Abuse Unit	
1.3 Ensure that the revised ERM policy facilitates greater policy coherence. At a minimum, following the approval of the revised ERM policy, a mechanism should be set up to ensure that all drafts of new or updated WFP policies and corporate documents are reviewed from a risk-management perspective. The mechanism should: - propose ways in which corporate documents should explicitly refer to the ERM policy in force; - propose a taxonomy and terminology to support risk management across WFP's policy and programme areas and business processes; and - clarify responsibilities and accountability relating to risk management for decision-making processes in the most critical policy and programme areas; these should also be in line with the 2025 management accountability framework.	High	RMD	Office of the Deputy Executive Director and Chief Operating Officer	Fourth quarter 2027
Recommendation 2: Take steps to further strengthen the ERM culture within WFP.		RMD		
2.1 Take steps to promote and encourage ERM, thereby fostering broad ownership and detailed understanding of the strategic significance and programmatic implications of risk management across WFP. Practical steps should include – but not be limited to – the following: reflect ERM in development and learning programmes designed for risk specialists and all other employees;	Medium	RMD	Human Resources Division	First quarter 2028

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
- expand the coverage and encourage the uptake of ERM training updated to reflect the new ERM policy and guidelines; and - establish explicit targets for increasing the coverage of ERM training across WFP.				
Recommendation 3: Strengthen ERM tools to enhance the contribution of risk management to decision-making and performance – including with regard to cross-cutting issues.		RMD		
3.1 Develop a secure online platform for risk management that can work in an integrated fashion with other WFP systems. Ensure that risk information and reporting are easily accessible and consolidated throughout, considering factors such as data protection and privacy requirements.	Medium	RMD	Technology Division, Management Services Division, Global Privacy Office	Third quarter 2026
3.2 Update the risk catalogue to focus it more explicitly on – and give more visibility to – managing risks relating to sexual exploitation and abuse, protection, gender issues and security across more than one risk category.	Medium	RMD	Gender, Protection and Inclusion Service; Protection from Sexual Exploitation and Abuse Unit, Security Division	Fourth quarter 2027
Recommendation 4: Enhance the clarity of risk management resourcing and capacity.		RMD		
4.1 Strengthen and harmonize the allocation of human and financial resources to risk management, considering the broader corporate context of constrained resources and organizational realignment. To achieve this, the following actions should be considered: - developing criteria to determine the necessary risk management resources and capacity at various levels of the organization; - advising directors so that ERM focal points and full-time risk officers in country offices have clear individual performance objectives and appraisals that are aligned with the revised ERM policy; and	High	RMD	Human Resources Division, Programme Policy and Guidance Division	Third quarter 2026

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
identifying the circumstances under which the appointment of a risk focal point in a country office (where risk officers are not present) or in functional units at headquarters in Rome should be strongly recommended.				
Recommendation 5: Take steps to enhance mutual transparency on risk management with external stakeholders.		Partnerships and Innovation Department		
5.1 Facilitate dialogue with external stakeholders, including donors and key cooperating partners, in particular with regard to risk appetite and residual risk tolerance. This should include the development of mechanisms, accompanied by supporting guidance and templates, for country office coordination and dialogue with donors and government partners on context-specific risk appetite and residual risk tolerance, with a view to informing and supporting mutual understanding regarding risk appetite in various settings and risk tolerance after mitigation while acknowledging that in WFP's operating environments, risks can be mitigated but not totally eliminated. These mechanisms should help to inform and focus WFP's engagement with partners, covering the following issues: - risk identification and assessment; - clear and distinct risk appetite statements and risk tolerance after mitigation; - proposed mitigation measures, their costs and other implications and an assessment of their cost/benefit ratios; and - explicit agreements on mitigation measures that result in risk sharing with cooperating partners.	High	Partnerships and Innovation Department	RMD, POC	Fourth quarter 2026
5.2 Establish channels to ensure regular discussions with host governments on risk appetite and residual risk tolerance as part of mutual accountability. This should include the following: consultation with government partners on risks of strategic importance; and	Medium	RMD	POC	Fourth quarter 2026

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
provisions to ensure that regular discussions take place and that a record is kept of risk-related issues (particularly around risk mitigation) for which there can be interdependencies between WFP and government partners.				

1. Introduction

1. Landell Mills was commissioned by the WFP Office of Evaluation to conduct an evaluation on the WFP Enterprise Risk Management (ERM) Policy (2018) (herein referred to as the “ERM Policy” or “the Policy”) and the results of its implementation.

1.1. Evaluation features

Rationale and objectives

2. This evaluation provides evidence on the quality of the WFP 2018 ERM Policy and the results of its implementation. It took place between July 2024 and March 2025 with data collection between October 2024 and January 2025. The evaluation will be tabled at the Executive Board session in November 2025 and its results will inform the development of an ERM Policy update.

3. The evaluation has two main objectives: for **accountability objectives**, the evaluation assesses the quality, implementation and results of the WFP 2018 ERM Policy; for **learning objectives**, the evaluation assesses progress, examines how and why expected changes have occurred, and distils lessons to inform future risk management approaches.

Scope

4. The evaluation has a global scope and examines ERM Policy implementation mechanisms at all levels of the organization, focusing on policy results and the risk management tools and processes established to operationalize the Policy, as shown in Figure 1. The assignment responds to three overarching evaluation questions, which collectively assess the Policy’s relevance, coherence, effectiveness and efficiency. The period covered by the evaluation extends from the adoption of the Policy in November 2018 to January 2025, when data collection activities concluded. It is worth noting that:

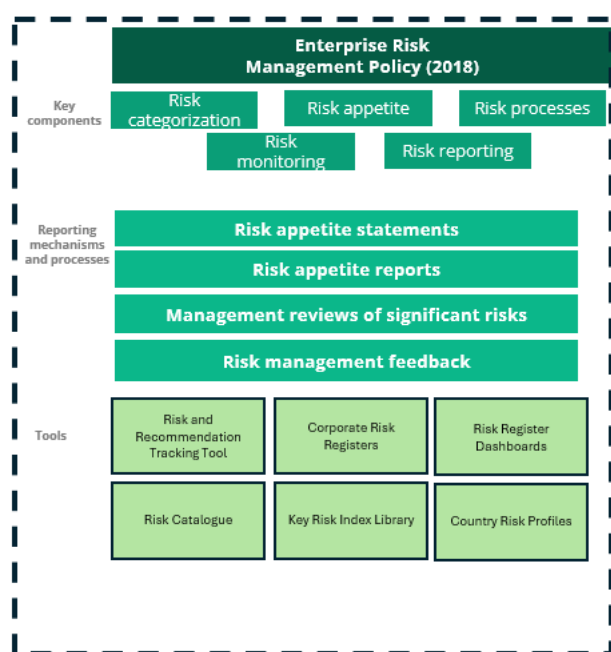
- The Global Assurance Project (GAP)³⁵ launched in mid-2023 is not included within the evaluation scope as it was not managed by the Risk Management Division (RMD) and not established specifically to operationalize the ERM Policy. However, as noted in the terms of reference (ToR), reference to the GAP is considered as part of the wider WFP risk management context to understand in what ways a proactive risk management culture, as envisaged in the Policy, has been realized.³⁶
- All the evaluation data collection activities were completed before (and therefore could not be considered in the analysis and content of) the Management Accountability Framework (MAF), which was endorsed in March 2025 and which clarifies the approach to accountability, authority, performance and results across country offices, regional levels and global operations.³⁷

³⁵ The Global Assurance Project was launched in mid-2023 to support the development of the Global Assurance Framework, to implement enhancements in targeting, monitoring and community feedback mechanisms, identity management, cooperating partner management and supply chain to make existing WFP processes and systems more focused and effective, and support implementation of assurance actions plans at the country office level. See para 20 for more context and background to this project.

³⁶ Specifically, the evaluation refers to the GAP as part of the evaluative analysis and evaluation findings (Section 2 of the report) to the extent that relevant insights emerged from the country cases that have been sampled for the evaluation (see paragraph 29 and Table 2) to also include GAP pilot countries.

³⁷ WFP. 2025. Management Accountability Framework (MAF) – Aligned to the new direction of travel. WFP, Risk Management Division.

Figure 1: Scope of the WFP Enterprise Risk Management Policy (2018)



Source: Evaluation ToR elaborated by OEV.

Definitions

5. The evaluation uses the following definitions of key terms, applying those provided in the Policy where available. (Table 1).

Table 1: Key terms and definitions

Key terms	Definition	ERM Policy	Other ³⁸
Enterprise risk management	Common organization-wide arrangements for implementing and embedding risk management activities. This includes, inter alia, the culture, capabilities and practices integrated with strategy setting and performance, which the organization relies on to manage risk, in order to create, preserve and realize value		
Risk appetite	The types and amount of risk, on a broad level, an organization is willing to accept in pursuit of value		
Risk escalation	Risk escalation is a process that addresses the need to report and provide transparency into significant risks to the most appropriate level where decisions can be made regarding a response		
Risk velocity	The time between a risk event materializing and its impact(s) being experienced by the organization		
Risk tolerance	A limit to the type and amount of risk that an organization can accept, requiring a response or action and internal escalation		
Out-of-appetite risks	Risk that exceeds the broadly defined acceptable level. At WFP, global analyses defined this as high (assessed as 15+ seriousness) operational or financial risks, and high or moderate (assessed as 8+ seriousness) fiduciary risks (see Section 1.3 below).		
Risk profile	A composite view of the risk assumed at a particular level of the organization. One example is the WFP Country Risk Profile Index.		

Source: Evaluation team.

³⁸ Quan, N.S and Chiang, A, Price Waterhouse Cooper, 2018, Risk management at the speed of business (risk velocity) and RMD Analysis (for example, Highlights of 2023 WFP Operational Risk Registers) ("out-of-appetite risks").

Stakeholders and intended users

6. The evaluation aims to inform a range of stakeholders. Internal stakeholders include the RMD, risk officers and focal points, and WFP senior management and leadership at headquarters (HQ),³⁹ regional bureaux (RBs⁴⁰) and country offices (COs). External stakeholders include members of the Executive Board, donors, which include but are not limited to government partners providing financial support to WFP, host governments where WFP operates, cooperating partners (CPs)⁴¹ and civil society organizations (CSOs), other United Nations (UN) sister agencies, and ultimately, affected people.

1.2. Context

7. WFP manages risk amidst escalating humanitarian needs and declining funding and, despite limited resources, continues to expand operations in complex environments. Globally, humanitarian needs are high⁴² and the number of people in need of assistance has increased to more than 305 million in 2025, compared to 128 million in 2017.⁴³ WFP has responded by expanding its humanitarian reach, with 160 million people receiving food assistance in 2022 (25 percent increase from 2021), and 152 million people in 2023.⁴⁴

8. Despite these efforts, the global humanitarian landscape remains dire. In 2024, an estimated 309 million people across the 86 countries where WFP operates faced acute food insecurity. Of these, approximately 37.2 million individuals across 47 countries were experiencing emergency or worse levels of food insecurity and were at risk of famine without urgent intervention.⁴⁵

9. Contribution revenue to WFP nearly doubled in five years, from USD 7.2 billion in 2018 to USD 14.1 billion in 2022. Rapid growth of operations in often complex contexts exposes WFP to multilayered risks, which have the potential to impact on the organization's ability to deliver on its mandate. In 2023, funding declined to pre-COVID-19 levels, and WFP suffered the worst funding shortfalls in its 60-year history,⁴⁶ raising USD 8.3 billion of the projected USD 22.8 billion needed – an unprecedented mismatch that led to a commensurate decline in operations (Figure 2).⁴⁷ While in 2024 total contributions reached approximately 9 billion, projections for the subsequent years indicate a downward trend.⁴⁸

³⁹ Headquarter divisions, functions, advisory and other offices.

⁴⁰ Linked to recent organizational realignment, there has been a change in organizational structures, including nomenclature of different entities. This entered into effect on March 2025. Therefore, given the temporal scope of the evaluation, the previous nomenclature (for example, referring to regional bureaux) is applied.

⁴¹ A cooperating partner is a non-profit entity that enters into a contractual relationship with WFP for the purpose of assisting in the performance of WFP work (including government entities, non-governmental organizations and United Nations organizations). (WFP, Revised Anti-Fraud and Anti-Corruption Policy, 2021).

⁴² WFP Annual Review 2023; WFP Annual Performance Report 2023.

⁴³ OCHA, Global Humanitarian Overview, 2025.

⁴⁴ WFP at a Glance, March 2025.

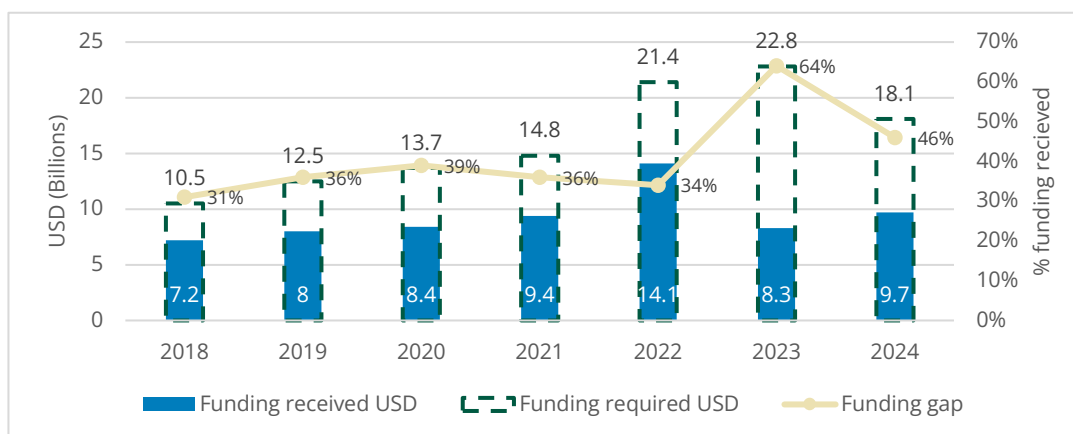
⁴⁵ WFP Global Operational Response Plan 2024 Update #11, June 2024.

⁴⁶ WFP. 2023. 2023 in pictures: Ration cuts threaten catastrophe for millions facing hunger. WFP stories, 19 December 2023.

⁴⁷ WFP Annual Performance Review (2023).

⁴⁸ WFP. FACTory. Accessed on March 2025.

Figure 2: Funding received compared to funding required (2018-2023)⁴⁹



Source: Annual performance reviews (2018-2023) and FACTORY for 2024 data.

Enterprise risk management context within the United Nations system

10. ERM concepts, born in the private sector, introduced a systematic approach in which risk analysis is used to define and develop mitigation measures. In the past two decades, ERM frameworks have been created that enable organizations to adopt a more coherent approach to risk management in line with professional standards defined in policies, processes and tools. These models are gradually being adopted by the public and not-for-profit sectors.

11. In 2006, the United Nations General Assembly⁵⁰ endorsed ERM to enhance its governance and oversight framework, and the management of risks affecting the United Nations system. This emerged from the recognition that United Nations organizations operating in humanitarian, development and peacekeeping contexts are exposed to high degrees of inherent risks and are forced to make difficult trade-offs between the needs of people they are trying to serve and the need to mitigate potential harm to their personnel, resources and reputation.

12. The Chief Executive Board tasked its High-Level Committee on Management (HLCM) to identify and analyse management reforms to increase efficiency and simplification of business practices within the United Nations, prioritizing system-wide harmonization of risk management practices. In 2019 and 2020, the HLCM's Risk Management Task Force delivered practical notes to guide coherent ERM practices. These included the Reference Maturity Model for Risk Management, Guidelines for Risk Appetite Statements, and the Guidance Paper on Embedding Risk Management into Performance and Planning Processes. Participating United Nations organizations benchmarked their work against these guidelines to assess the maturity of their risk management models and to further define their governance and organizational structure, processes, systems and tools, risk management capabilities and culture.⁵¹

1.3. Subject being evaluated

The WFP Enterprise Risk Management Policy (2018)

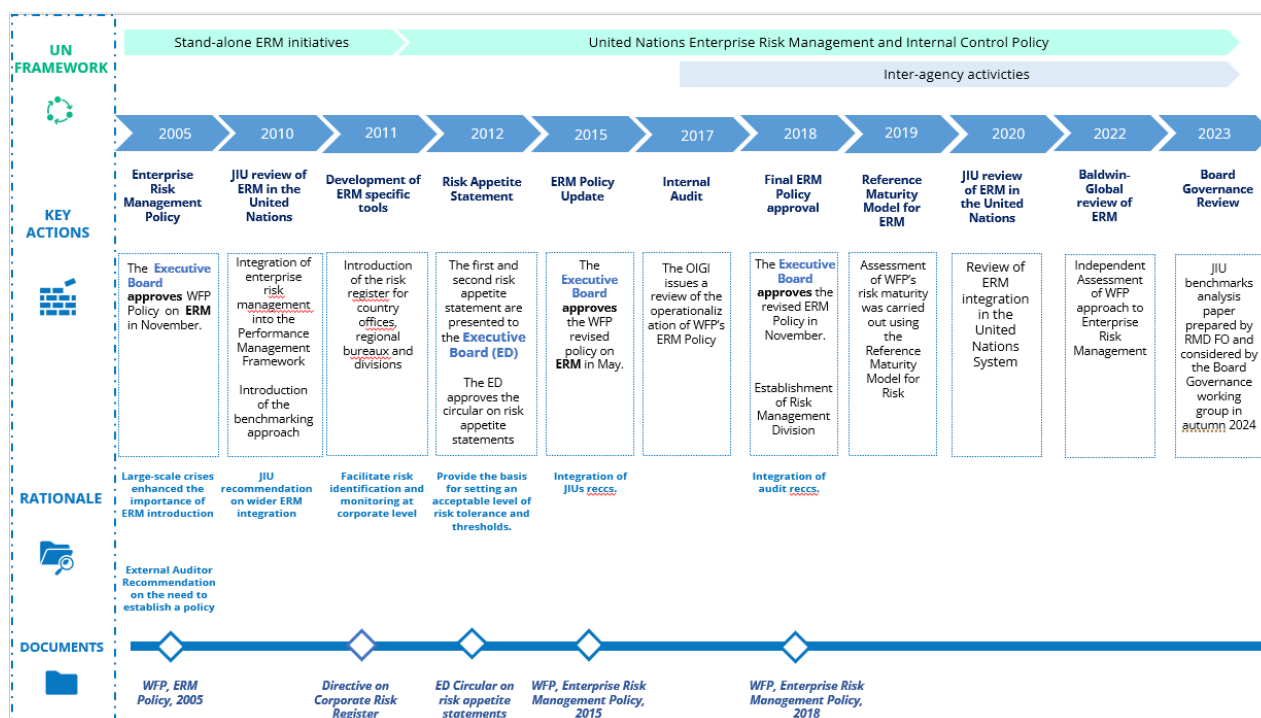
13. The first WFP ERM Policy was introduced in 2005 (Figure 3) and updated in 2015. Its successor, and the subject of this evaluation, was the 2018 ERM Policy, which was supplemented with tools, mechanisms and guidance. It complements other corporate documents, such as the 2015 Internal Control Framework, the 2018 Oversight Framework, and the Anti-Fraud Anti-Corruption (AFAC) Policy revised in 2021.

⁴⁹ The peak of funding in 2022 was principally driven by record contributions as a result of two supplementals for the Ukraine crisis and the COVID-19 pandemic.

⁵⁰ Resolution 61/245.

⁵¹ With clear directions from the UN Secretary-General, UN agencies developed targeted risk assessment tools and guidance for the prevention of sexual exploitation and abuse.

Figure 3: – Enterprise risk management key processes timeline



Source: Elaboration from OEV expanded from evaluation ToR.

14. The ERM Policy provides a structured framework for identifying, assessing, managing and monitoring risks across WFP programmes and day-to-day operations. Updated in 2018, the ERM Policy promotes a proactive approach to risk management, embedding accountability and governance structures to enhance resilience and informed decision making.

Alignment with WFP strategic goals

15. The vision articulated in the ERM Policy is for WFP to:

- maintain a consistent risk management framework through which risks can be identified, analysed, addressed and escalated, and accountability assigned;
- achieve a common understanding of WFP risk exposures in relation to its appetite for risk, to be able to articulate the organization's risk profile coherently internally as well as externally to government partners, donors and other external stakeholders; and
- establish a culture where risk management is linked to implementing the WFP strategic plan and considered proactively in operational decision making.

Key features and updates

16. The ERM Policy articulates a vision for WFP's approach to ERM. It establishes risk categories, risk appetite, roles and responsibilities for ERM, processes, methods and tools for risk management, escalation and reporting. Specifically, the ERM Policy articulates a **four-step risk management lifecycle**. First, risks are **identified** using tools such as risk reviews, planning exercises, internal incident tracking and external event analysis. Next, risks are **assessed** based on their likelihood and impact, using prioritization tools like the risk assessment heatmap. **Mitigation** strategies are then applied according to risk appetite, whether through avoidance, reduction, sharing or acceptance. Finally, risks are **monitored** through risk and performance metrics, audits and oversight mechanisms.

Risk assessment 'heatmap'

	1 Negligible	2 Minor	3 Moderate	4 Severe	5 Critical
5 Very Likely	15 Low	30 Moderate	45 High	60 High	75 Very High
4 Likely	10 Low	20 Moderate	30 High	45 High	60 Very High
3 Moderately Likely	5 Low	10 Moderate	15 Moderate	25 High	40 High
2 Unlikely	2 Low	4 Low	6 Low	10 Moderate	20 Moderate
1 Very Unlikely	1 Low	2 Low	3 Low	5 Low	10 Low

17. The ERM Policy categorizes risks into four main groups:⁵² strategic, operational, fiduciary and financial, with further classification into 15 risk areas and 41 specific risk types. Each risk category has an updated risk appetite statement (Figure 5).

Risk category	Strategic	Operational	Fiduciary	Financial	Reputational
Risk appetite	Risk hungry: <i>Programming in difficult contexts; need to actively manage external relationships with donors etc.</i>	Risk averse: <i>Constant improvement of internal controls</i>	Highly risk averse: <i>Recognition of duty of care to staff, obligations to stakeholders, and commitment to corrective action on internal conduct</i>	Risk averse: <i>Mitigation of risks for cost and efficiency</i>	
Risk description	Those risks that have an impact on WFP's ability to achieve strategic goals, objectives and plans	Risks related to the implementation and execution of WFP's activities	Breaches of obligations in terms of ethics, standards of conduct by WFP and its partners, failure to implement policies, and unauthorized activities including breaches of delegation	Risks related to currency and exchange rate concerns, adverse pricing, and inefficient use or misutilization of financial or other assets.	<i>Consequential risk whereby risks occurring in any category could have a negative impact on WFP's reputation.</i>
Risk areas	• Programme • External relationship • Context • Business Model	• Beneficiary health, safety, security • Partners and vendors • Assets • IT and communications • Business process • Governance and oversight	• Employee health, safety and security • Breach of obligations • Fraud and corruption	• Price volatility • Assets and investments	

⁵² Reputational risks are considered a consequence of risks materializing in any category.

18. To strengthen governance and accountability, the Policy incorporates the Institute of Internal Auditors' (IIA) "three lines" model, and addresses recommendations from the 2017 Internal Audit of ERM Operationalization. Responsibilities are clearly defined for key stakeholders, including the Executive Director, regional directors, country directors (CDs), functional directors and managers, the Chief Risk Officer (CRO), and risk officers (ROs). The RMD oversees the design and management of the ERM system within the WFP governance framework, while structured escalation and reporting mechanisms ensure timely responses to risks at all levels.

Implementation framework

19. The ERM Policy is integrated into WFP operations through dedicated tools and resources that support risk identification, assessment, mitigation and monitoring. Regular reviews of risk processes and reporting mechanisms, and assessment of the Policy itself⁵³ were foreseen as part of the Policy implementation to ensure alignment with evolving risks, while training programmes enhance stakeholders' capacity to manage risks effectively. Tools established to implement the Policy include the Risk Catalogue, corporate and operational risk registers (CRR and ORRs), risk register dashboards, the Key Risk Indicator Library, the Country Risk Profile Index, and the risk and recommendation tracking tool (Figure 6).

Figure 6: Overview of risk reporting mechanisms, processes and tools per ERM Policy



Source: OEV elaboration based on ERM policy

20. Confronted with aid diversion cases in Somalia in 2022 and Ethiopia in 2023, WFP added the GAP to its risk and control activities, which puts "end-to-end assurance and internal control measures in place across all high-risk operations", aiming "to ensure that the right people receive the assistance they are eligible for."¹⁷ Focusing on six key areas in 31 high-risk country operations, the plan includes a set of minimum assurance measures that need to be in place and requires relevant operational areas to develop function-specific standards and normative guidance. The focus areas include: targeting; monitoring and community feedback mechanisms; identity management; cooperating partner management; commodity management; and cross-cutting workstreams, including digital solutions and risk management.

Institutional arrangements for implementation of the Policy

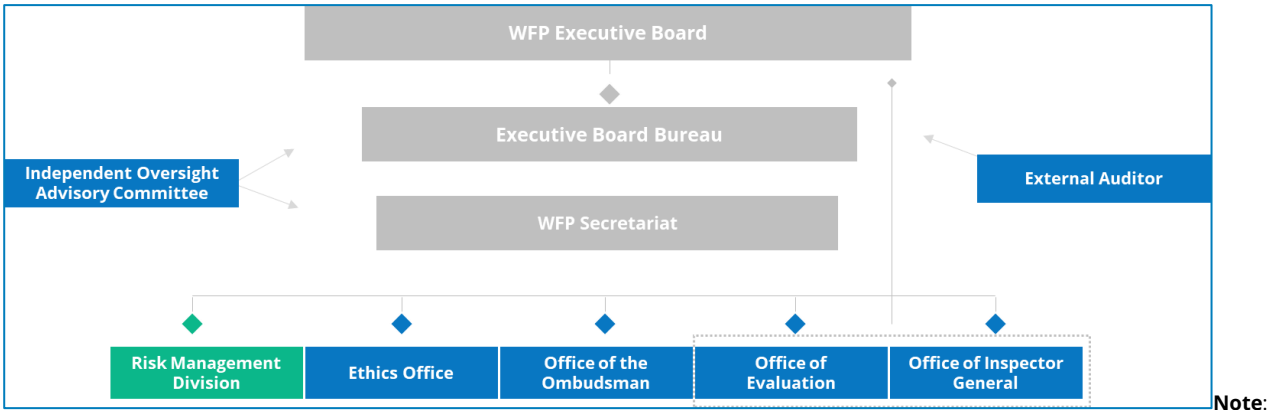
21. The ERM Policy was rolled out through the establishment of the RMD, as "owner" of the policy in September 2017. The first Chief Risk Officer was then appointed in March 2018. The division reported to the Chief Financial Officer when the Policy was first published but, as of February 2024, it reports to the Deputy Executive Director and Chief Operating Officer. As of March 2025, it is staffed with 37 members plus six regional risk officers⁵⁴ and liaises with a risk network of 166 other staff located across headquarters, regional bureaux and country offices.

22. RMD sits within a broader framework of governance, oversight and internal controls within WFP (see Figure 7).

⁵³ These included the WFP Office of the Inspector General - Office of Internal Audit Branch (OIGA) 2022 Advisory Assignment report on ERM conducted by Baldwin Global, and the Joint Inspection Unit (JIU) benchmark analysis conducted by the Risk Management Division. The objective of these reviews includes risk processes and risk reporting mechanisms.

⁵⁴ RMD. Updated organigram. January 2025.

Figure 7: Enterprise risk management within the broader framework of WFP governance, oversight and internal controls



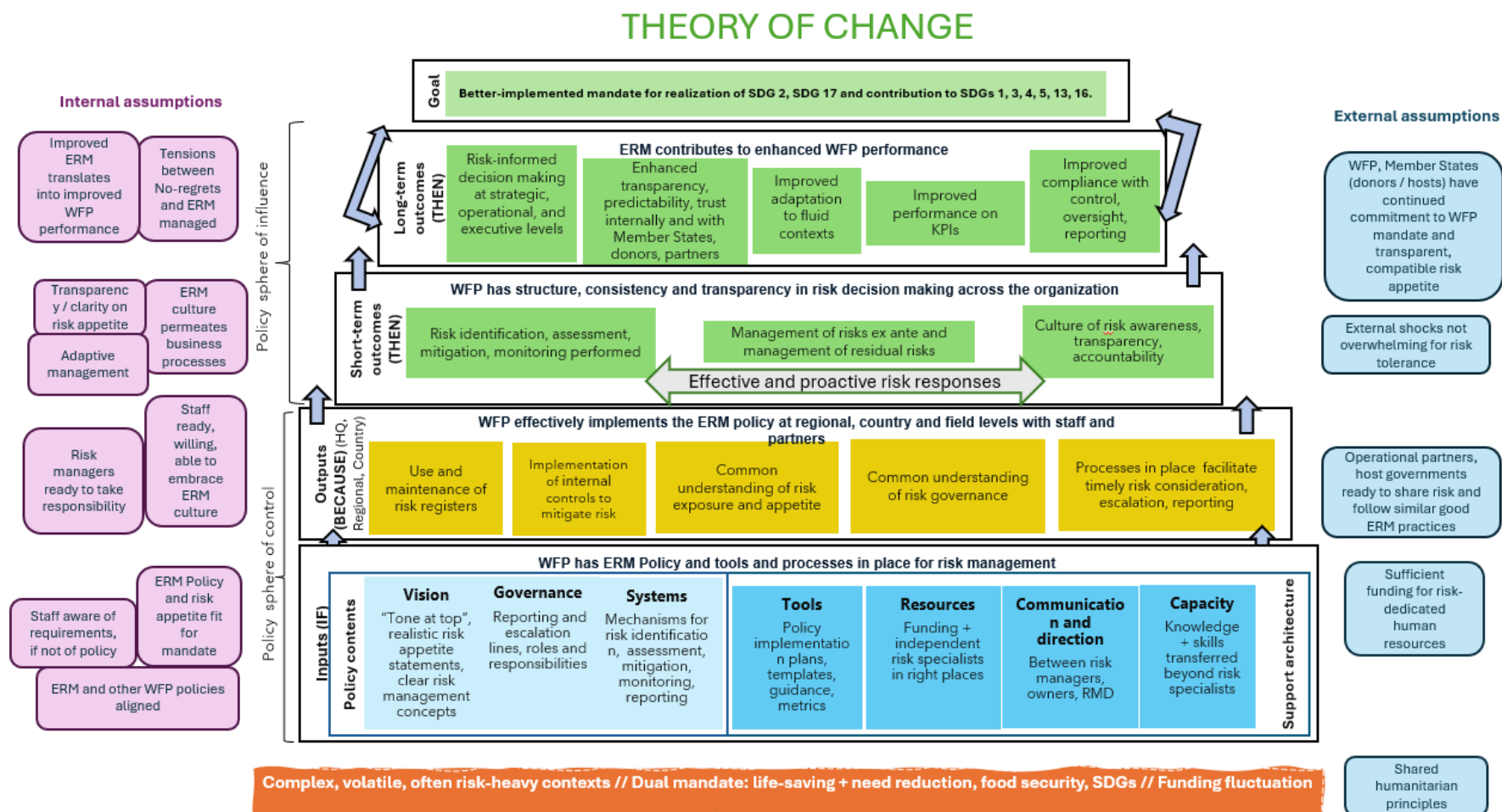
Note: Central governing bodies are depicted in grey, independent entities reporting to the Executive Director are displayed in blue. The Risk Management Division, highlighted in green, reports to the WFP DED and Chief Operating Officer. The dotted lines around the Office of Evaluation and the Office of Inspector General highlight that they are independent entities reporting to the Executive Board. Source: OEV elaboration based on the WFP Oversight Framework, 2018, p.3.

Theory of change

23. The 2018 ERM Policy contains a vision, but no theory of change (ToC). At the time of writing and publication, there were no formal requirements for WFP policies to include a theory of change.⁵⁵ However, the evaluation terms of reference included a logic model, from which the evaluation team reconstructed a full-fledged theory of change (Figure 8), which was then validated by RMD and regional risk officers. Annex VIII provides a systematic breakdown of the theory of change’s layers, structure and assumptions. Section 1.4 explains how the theory of change was used in the evaluation.

⁵⁵ The practice has evolved, and a ToC is now advised to be included in new policy documents. See WFP (2020) Synthesis of evidence and lessons from WFP’s policy evaluations (2011-2019).

Figure 8: Theory of change⁵⁶



⁵⁶ "No-regrets", as stated in the internal assumptions, follows the definition used by the Inter-Agency Standing Committee (IASC), as defined in IASC Guidance on Emergency Response and Preparedness (2015).

Evidence from previous reviews, audits and evaluations relating to enterprise risk management

24. This evaluation builds on the findings from a number of reviews, audits and evaluations related to ERM. For example, reviews conducted since the Policy was approved in 2018 drew the following conclusions:

- The ERM Policy is comprehensive and well written, but risk appetite statements could be made more specific for application in operations.⁵⁷
- WFP should maintain the risk appetite guidance for the four risk categories but could be more specific in stating its inherently high-risk tolerance for risks associated with crisis situations requiring emergency operations to relieve hunger.⁵⁸
- There is a need for WFP to reposition ERM at a level better suited to the role it plays in respect of risk management.⁵⁹
- WFP risk management strategies are satisfactory overall.⁶⁰

25. A mapping of existing evaluative evidence on ERM from evaluations commissioned by the WFP Office of Evaluation highlighted the following:⁶¹

- In emergency responses, balancing risk management and the WFP approach to “no regrets” is never straightforward. However, ease of use for staff of risk management instruments helps build procedural respect and foster a risk conscious culture.⁶²
- Despite the enhancement of internal corporate risk management systems there is an emerging need for greater coherence across the different tools.⁶³
- Risk management, or even risk aversion by WFP management in decision making, in some cases, is perceived as slowing down responses to reach affected people with assistance.

1.4. Methodology, limitations and ethical considerations

26. The evaluation used a theory-based approach, following the theory of change, which makes explicit the intended pathways along the results chain as set out in the Policy. The guiding framework for the evaluation was the evaluation matrix⁶⁴ including evaluation questions (EQs), sub-questions and indicators, designed to examine the various components of the theory of change (see Annex V).

27. The evaluation addressed three top-level evaluation questions common to all WFP policy evaluations:

- EQ1 – How good is the WFP Enterprise Risk Management Policy (criteria: relevance and coherence)?
- EQ2 – What results has the Enterprise Risk Management Policy achieved (criteria: effectiveness and efficiency)?
- EQ3 – What were the enabling or hindering factors for the achievement of results (criteria: effectiveness, efficiency and coherence)?

28. An evaluability assessment, conducted during the inception phase, yielded overall positive evaluability considerations, and confirmed that the Policy design and available data were sufficient for meaningful analysis.

⁵⁷ OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global.

⁵⁸ *Ibidem*.

⁵⁹ External Audit Report on WFP's Oversight by Management (2022).

⁶⁰ Multilateral Organization Performance Assessment Network (MOPAN) Assessment of WFP (2024).

⁶¹ Findings from country strategic plan evaluations (CSPEs), corporate emergency evaluations, policy evaluations, and strategic evaluations from 2018-2022.

⁶² WFP. 2022. Evaluation of the WFP Response to the COVID-19 Pandemic.

⁶³ WFP. 2019. Evaluation of WFP's Capacity to Respond to Emergencies.

⁶⁴ The evaluation matrix outlines various lines of enquiry, data collection sources and analytical methods that were used and how evidence has been triangulated to respond to the EQs.

Evaluation methods

29. A mixed methods approach was adopted to explore whether pathways and assumptions identified in the theory of change (Figure 8) held true. Data collection methods drew on both primary and secondary data sources to ensure comprehensive coverage of ERM implementation (see Table 3). The main features were:

- **Country studies:** The evaluation employed a country study approach through a combination of in-person missions to four countries and remote desk review in seven countries complemented by selected key informant interviews (KIIs) (“desk review plus”) (Table 2). Each study analysed two to four key decision processes per country (see next point) to explore how, and how effectively, risk management is considered. Table 2 below provides an overview of the country selection criteria, while the detailed sampling methodology is discussed in Annex IV.
- **Analysis of key decision processes:** A purposive sampling method was used to analyse key decisions relevant to ERM implementation across selected countries (Table 2) focusing on different business processes⁶⁵ relating to the following areas:
 - strategic-level decision making, including the development of country strategic plans (CSPs), and workforce adjustment;
 - operational decision making around emergency scale-up, targeting of aid, choice of aid modality, fundraising with private entities and working with partners; and
 - risk considerations in cross-cutting areas such as around reflecting humanitarian principles in operational decision making.
- **Desk-based review:** Policies and guidance documents were reviewed alongside corporate and administrative data, audits, reviews, evaluations and comparator analyses with the United Nations Office of the High Commissioner for Refugees (UNHCR) and the Food and Agriculture Organization (FAO).
- **Key informant interviews:** These were conducted with WFP staff across headquarters, regional bureaux, country offices, Member States, government partners, donors and comparator agencies.
- **In-person observations:** These were made during the 2024 annual RMD workshop with risk officers and advisers to further enrich the analysis and gather feedback on the reconstructed theory of change.
- **Quantitative data analysis:** These included risk indicators from the Corporate Risk Register dashboards and financial data related to ERM activities.

⁶⁵ A full detailed overview on the key decision analysis is provided in Annex IV.

Table 2: Sampled country cases and selection criteria

Region	Country	Modality	Risk profile (2024)	Corporate Scale up	GAP	Income Class Lower-Middle (LM) Upper-Middle (UM)	Office Size	Risk Officer
Regional bureau in Bangkok (RBB)	Pakistan	Desk review plus	High	No	Yes	LM	Large	Full-time role
Regional bureau in Cairo (RBC)	Ukraine	Desk review plus	High	Yes	Yes	UM	Large	Full-time role
	Armenia	Desk review plus	Low	No	No	UM	Small	Part-time role
Regional bureau in Dakar (RBD)	CAR	Desk review plus	High	No	Yes	Low	Large	Full-time role
	Ghana	In-person mission	Low	No	No	LM	Medium	Part-time role
Regional bureau in Johannesburg (RBJ)	Zimbabwe	Desk review plus	High	No	Yes	LM	Medium	Full-time role
	Malawi	In-person mission	High	No	No	Low	Medium	Full-time role
Regional bureau in Nairobi (RBN)	Kenya	In-person mission	High	No	No	LM	Large	Full-time role
	Somalia	Desk review plus	High	Yes	Yes	Low	Very Large	Full-time role
Regional bureau in Panama (RBP)	Colombia	Desk review plus	High	Yes	Yes	UM	Large	Full-time role
	Dominican Republic	In-person mission	Low	No	No	UM	Small	Part-time role

30. The evaluation leveraged primary and secondary data sources to ensure comprehensive coverage of ERM implementation. In-person observations during an RMD-convened workshop with risk officers and risk advisers in August 2024 further enriched the analysis.

Table 3: Data collection

Data collection activity	Primary source	Secondary source	Country study	Sampled decisions
Desk-based review:		✓	✓	✓
- Policies and guidance (including for comparator analysis with UNHCR and FAO)		✓		
- Corporate and administrative data and reporting		✓	✓	✓
- Systematic review of completed audits (2018-2024)		✓	✓	
- Analysis of WFP evaluations, independent reviews and management reviews of significant risk and control issues		✓		
Key informants interviews: Headquarters, regional bureaux, country office WFP staff, external stakeholders including Member States, government partners, donors, and comparator agencies	✓		✓	✓
Quantitative monitoring and evaluation (M&E) data: Risk indicators, CRR dashboards		✓	✓	
Financial data		✓		
Validation workshop on ToC with RMD, ROs and risk focal points	✓			
Quantitative data on ERM training		✓		

Evidence assessment, triangulation and validation of findings

31. To ensure the internal and external validity of findings, the evaluation team assessed findings against three criteria – categorical (that is, strongly suggested by multiple data sources), consequential (that is, of significant magnitude) and widespread (that is, common to various contexts).

32. Triangulation of evidence collected from multiple sources further ensured reported findings were valid, credible and reliable. Country-level data were cross referenced with global-level data; qualitative data was cross-referenced with quantitative data; and perspectives from different types of stakeholders

representing different points of view were also cross-referenced (field with headquarters; management with execution; risk specialists with non-risk specialists; WFP with non-WFP). In the report, findings and quotes from interviews are used where an interviewee summarized a view shared by several stakeholders representing diverse perspectives.

33. The evaluation team held a debrief at the end of in-country visits to present and validate the emerging observations from country studies. At the end of data collection, the team held two validation workshops with key evaluation users. Participants included members of the internal reference group, risk officers (where different from the internal reference group members), and risk officers from sampled countries (and others on a voluntary basis). The detailed sampling methodology is discussed in Annex IV.

Limitations

34. The limitations of the methodology and mitigation measures employed by the evaluation team are summarized below:

- Survey constraints: A perception survey on organizational culture was not conducted due to concerns over staff survey fatigue. Qualitative key informant interviews and detailed document reviews mitigated this issue.
- Stakeholder access: Limited access to donors and government counterparts reduced the extent to which external perspectives about the Policy were integrated. However, this was mitigated by document review, internal key informant interviews and comparator analysis.

Ethical considerations, safeguards and consideration of gender, protection and inclusion

35. The evaluation adhered to the Norms and Standards for Evaluation in the United Nations System⁶⁶ and the United Nations Evaluation Group (UNEG) ethical guidelines.⁶⁷ This included ensuring compliance with key principles such as: obtaining informed consent; using confidentiality agreements prior to key informant interviews; and safeguarding privacy and confidentiality through secure handling of personal data and non-disclosure of identities.

36. All primary data collection activities were conducted to ensure dignity, non-discrimination of participants; cultural sensitivity, and the integration of human rights considerations and of the principle of do no harm. Recognizing the sensitivity of risk management, the team balanced transparency and stakeholder trust and applied ethical safeguards, including the principle of beneficence⁶⁸ to ensure findings were presented in a responsible and utilization-oriented manner. Consultations with the internal reference group were also instrumental in improving accuracy of findings, while mitigating unintended harm.

37. From a gender, protection and inclusion perspective, the evaluation examined how the ERM Policy reflected these dimensions in risk management approaches and practices. A gender-sensitive and inclusive approach was integrated into the evaluation matrix, incorporating indicators on the Policy's design, roll-out and inclusivity.

38. Key informant interviews ensured diverse participation, including women and individuals from various backgrounds, to capture different perspectives on risk management. The evaluation assessed how the Policy considered and managed risks related to gender equality and women's empowerment (GEWE), inclusion and the protection of people at risk, which is reflected in the findings, as relevant. Limited gender-disaggregated data emerged as a challenge, and disaggregation by vulnerability drivers was not feasible considering that evaluation data collection activities did not directly target programme participants and recipients of WFP assistance.

⁶⁶ UNEG. 2016. UNEG Norms and Standards for Evaluation in the UN System.

⁶⁷ UNEG. 2020. UNEG Ethical Guidelines for Evaluation.

⁶⁸ The UNEG principle of beneficence is defined as striving to do good for people and planet while minimizing harms arising from evaluation as an intervention.

2. Evaluation findings

2.1. Evaluation question 1: How good is the WFP Enterprise Risk Management Policy?

The ERM Policy has established a strong foundation for risk management. Aligning with international standards (that is, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework, 2017), the document clearly defines risk processes, offering a structured approach to risk assessment and mitigation. WFP has implemented several provisions to support implementation of the ERM Policy. The rapid expansion of the risk network consisting of risk officers and focal points has been a key vehicle, accelerating the uptake of the ERM framework. Most high-risk profile countries now have dedicated, full-time risk management capacity and high-quality tools and guidance have been created to support policy implementation.

However, the links between the processes and objectives of the Policy lack clarity and were not articulated in a theory of change. While the ERM Policy ensures a degree of coherence with some closely related WFP policies, this is not the case for most policies, which means that opportunities to formally integrate risk management processes into key thematic areas are missed, including in relation to cross-cutting issues such as gender. Gaps in dissemination and limited uptake of introductory ERM training may limit their use. Delays in establishing a functional ERM information technology (IT) system has limited policy implementation, also creating an additional administrative burden.

An additional challenge for WFP is to balance the need to develop a common language around risk management, with the reality of varied operating contexts.

Sub-EQ 1.1: Are the design and content fit for purpose?

Finding 1. The 2018 ERM Policy has established a clear framework to conduct risk management. Its core elements are relevant, clearly defining the WFP approach. However, it does not include a theory of change, and it has room to increase clarity about concepts (for example, risk response, appetite) and mechanisms (incident management, escalation).

39. Table 4 assesses the Policy against criteria derived from the 2020 Synthesis of Evidence and Lessons from WFP's Policy Evaluations⁶⁹ and the 2018 Top 10 Lessons for Policy Quality.⁷⁰ The discussion of each criterion is presented in Annex XII.

Table 4: Rating of the 2018 Enterprise Risk Management Policy against the Office of Evaluation's policy quality criteria

Policy criteria		Rating
Design and content of the ERM Policy	1. Inclusion of a clear conceptual framework	FULLY PRESENT
	2. Inclusion of a context analysis to ensure timeliness and relevance	NOT PRESENT
	3. The policy is based on reliable evidence	FULLY PRESENT
	4. The policy ensures internal and strategic coherence	PARTIALLY PRESENT
	5. The policy ensures external coherence	PARTIALLY PRESENT

⁶⁹ WFP. 2020. Synthesis of Evidence and Lessons from WFP's Policy Evaluations (2011-2019).

⁷⁰ WFP. 2017. Top 10 Lessons for Policy Quality in WFP - updated in 2024.

	6. The policy develops a vision and theory of change	PARTIALLY PRESENT
	7. The policy defines its scope of activities and priorities	PARTIALLY PRESENT
	8. The policy integrates considerations for cross-cutting priorities (e.g., gender)	PARTIALLY PRESENT
	9. Policy development was based on internal consultations	INSUFFICIENT EVIDENCE
Provisions to enable implementation	10. The policy outlines clear institutional arrangements and outlines roles, responsibilities and accountabilities	REFLECTED BUT IN NEED OF UPDATE
	11. Presence of a robust results framework	NOT PRESENT
	12. Evidence of external dissemination	PARTIALLY PRESENT

Source: Evaluation team.

40. **The ERM Policy has provided WFP with a structured framework for risk management, marking significant progress compared to earlier iterations.** In comparison with the 2005 and 2015 ERM policies, the 2018 ERM Policy has strengthened the corporate architecture for risk management and aligned with the 2017 COSO ERM framework, taking the Policy beyond outlining staff responsibilities and functions to clarifying arrangements for implementation of risk management activities at different levels.⁷¹ It clearly articulates its vision of how the organization should embrace risk management by establishing a consistent risk management framework, understanding and culture that link risks to strategic objectives and performance. Although the ERM Policy frames ERM as a means of “maintain[ing] WFP’s reputation and the trust of its stakeholders by upholding a culture of transparency and accountability”, it does not include a clear statement on why ERM is fundamental to the achievement of its mandate.⁷² This omission does not challenge a common perception among staff (especially at country office level) that risk management is an additional administrative or compliance burden rather than an integral component of operations (see Finding 17).

41. **The ERM Policy does not provide a logic model or theory of change that maps and measures the contribution of the Policy to WFP organizational objectives.** Consequently, pathways to reaching the objectives of the Policy are not widely understood,⁷³ and the contribution of ERM to the WFP mandate is not optimally clear.

42. **The ERM Policy elaborates heavily on processes and contains a list of key definitions, but some misunderstandings among WFP staff regarding how to interpret ERM terminology in practice persist.** The Policy includes key definitions, such as risk appetite, risk escalation and impact, which are aligned with the COSO framework. However, previous reviews and feedback from field interviews indicate that certain terms - such as “controls and mitigation” and “risk appetite and tolerance,” can be interpreted inconsistently.⁷⁴ The Policy also uses certain terms interchangeably (response and mitigation; event and incident; risk owner and risk lead). It also lacks a definition of risk velocity, a concept that is important for facilitating timely escalation and designing effective risk mitigation measures.⁷⁵

43. **The Policy document is dense, which reduces its accessibility and leaves limited space for practical examples.** The Policy provides few concrete examples of risks or how they should be treated, limiting the clarity on how to understand and implement the Policy. The Policy’s approval guidance by RMD has contributed to addressing this limitation. While challenges can emerge from a policy that is too

⁷¹ Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Framework, 2017.

⁷² This contrasts with UNHCR’s ERM policy, which repeatedly emphasises that “UNHCR could not possibly achieve its mandate without continuously taking calculated risks.”

⁷³ Interviews corroborate the OIGA 2022 Advisory Assignment report on ERM, which noted possible “disagreements regarding specific aspects of the ERM approach being currently adopted, particularly as it is being applied in the field”.

⁷⁴ The OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global refers to the interchangeable use of the words mitigation and controls and suggests that consistent reference to one risk word would be more effective (p. 46).

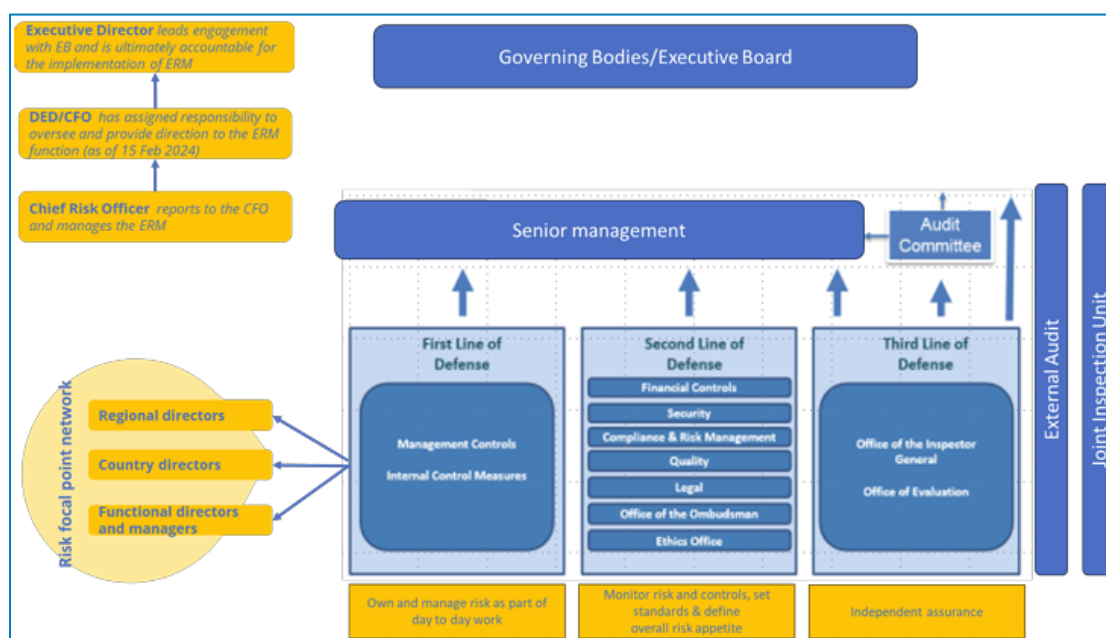
⁷⁵ Quan, N.S and Chiang, A, Price Waterhouse Cooper, 2018, Risk management at the speed of business.

prescriptive, by comparison, other organizations' ERM policies (for example, in UNHCR), include concrete examples of treatment for each risk, which help illustrate key concepts.

44. **The 2018 ERM Policy update was informed by evidence.** The document clearly integrates high priority agreed actions from the Internal Audit of the Operationalization of WFP's Enterprise Risk Management (2017).⁷⁶ The Policy responds to agreed actions for improving leadership and governance and enhancing communication culture and protocols. For example, in response to agreed actions for improving "leadership and governance," the Policy establishes the corporate ERM function (RMD) as the process expert, facilitator and custodian of tools. To improve "communication culture and protocols," the Policy defines protocols for sharing risk information with partners and donors using shared language.

45. **While the Policy introduces greater detail on roles and responsibilities for risk compared with previous ERM policies, and in line with agreed audit actions, ambiguities persist.**⁷⁷ Building upon the 2005 and 2015 ERM policies, the Policy establishes improved delineation of roles and responsibilities across WFP's three lines model, and a greater level of detail on roles and responsibilities with the introduction of the "three lines of defence model" (since updated to the three lines model).⁷⁸ The introduction of the three lines model in 2020 provides greater clarity on roles, and introduces greater collaboration and shared responsibilities across the three lines (Figure 9). However, ambiguities persist, particularly regarding the division of responsibilities between headquarters, regional bureaux and country offices (see Finding 6) with interviews consistently indicating a lack of clarity about practical implications of the responsibilities articulated in the Policy.⁷⁹

Figure 9: Comparison of the three lines of defence model (top) and the three lines model (bottom) adopted in 2020

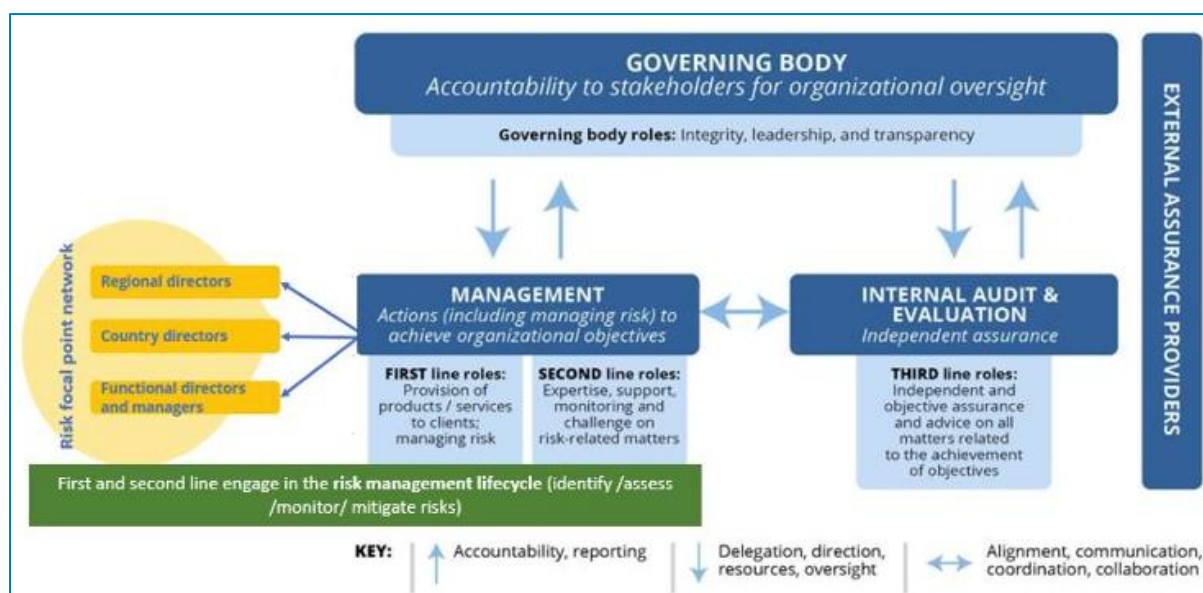


⁷⁶ WFP. 2017. Internal Audit of Operationalization of WFP's Enterprise Risk Management - June 2017.

⁷⁷ In summary, the audit calls for clarification of roles and responsibilities and the required level of seniority of: i. first line of defence risk managers at country office, regional bureau and headquarters levels, which should ensure the right risk information is collected and shared to then be acted upon; ii. second line of defence experts in regional bureaux and headquarters (in specific functional areas), which should include quality assurance and review of risk registers, monitoring of countries with function-specific risks, advice on appropriate mitigation measures as well as analysis, consolidation and further escalation of risks; and iii. the corporate ERM function, which should act as ERM process expert, facilitator and custodian of tools, and have appropriate access to the analysis undertaken by experts in all functional areas to allow for prioritization of strategic risks in the CRR and overview of operational risks across WFP).

⁷⁸ The three lines of defence model is now outdated as WFP moved onto the three lines model.

⁷⁹ Acknowledging this issue, steps have been taken by WFP senior management to address it. The Management Accountability Framework (MAF), issued in March 2025, lists 33 distinct "accountability results areas" for which CDs, RDs, and Global Functions are responsible. As noted in Section 1.1 the MAF was designed to further improve the visibility of risk roles and responsibilities although its effectiveness was not assessed within the scope of the evaluation.



Source: OEV elaboration based on ERM Policy.

46. **The Policy lacks clarity on risk escalation protocols.** It prescribes when risk escalation should take place but does not specify how the process should be formalized, except in the case of emergency response.⁸⁰ Sampled country cases and global interviews highlighted the ongoing challenges with escalation protocols and decision making authority pre- and post-escalation. This is illustrated by frequent interviewee questions, such as “who escalates what to whom”.

47. **The Policy does not define the remit of ERM within incident management.** The “plan, do, check, act” (PDCA), cycle⁸¹ is incomplete in the ERM Policy, which focuses only on risks before materialization. This gap was highlighted by senior stakeholders at headquarters and country offices. RMD strategy sessions attended by the evaluation team indicated that RMD is aware of this gap and is taking steps to define its role in this space.

48. **Overall, awareness of the Policy, and knowledge of its contents, was strong among risk specialists and senior management. It was far weaker among other staff, including risk leads (heads of functional units).** Functional staff in country offices frequently mistook the 2018 ERM Policy for the 2011 Disaster Risk Reduction and Management Policy, which, by comparison, appeared better disseminated and understood. No Executive Director circular was issued to accompany the launch and further dissemination of the ERM Policy. This may have contributed to limited awareness of the policy document among staff in functional roles.⁸²

⁸⁰ WFP. 2018. Emergency activation protocol for L2 and L3 emergencies. Revised in 2023.

⁸¹ The Plan-Do-Check-Act (PDCA) cycle originates from quality assurance and has been applied in the private sector to support continuous improvement of enterprise risk management.

⁸² This a finding common to other policy evaluations – see for instance Evaluation of the WFP’s South-South and Triangular Cooperation policy, and evaluation of the policy on WFP’s role Peacebuilding in Transition Settings.

A comparative analysis⁸³ reveals subtle differences in policy design and operationalization

The majority of United Nations agencies have adopted ERM policies and frameworks, providing opportunity for illustrative inter-organizational comparisons.⁸⁴ As such, the evaluation team has conducted an analysis to compare WFP progress against FAO and UNHCR. Selected key conclusions from the analysis are as follows:

On policy content and design:

- **The ERM policies of the three agencies share important similarities, with notable differences in emphasis.** All outline similar purposes and principles, including a clear focus on risk-informed decision making. Given its prominence in the document's opening Executive Summary, the WFP Policy places relative emphasis on the protection of government partners and donor confidence as ERM's purpose.⁸⁵ By consistently reiterating the need to take calculated risks, UNHCR's policy places comparatively heavy emphasis on linking risk, performance and the achievement of its mandate. FAO's policy dedicates 2 of its 11 objectives to informing targeted, efficient and accountable resource allocation.

On operationalization:

- The WFP ERM framework is comparatively advanced with regards to the development and implementation of key ERM concepts. A key example of this is risk appetite: as of November 2024, UNHCR and FAO were yet to roll out risk appetite statements, to align risk categories to corporately defined risk appetite and to roll out key risk indicators.

On risk management capacities:

- WFP and UNHCR have built robust risk networks comprising both full-time and part-time risk officers, and FAO's risk network consists of part-time risk officers. Furthermore, UNHCR integrates risk management responsibilities into all job descriptions **in the field**, regardless of the role, reinforcing a culture of proactive risk management.

On ERM-related reporting, tools and systems:

- Compared to WFP, FAO and UNHCR have better established centralized ERM IT systems and online platforms, which are integrated to varying degrees with performance management systems, facilitating efficient, timely reporting, oversight and analysis (also see Finding 9).
- Additionally, FAO and UNHCR have implemented tools to enhance risk reporting and ensure compliance with risk registers, achieving 90 percent and 100 percent compliance, respectively. At UNHCR, this process is streamlined by aligning the risk register submission deadline with budget planning. Notably, budgeting for risk mitigation actions is a mandatory requirement for UNHCR. Meanwhile, FAO has established a key performance indicator for risk compliance, setting a target of 95 percent.

Finding 2. The internal coherence of the WFP ERM Policy with other WFP policies and its strategic plan demonstrates both significant strengths, in terms of integrating risk into corporate objectives, and areas for improvement in supporting operationalization of risk management in programming. While the Policy is structurally aligned with "enablers and corporate policies", its integration with "cross-cutting" policies and "principles" policies is limited.

49. **Issued in 2018, the ERM Policy aligned with and supported the commitments set out in the WFP Strategic Plan (2017–2021) to enhance capacity for effective risk management. These are further strengthened in the subsequent WFP Strategic Plan (2022–2025).** The ERM Policy clarifies the framing of risk management articulated in the Strategic Plan (2017–2022), which connected risk management strategies with disaster preparedness efforts. The Strategic Plan (2022–2025) identifies risk-informed approaches as one of the guiding principles⁸⁶ and links risk management to strategic objectives and performance. As noted in the Mid-Term Evaluation of the Strategic Plan (2022–2025), the successor to the Strategic Plan (2017–2022) further committed WFP to a risk-based approach in decision making and programming.⁸⁷ The inclusion of a five-page risk assessment appendix in the Strategic Plan (2022–2025) was intended to support decision making in line with these priorities. However, it does not fully articulate how

⁸³ The full analysis is in Annex XIII.

⁸⁴ 25 out of 28 UN organizations covered by the JIU Report in 2020 had adopted an ERM policy and framework.

⁸⁵ The ERM Policy states "As a voluntarily funded organization, WFP depends on the confidence of its donors, host governments and multiple stakeholders to fulfil its mandate."

⁸⁶ WFP. 2021. WFP Strategic Plan (2022–2025). WFP/EB.2/2021/4-A/1/Rev.2. Section 4.6, para 44.

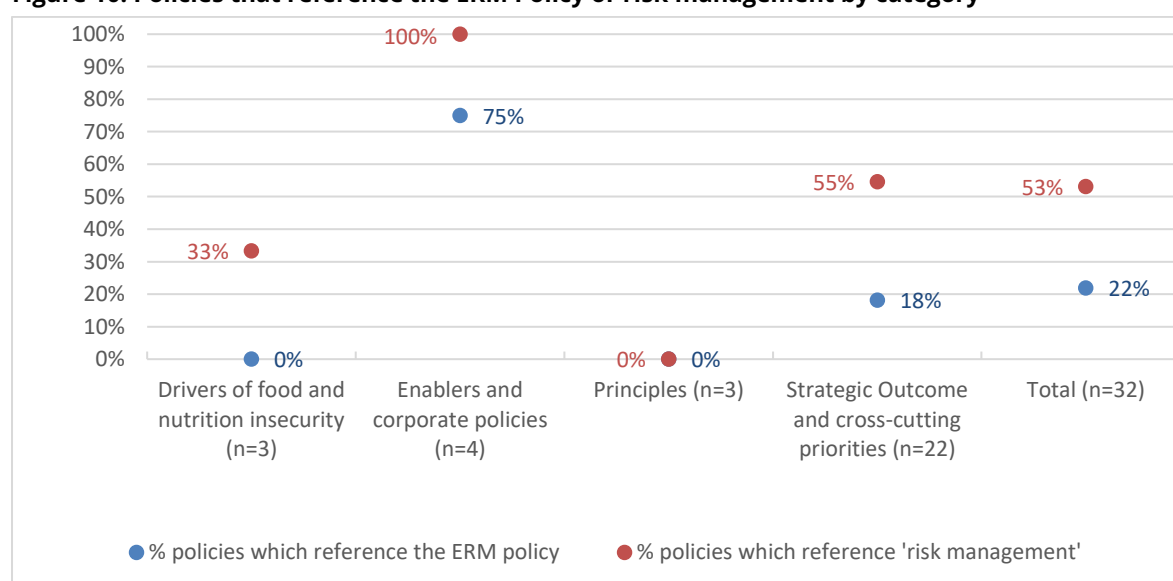
⁸⁷ WFP. 2024. WFP Mid-Term Evaluation of the Strategic Plan (2022–2025).

risk management should enable achievement of the strategic plan's various outcomes. With this, some stakeholders described the inclusion of risk considerations in the Strategic Plan (2022-2025) as an “afterthought”, noting limited clarity on how risk management was considered during the strategic plan's design process.

50. **The ERM Policy is well aligned with those policies categorized in the WFP compendium as enablers and corporate policies, underscoring efforts to embed risk management into the policy architecture of WFP.** Considering WFP has had a policy on risk management since 2005 (see Figure 3), several policies issued before the 2018 ERM Policy refer explicitly to risk management concepts, and highlight the relevance of risk management to WFP operations. This is, for instance, the case with the policies on emergency preparedness and response, and on the environment, both issued in 2017. Moreover, the WFP Oversight Framework issued in 2018 (the same year as the ERM Policy), and the Protection and Accountability Policy explicitly refer to risk management, as do subsequent policies such as the WFP People Policy, and the revised Anti-Fraud Anti-Corruption Policy of 2021.

51. **Explicit references to risk management and the ERM Policy vary significantly by policy category.** As shown in Figure 10, all policies categorized in the WFP policy compendium as enablers and corporate policies refer to risk management at least once. Their references to the ERM Policy reflect a deliberate effort to integrate risk management into broader organizational objectives. The People Policy discusses risk tools such as the Corporate Risk Register and the operational risk registers, which are intended to be used to document people-focused risks.

Figure 10: Policies that reference the ERM Policy or risk management by category



Source: WFP internal policies related to the strategic plan.

52. **While no explicit contradictions between the ERM Policy and other policies were noted, the coherence with other policies is not consistently ensured.** For example, the ERM Policy is referenced in the Gender Policy (2022–2026)⁸⁸ but the level of integration is limited. For example:

- Gender-related risks, such as gender-based violence (GBV), are noted explicitly as examples of operational risks, but the ERM Policy does not clearly offer clarification for how programming should link with risk management processes to address such risks.⁸⁹
- The ERM Policy does not explicitly discuss the implications of programmatic policies for risk management such as the Protection and Accountability Policy (2020), the Disaster Risk Reduction and Management Policy (2011), and the Emergency and Preparedness Policy (2017), representing missed opportunities to ensure the ERM Policy's relevance in addressing cross-cutting risks.

⁸⁸ The 2015 ERM Policy – predecessor to the 2018 one, subject of this evaluation – was referenced in the 2016 WFP Policy on Country Strategic Plans.

⁸⁹ The Policy notes that “failure to implement policies” is treated as a fiduciary risk, and thus makes an implicit link between policy implementation and enterprise risk management.

53. **Several policies developed prior to 2018 do not refer to risk management, and there is a lack of guidance for operationalizing risk management in key areas.** For example:

- **Policies issued before 2018** such as those in the policy compendium categorized under “Principles” (for example, Humanitarian Principles, 2004, approved prior to the first ERM Policy in 2005, and Humanitarian Access, 2006) have not been supported by guidance to ensure alignment with the ERM Policy, which leaves a gap concerning the role of risk management in informing decisions about access, humanitarian principles and related balancing and trade-offs.
- **Most policies issued after 2018** do not refer the 2018 ERM Policy – only seven do.⁹⁰

54. Moreover, another area where the ERM Policy and related implementation guidance is in need of update – also with a view to ensure internal coherence – is in relation to the implementation of control mechanisms for high-risk contexts as supported under the Global Assurance Project, and later under the Global Assurance Framework.

Finding 3. The Policy establishes a risk categorization framework that includes a detailed risk taxonomy⁹¹ that is generally robust. However, specific aspects of the taxonomy are unintuitive for users. The taxonomy is also found to be less contextually relevant for certain entities, particularly regional bureaux and country offices focused on country capacity strengthening.

55. **The risk taxonomy is generally robust and functional, providing a structured framework for analysing risks.** It benefits from tools, such as the Risk Catalogue, which offer comprehensive guidance with 88 risk title examples to help staff categorize risks.⁹² The taxonomy is aligned with corporately defined risk appetite statements, which WFP uses to communicate areas for which the organization is risk hungry, risk averse, or highly risk averse. As the WFP Office of the Inspector General’s Office of Internal Audit Branch (OIGA) 2022 Advisory Assignment report on ERM conducted by Baldwin Global⁹³ noted, this alignment with appetite statements provides clear, easily remembered directional guidance on organizational priorities for all entities maintaining risk registers.

56. **The categorization and framing of certain risk areas and types are unintuitive and in some cases misaligned to the risk categorization used by functional specialists in their day to-day work.** The evaluation team noted that certain risk types appear to be categorized in accordance with the corporate levels of risk appetite, rather the nature of the risk itself. A notable example of this is “insufficient security”, which is categorized as a fiduciary risk type due to low-risk appetite, but is principally considered an operational or strategic issue by specialists. Relatedly, specialists in different policy and programme areas note that the risk taxonomy is sometimes misaligned with existing categorizations used in their day-to-day work. AFAC specialists in WFP, for example, note that the current risk taxonomy does not distinguish between fraud risks and corruption risks, and consider the term “misappropriation”, (used for two different “fraud and corruption” risk types) to be unhelpful. Interviewed policy and programme specialists also noted that risk types in the ERM Policy would be more intuitive for users if they were better aligned with categories used in the policy documents (as is the AFAC policy) or in widely used tools such as the community feedback mechanism intake grid, used to categorize input, feedback and complaints from target programme participants including in relation to fraud and corruption.

57. **WFP has to navigate the challenge of balancing the need for consistency with the need for adaptation to country contexts given the variation in the relevance and interpretation of risk categories in different contexts.** WFP has standardized its risk categories, which enables aggregated analysis within WFP, and facilitates configuration of a centralized IT system to support ERM. However, this can present challenges to regional bureaux dealing with very different contextual challenges. In response to this, some regional bureaux have developed registers with “bespoke” categories. Similarly, country offices managing different risks developed specific tools to support risk management. Despite the fact that the Risk Catalogue does aid in the categorization of risks related to work with government counterparts, country

⁹⁰ Only seven policies in the compendium reference ERM or any iteration of the Policy. The Executive Director’s Circulars on Private Partnerships and Fundraising, on WFP Management of NGO Partnership, and on Management of Targeting Processes by WFP Offices, and the Guidance Note on Targeting and Prioritization also do not mention ERM.

⁹¹ The risk taxonomy establishes a system for categorizing different types of risks, risk areas, and risk types.

⁹² Additional tools supporting the identification of risks and related taxonomy include: the Key Risk Indicator Library, related dashboard and the risk register template.

⁹³ OIGA. 2022. Advisory Assignment Report on Enterprise Risk Management Review and Assessment AA-22-01. WFP Office of the Inspector General - Office of Internal Audit Branch, conducted by Baldwin Global.

offices with programming that focuses on country capacity strengthening, for example, may still not perceive their specific risks as fully reflected in the risk categories. This may indicate that, while the risk categories may be comprehensive, variations in their application could reflect differing levels of user awareness or understanding of the Risk Catalogue when grappling with risks related to government engagement and capacity issues.

Finding 4. Cross-cutting issues, including gender, disability, inclusion and protection are insufficiently integrated into the Policy. Guidance disseminated after the publication of the Policy, notably the Risk Catalogue, has begun to fill these gaps.

58. **Key cross-cutting issues have limited representation in the Policy document or risk taxonomy but are captured to varying degrees through specific guidance aligned with the ERM Policy.** The risk taxonomy explicitly dedicates only 1 of 41 risk types to cross-cutting issues, namely a “lack of protection”. At a more granular level, the Risk Catalogue lists risk descriptions against over 80 example risk titles, offering guidance for the categorization of gender risks, protection risks, and to a more limited extent, disability-related risks.

59. **Risk assessments do not adequately focus on gender, protection and inclusion concerns, even as risks can be expected to increase also in relation to the contraction in funding.**⁹⁴ The 2020 Evaluation of the WFP Gender Policy observed that “gender analysis in strategic, operational, and fiduciary risk assessments remains limited”, despite improvements in citing protection needs in operational risks. Despite the inclusion of risk descriptions related to gender, protection, and sexual exploitation and abuse (SEA) in the Risk Catalogue, analysis of interview data gathered for the evaluation surfaced a lack of gender perspective in risk management, suggesting limited awareness of key guidance in this area. This is particularly concerning given the resource reductions faced by WFP, and the potential increase in exposure of affected people to risks such as sexual exploitation and abuse. The key risk indicators (KRI) library defines tolerance thresholds for specific protection risks and beneficiary-specific vulnerabilities. However, headquarters and country office interviewees highlighted the need to promote such key risk indicators further, and to enhance the ERM framework’s clarity on how to integrate gender, inclusion and protection considerations more effectively into risk reporting, and how to consider gender-related implications in risk assessment.

Sub-EQ 1.2: Have provisions supporting policy deployment achieved proactive, full and quality implementation?

Finding 5. The deployment of the ERM Policy and use of key tools (for example, risk registers, the Risk Catalogue, risk appetite statements etc) is hindered by fragmented guidance. Enrolment in online training co-created by the RMD is variable with limited enrolment in basic online risk management training that is non-mandatory.

60. **The Policy provides a structured foundation for implementing ERM with tools, resources and processes for the identification, assessment, reporting and monitoring of risk.** The risk management framework, comprised of the Corporate Risk Register, operational risk registers, the Risk Catalogue, the ERM manual and training provisions, provide a sound basis to support the Policy’s intent to “structure risk processes” and thus “instil corporate discipline to include risk assessment as part of decision making, planning, and resource allocation”. The Corporate Risk Register, which covers organization-wide risks, and the operational risk registers, which cover operational risks at different levels (country offices, functional areas, regional bureaux) are well established tools that structure risk identification, assessment, reporting and monitoring. The registers offer a strong basis for embedding risk management into organizational decision making. However, key gaps in the clarity and dissemination of these tools and accompanying guidance undermine the framework’s effective deployment. For example, the ERM manual - the main guidance document for implementation of the ERM Policy - is comprehensive and widely accessible but lacks examples specific to different risk categories or contexts, or specific guidance for how incidents should be treated, which would help to clarify how to operationalize the manual. In comparison, UNHCR guidance includes detailed annexes and real-world examples to illustrate what it means to treat risks in different ways (avoid, transfer, accept, reduce likelihood etc.)

⁹⁴ For a recent analysis speaking to this point see Global Protection Cluster. 2025. Funding analysis and protection risks understanding the link and the cost of inaction. GPC: Geneva.

61. **Awareness of ERM guidance⁹⁵ and participation in training varies by region, with some country offices receiving more support than others from either headquarters or regional bureaux.** In some of the country cases, country offices had received cross-functional, hands-on risk guidance from their regional bureau,⁹⁶ whereas non-risk specialists could have benefited from additional assistance to understand and embrace ERM tools. Stakeholders in these contexts have indicated that materials such as videos and policy documents are not always sufficient to meet their needs. The availability of support was determined, in part, by the level of human resourcing for risk at the regional bureau level. For example, RBD provided specific and customized guidance to country offices when it was requested (for example, targeting and prioritization risks.) This practice was not, however found to be systematically in place across regional bureaux. Echoing findings from the OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global, the evaluation found that a more tailored approach is required in some contexts, including field-level training and guidance adapted to the specific needs of country offices to be able to translate risk management tools to the country context.

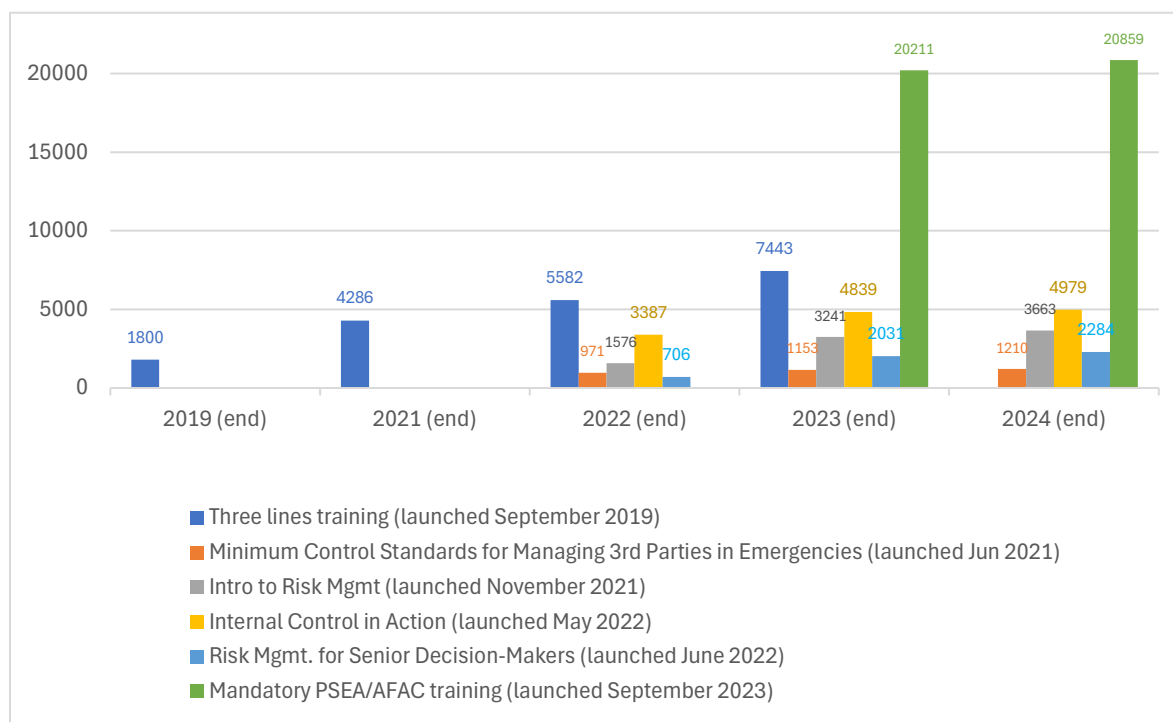
62. **Uptake of online trainings created or co-created by RMD is varied, with limited enrolment in non-mandatory trainings.**⁹⁷ The attendance data for online trainings reveal varying levels of engagement in trainings across the organization. Figure 11 below depicts the cumulative number of WFP staff who have enrolled in RMD (co-)created training. Among the most successful trainings, the mandatory “anti-fraud and anti-corruption and protection from sexual exploitation and abuse” training, co-created by RMD and the Ethics Unit and launched in the third quarter of 2023, achieved remarkable uptake, with 96 percent of eligible staff (20,859 out of 21,732) completing it by December 2024. The “internal control in action” training has been completed by nearly a quarter of staff, in its first launch. The “risk management for senior decision makers” training, released in June 2022 has been taken by over 2,284 staff members, suggesting strong engagement thus far. Despite being relevant for staff at all levels, the “introduction to risk management” training, launched in 2021, has been attended by only about one sixth of all eligible staff (3,663) as of December 2024. The “minimum control standards for managing third parties in emergencies” training also saw limited attendance.

⁹⁵ In several cases, specific guidance was found to have been created, but prospective users in country offices were not aware of it. For example, the 2021 “Some common issues in country office risk registers” guidance explored several common mis-categorizations and provided solutions. However, several country offices stated that such guidance was needed, but they were not aware of its existence.

⁹⁶ In December 2024 and January 2025, ahead of 2025 risk reporting exercise, RMD and regional bureau teams provided tailored bilateral guidance sessions for 18 country offices and 1 headquarters office.

⁹⁷ Data received January 2025.

Figure 11: Cumulative organization-wide enrolment in online trainings (co-)created by RMD



Source: RMD extraction (received January 2025) and RMD Year in Review (2021-2024).

Finding 6. ERM has been supported through the establishment of an ERM function at headquarters and the significant growth of human resources for ERM at regional and country levels, but future financial resources for risk management may be limited.

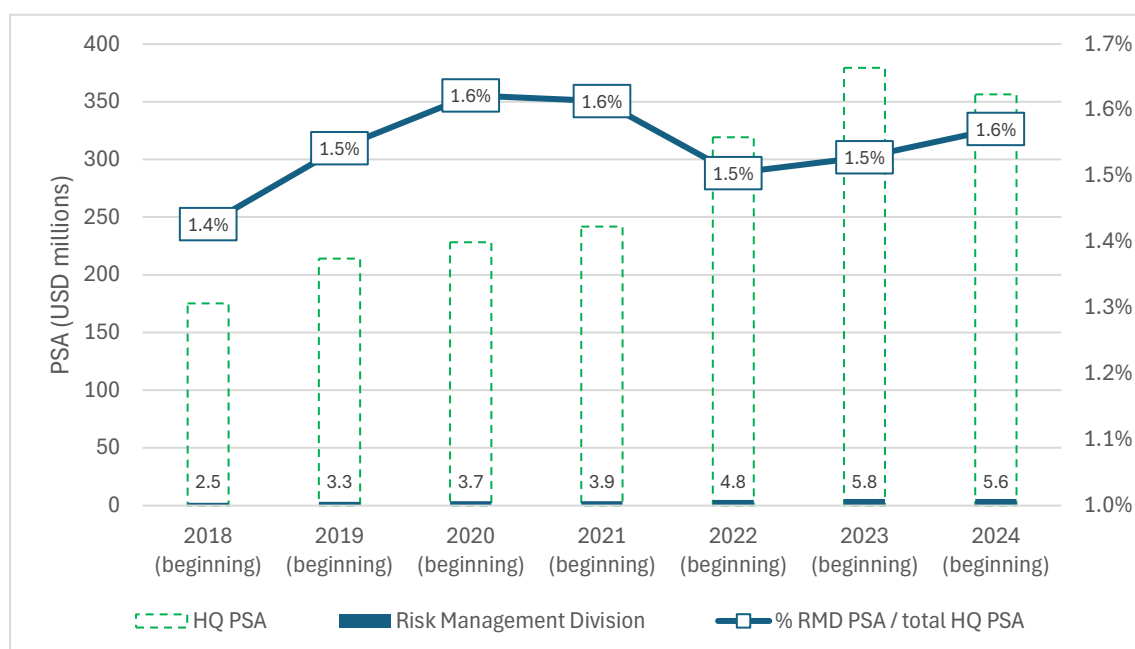
63. **At the headquarters level, the ERM function – the Risk Management Division (RMD) - has gained prominence after the 2024 organizational restructuring.** The Chief Risk Officer now reports directly to the Deputy Executive Director and Chief Operating Officer from a previous arrangement whereby the Chief Risk Officer reported to the Chief Financial Officer. Despite this change, challenges persist regarding the ability of RMD to monitor, advise and support other entities' risk management due to varying human and financial resources available to support risk management processes.

64. **During the period under review, funding for RMD has remained relatively stable reflecting organizational commitment to risk issues** (see Figure 12). With the increase in the absolute programme support and administrative (PSA) budget for RMD over the evaluated period, the budget as a proportion of the total headquarters PSA has remained stable: between 1.4 and 1.6 percent. While RMD has expanded significantly since it was established, funding gaps raise concerns about sustainability and sufficiency. For instance, initial resources to implement the 2018 ERM Policy came from USAID's Bureau of Humanitarian Affairs, but this funding expired at the end of 2024, raising concerns for key positions in the division.^{98,99} Beyond headquarters, key stakeholders in regional bureaux and country offices, particularly those who act as risk focal points rather than full-time risk officers, considered allocated resources for ERM functions insufficient to perform certain tasks. This concern has been exacerbated by unprecedented funding challenges in 2025.

⁹⁸ RMD analysis on WFP alignment against the JIU benchmarks (2024): At the start of 2024, the RMD budget was significantly supplemented by a USAID/Bureau for Humanitarian Assistance (BHA) Trust Fund, which expired on 31 December 2024. The USAID/BHA Trust Fund helped to fund several positions, alongside the implementation of the new IT system.

⁹⁹ This emerged from both interview data and from the comparator analysis.

Figure 12: Analysis of the start-of-year PSA budget for RMD per year¹⁰⁰



Source: WFP management plans (annually, 2018-2020 – 2024-2026).

65. As of March 2025, in the **regional bureaux**, the minimum level of dedicated risk management capacity was established as one regional risk officer (RO) or risk adviser position¹⁰¹ per bureau, with reporting line to deputy regional directors. In their role, regional risk officers, both help support crisis response operations in managing emerging operational risks and, for small country offices without a full-time risk officer, help bridge the gap on ERM. However, the reliance of RMD on regional bureaux to communicate feedback on the quality of operational risk registers was found to slow coordination on risk processes (for example, work on operational risk registers). With the Policy directive that the Chief Risk Officer would have functional responsibility for risk and compliance, both advisory employees in regional bureaux and some headquarters and country office staff found that the regional bureau provided a "middle layer" that can reduce the effectiveness and timeliness of messaging between RMD and country offices. Informants at all levels of the organization (headquarters, regional bureau, country office) highlighted a conflation of roles particularly for risk specialists at regional bureaux, who are expected to fulfil multiple tasks:

- control functions (oversight missions);
- support functions (advice on ERM practices);
- decision and implementation functions (in case of escalation); and
- gatekeeping functions (as a liaison between country offices and headquarters).

66. In some instances, the different risk functions performed by regional risk officers were found to blur reporting lines between country office and senior management in regional bureaux and headquarters in terms of how risks should be escalated or communicated across different channels.¹⁰² In practice, this intermediary role was found, in some instances, to hinder the proactive escalation of risks, and weaken the accountability structure.

67. At the **country office level**, the network of full-time risk officers and part-time risk focal points has grown substantially since 2018, expanding the capacity for risk management across WFP. The proportion of full-time risk officers has also increased since 2022.¹⁰³ Full-time risk officers' capacity is predominantly being used to improve ERM capacity in the largest and highest risk profile WFP country offices. Since being

¹⁰⁰ The 2024 data are provisional and subject to validation.

¹⁰¹ In some cases, for example the regional bureau in Nairobi (RBN), the position also includes "compliance" (that is, in the position of the regional risk & compliance officer).

¹⁰² This aspect was also highlighted in the OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global.

¹⁰³ WFP. RMD. Risk network dataset (2024).

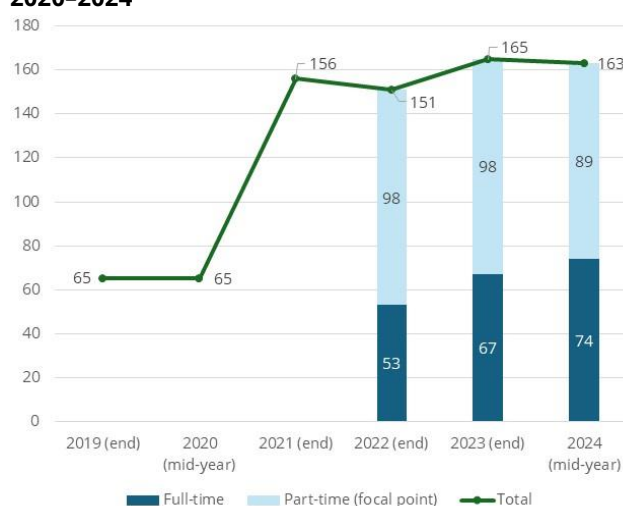
established in 2017, the growth of the global risk officer network accelerated in 2021, as did recruitment and reassignment efforts in 2023. The proportion of full-time risk officers has increased each year, from 35 percent (53/151) in 2022, and to 45 percent (74/163) in 2024 (see Figure 13). The number of countries with full-time risk officers has remained constant¹⁰⁴ over the last three years (27 in 2022 and 28 in 2023 and 2024). The new full-time risk capacity (21 additional full-time risk officers between 2022 and 2024) has instead been used to bolster capacity in high-risk profile countries, as Table 5 shows.

Table 1: Increase in the number of full-time risk officers in WFP operations, 2022–2024

WFP country office	2022	2024	Increase
Yemen	3	6	3
Somalia	1	4	3
Democratic Republic of the Congo	1	3	2
Cameroon	1	3	2
Mali	1	3	2
Haiti	0	2	2
South Sudan	2	3	1
The Sudan	1	2	1
Syrian Arab Republic	2	3	1
Burkina Faso	1	2	1
Lebanon	1	2	1
Pakistan	1	2	1
The Niger	1	2	1
Total			21

Note: Red denotes country offices with high-risk operations in 2024; yellow indicates country offices with medium-risk operations in 2024.

Figure 13: Expansion of WFP's risk network, 2020–2024



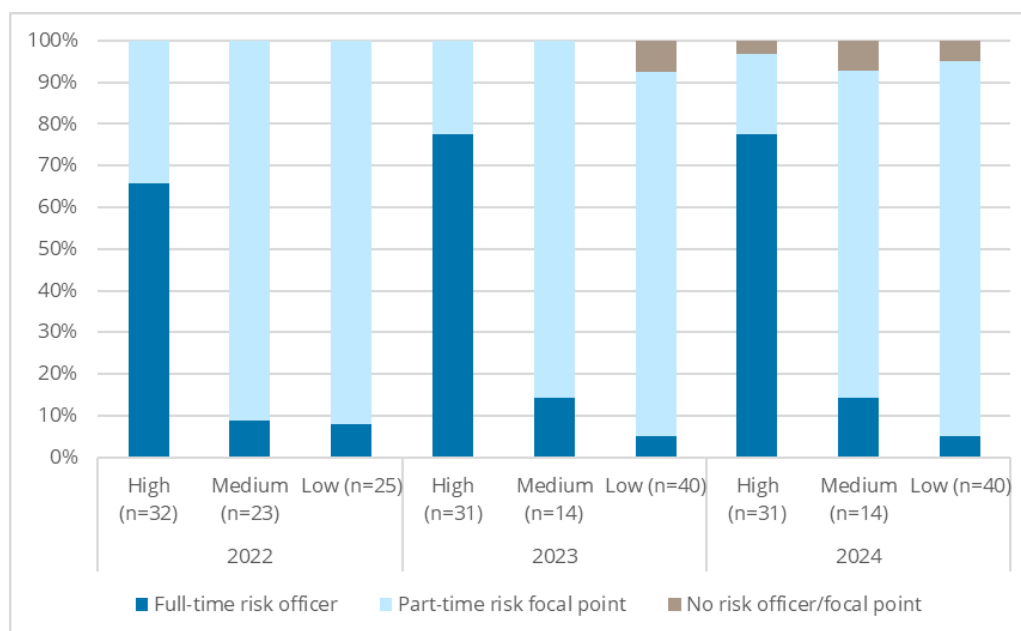
Note: Data disaggregated by part-time vs. full-time status from 2022 onwards.

Source: Risk Management Division annual reports for 2019–2020; country risk profile reports for 2022–2024.

68. **At the country office level, efforts to expand ERM capacity have progressed substantially, with additional full-time risk management capacity being dedicated to high-risk WFP contexts.** Over 75 percent of high-risk profile countries have a full-time risk officer, compared to only 5 percent of low-risk profile countries in 2024 (Figure 14).

¹⁰⁴ Plus or minus one staff member during this period.

Figure 14: Risk network composition by country risk profile (2022-2024)



Source: Country risk profile reports (2022-2024).

69. **Among the 53 countries with part-time risk focal points (totalling 95 as of March 2025), the time dedicated to ERM varies.** Interviewees highlighted that part-time focal points in small country offices may dedicate as little as 10 percent of their time to risk management responsibilities. This limits their ability to perform important functions, such as follow-up of mitigation action implementation. Compared to 2022 (0; 0 percent) and 2023 (3; 3.5 percent), 2024 was the year in which the highest number of country offices had no risk officer or risk focal point¹⁰⁵ (3; 5 percent) in part due to staffing gaps. For example, according to the RMD Country Risk Profile Report for 2024 and interview data, Benin and Palestine reported that they were trying, unsuccessfully, to contract full-time risk officers. At the start of 2024, however, the Palestine country office, which did not have dedicated risk management staff, secured interim support from the Uganda country office in 2023 into early 2024, and later secured a dedicated risk officer position for the country office in the summer of 2024. There is also considerable variation in dedicated risk capacity across regional bureaux. For example, in 2024, all high-risk profile countries¹⁰⁶ in RBD and RBN had full-time risk officers, compared to only 50 percent in RBP.

69. As of March 2025, full-time risk officers report to their country directors in 52 country offices. In other cases, reporting lines vary, with staff reporting to deputy country directors in 26 offices or heads of programme in 2 offices, depending on factors such as office size, capacity and risk profile.¹⁰⁷

70. The organizational arrangements and structures for supporting the ERM function varies significantly among country offices. For example:

- **Risk management units** within country offices can have reporting lines to the country directors or deputy country directors but also to heads of programmes. In terms of staffing, in high-risk profile country offices in an emergency context, the risk management units can be staffed with up to four specialized personnel (for example, Somalia).
- **Risk management committees** are another avenue established to review and discuss emerging and changing risks, the risk register and mitigation measures. Their use has grown in the evaluated period but remains limited to less than 30 percent of country offices) noting that 70 percent of countries where risk management committees are established are high-risk profile countries¹⁰⁸ (see Box 1).

¹⁰⁵ RMD. Country risk profile reports 2022-2024.

¹⁰⁶ To calculate country risk profiles, RMD has developed an index based on several criteria, using both external and internal sources of data. This index is used by RMD as an independent benchmarking tool for ERM resourcing and the contents of risks registers. Profiles are updated each year. An analysis of the index is presented in Annex X.

¹⁰⁷ RMD Data on risk network composition. Extracted on March 2025. Please note that the figure on reporting lines also includes interim roles.

¹⁰⁸ RMD Year in Review 2024.

71. Risk management arrangements are sometimes made reactively, prompted by audits or crises, rather than by proactive decision making. There are country case examples where the risk management committees were restructured to resolve conflicts of interest, while at the regional level, risk officer positions were established following oversight mission recommendations and audit observations, suggesting different approaches to proactive ERM-related decision making.

Box 1: Establishment and use of risk management committees

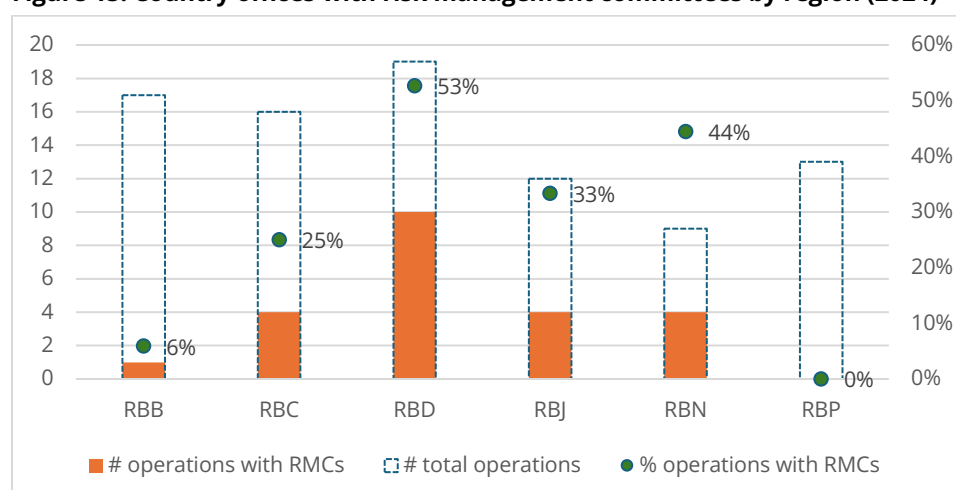
Risk management committees are forums used to review and discuss emerging and changing risks, the risk register and mitigation measures. Their main activity is the review of the risk registers – a function carried out by the leadership team in country cases where risk management committees were not established.

Overall, roll-out of risk management committees remains limited (see Figure 14). In 2024, 23 country offices (28 percent) and 4 of the regional bureaux had risk management committees, a very slight increase from 2023 (22 country offices and 2 regional bureaux). The establishment of risk management committees varies by region: used by over half of country offices in RBD versus 1 out of 17 country offices in the RBB, and none out of the 13 country offices in RBP.

The utility of risk management committees is debated, with some larger, high-risk profile country offices preferring to integrate risk management across all of their existing WFP business processes and decision making structures, rather than locating it into a separate structure.

In Ukraine the risk management committee was deemed highly useful when implementing emergency activation protocols.¹⁰⁹ The risk management unit and the risk management committee, well recognized by senior management, coordinated a network of risk management advisers operating to help oversee the country office level risk management frameworks while the country office adjusted to the scale-up.

Figure 15: Country offices with risk management committees by region (2024)



Source: RMD briefing presented to the Executive Board. October 2024.

Finding 7. While acknowledging some limitations and inefficiencies, WFP is in the process of upgrading its systems for risk management.

72. **There is currently no central risk management IT system in place.** Risk registers are filled out manually in separate Excel files. The lack of system was found to curtail the integration of ERM tools with other systems and limit functionality. As a comparison, UNHCR uses a web-based risk register tool by its operations, bureaux and headquarters entities, with in-built functionalities for escalation, email notifications for mitigation action owners, and interfaces between risk registers and performance tools. The UNHCR system also allows the ERM service in UNHCR headquarters to monitor treatment implementation.

73. **As an interim solution, information contained in operational risk registers is aggregated in the risk register dashboard.** This dashboard was developed by RMD to identify risk trends and provide insights into risk reporting. It is a resourceful interim solution in the absence of a comprehensive risk management IT system.¹¹⁰

¹⁰⁹ Given the evaluation timeframe (ending in January 2025), the evaluation focuses on emergency activation protocols deployed by WFP before the organization's changes relating to the new way of working effective as of 1 May 2025.

¹¹⁰ The dashboard relies on tools such as Power Query in Excel as well as Tableau.

74. **The risk and recommendation tracking tool (R2 system), developed in 2019 and used by headquarters, was determined to be too complex and cumbersome to be rolled out to the field.**¹¹¹

The R2 system, which as of April 2025 will be updated with a new tool currently under contracting, was initially designed to centralize risk management information within its risk module. However, enhancements to the risk module conducted in 2023 demonstrated that the software was not able to respond to WFP needs. In response, WFP launched a request for proposals for a new IT system, specifying multiple requirements, including high configurability and seamless data uploads from Excel. At the time of writing, a service provider has been selected, and contracting is underway, with roll-out expected in early to mid-2025.

75. **Some country offices developed bottom-up solutions to account for limitations in WFP risk-focused IT systems.** For instance, the evaluation found at least one example where a country office developed bespoke risk monitoring tools, such as an incident mapping tool and a recommendation tracking tool, to address the shortfalls in the centralized risk monitoring and management system. These innovations demonstrated adaptability to contextual needs in country offices with sufficient resources allocated to risk management.

¹¹¹ To enter a new mitigation action, users were required to click approximately 40 times once logged on to R2. Interviewees across the organization attested to the inefficiency of the old R2, calling for a practical, user-friendly system.

2.2. Evaluation question 2: What results has the Enterprise Risk Management Policy achieved?

The ERM Policy envisioned the maintenance of a risk management framework, consisting of processes, tools and structures, including a four-step risk management process, within the three-line model. By the end of 2024, this vision was mostly fulfilled, with strengths in risk identification, assessment and monitoring, as well as ongoing progress in risk mitigation. The Policy further envisioned fostering a risk management culture that would enable and inform the delivery of WFP country strategic plans and operational decision making.

By the end of 2024, this was largely achieved, with ever-growing importance afforded to ERM at all levels of WFP. Strategic decision making and performance management are visibly risk-informed, whereas operational decision making is less explicitly so, largely because topic-specific corporate guidance does not always afford full visibility to ERM. The Policy also envisioned the achievement of a common understanding of risks towards a coherent risk profile. This is broadly the case in identification and assessment of risks but is less clear about breaking corporate risk appetite down at the local level.

As a result of these achievements, and building on familiarity with risk-prone environments, WFP knows its risks better as an organization. Its staff has better grounds to make risk-sensitive decisions and manage performance accordingly, while risks are within appetite.

However, processes and allocation of responsibilities present some challenges, and opportunities for further improvement, particularly when WFP is managing risks that are out-of-appetite. Additionally, the update from the three lines of defence to the three lines model, and thus the escalation process and responsibilities, are not yet uniformly implemented in the organization.

Sub-EQ 2.1: To what extent has a risk management framework been developed, rolled out and sustained over time?

76. This sub-section details findings on the effectiveness of the ERM framework, as following the structure outlined in the “risk processes at WFP” section of the Policy and as reflected at the “outcome” level of the theory of change. In sequential order, it covers risk identification, assessment, mitigation, monitoring, escalation and reporting.

Finding 8. Risk identification in WFP is generally comprehensive and well established. Risk areas identified vary by organizational level, broadly reflecting the different responsibilities for risk management at headquarters, regional bureau and country office levels. While some gaps exist in country- and regional-level operational risk registers, in risk areas prioritized by WFP, such as fraud and corruption, efforts to improve risk and incident identification are clear.

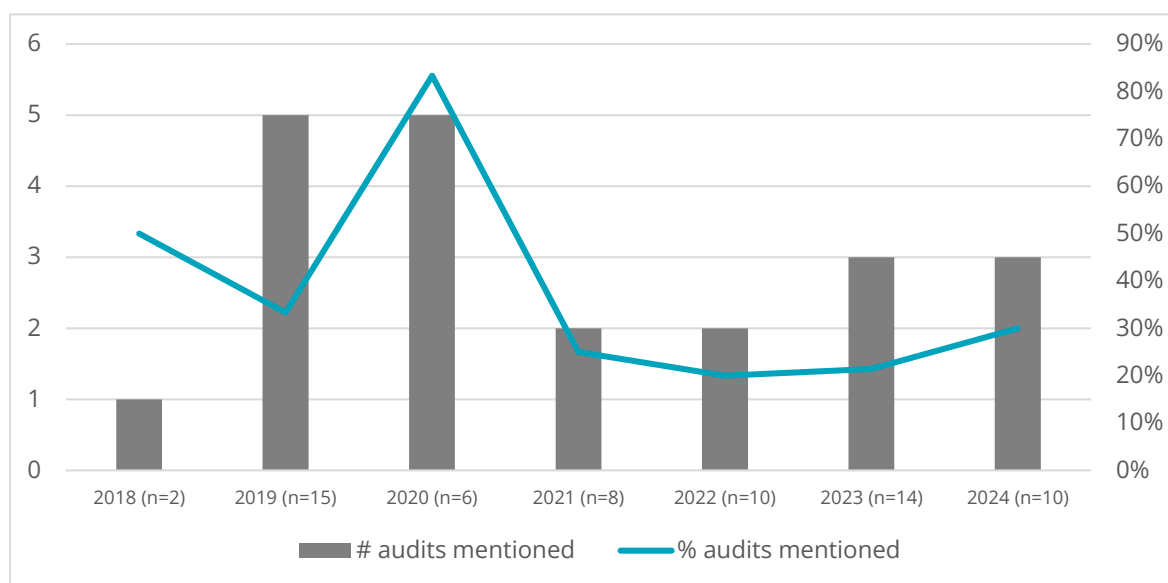
77. **The comprehensiveness of risk registers, defined as the extent to which all significant, relevant risks are identified and reported, emerged as strong across country cases.** In most of the country cases analysed, almost all key risks identified by the evaluation team had corresponding entries in the risk register.¹¹²

78. **However, internal audits at the country office and regional bureau levels regularly identify risks that are not captured by risk registers.** As Figure 16 shows, in 2020, five out of seven audits identified risks that were not captured by the risk register. Audits focused on WFP operations and “thematic” audits and two regional bureau-focused audits¹¹³ identified key underreported risks relating to diverse areas, the most common being around knowledge management, cash-based transfers and financial service providers.

¹¹² For example, risks discussed with stakeholders in-country relating to: fraud; staff health; funding; supply chain; food safety; partner management; and security issues were all found to have corresponding risk entries.

¹¹³ WFP. Internal Audit of WFP's Regional Bureau for Western Africa. Office of the Inspector General Audit Report No AR/24/15. September 2024 and WFP. Internal Audit of the WFP Regional Bureau for Latin America and the Caribbean. Office of the Inspector General Audit Report No. AR/21/04 – March 2021.

Figure 16: Number of country office and regional bureau level audits and thematic audits that mention risks not adequately captured in risks registers (December 2018-September 2024)



Source: Internal audits (country office and regional bureau level published December 2018-September 2024, n=65¹¹⁴).

79. The evaluation also found evidence of shortcomings around risk identification. Different examples were noted:

- in contexts with country offices undergoing a shift from direct implementation to a greater focus on resilience and country capacity strengthening, where the risk relating to a mismatch between programme objectives and staff skillset were not captured; and
- in relation to protection and gender-related risks, which in some cases emerged as not adequately captured through monitoring and a complaints and feedback mechanism, then underreported in the risk register, and inadequately factored into the assessment of protection-focused risk entries.

80. The risks identified and prioritized at different levels in the organization broadly reflect the distinct responsibilities of different risk owners. A review of RMD data (in figures 17 and 18) shows that, on average, headquarters and regional bureaux report most frequently on those risks categorized as programmatic, (that is, interventions misaligned with outcome, skill shortage, insufficiency of funding), while country offices most frequently reported on risks categorized as contextual (for example, conflict, natural disaster, economic crisis).¹¹⁵ Notably, each organizational level appears to focus on different types of fiduciary risks more prominently:

- **Headquarters** operational risk registers mainly identify fiduciary risks relating to “breach of obligations”¹¹⁶ principally due to the large number of donor-facing global offices that maintain operational risk registers¹¹⁷ (Figure 17).
- **Regional bureaux** identify prominently risks relating to “employee health, safety and security” far more than any other fiduciary risk area (Figure 18).
- **Country offices** identify risks relating to “fraud and corruption” most frequently, followed closely by risks relating to “beneficiary health, safety and security” (Figure 19).

¹¹⁴ The “follow-up reviews” to audits conducted between December 2018 and September 2024 were reviewed by the evaluation team, but removed from the sample for this analysis for consistency.

¹¹⁵ Contextual risks touch on issues relating to conflict, economic crisis and natural disaster.

¹¹⁶ This risk area contains the risk type “3.2.4 Donor agreements”.

¹¹⁷ Risks relating to employee health, safety and security was reported a total of 510 times by country offices, 50 times by regional bureaux, and 9 times at headquarters, from 2019-2024, versus 321 (country office), 14 (regional bureaux), and 36 (headquarters) for “breach of obligations” and 595 (country office), 18 (regional bureaux), and 6 (headquarters) for “fraud and corruption” respectively.

Figure 17: Top six most frequently identified risk areas in headquarters divisions and global offices (2022-2024)

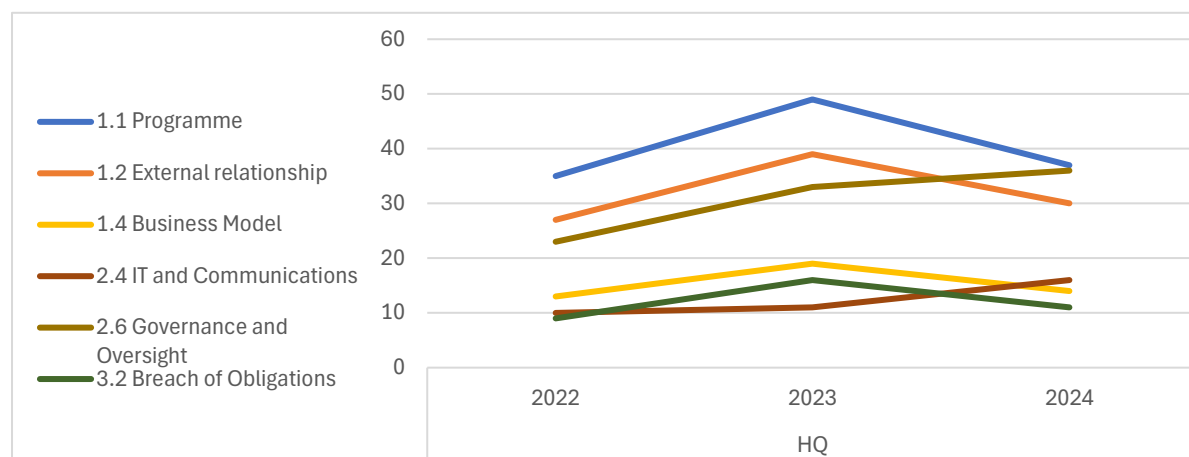


Figure 18: Top six most frequently identified risk areas per entity in regional bureaux (2019-2024)

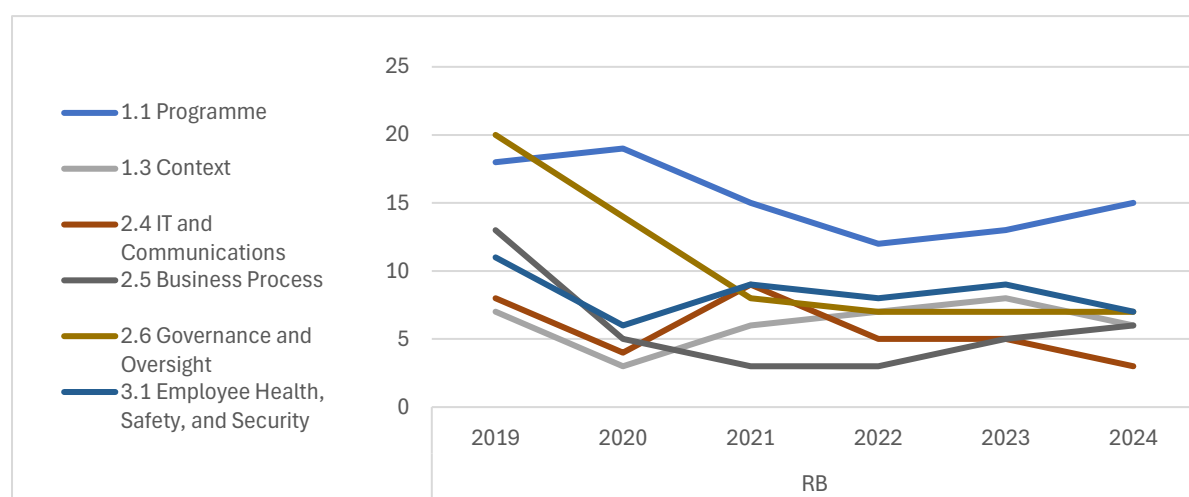
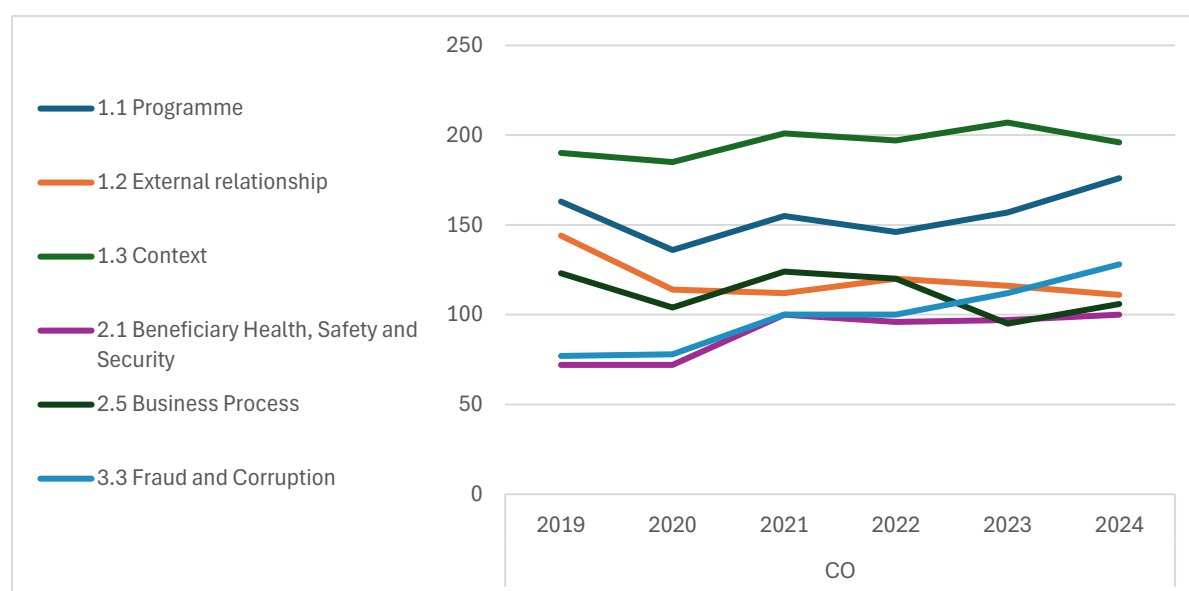


Figure 19: Top six most frequently reported risk areas in country offices (2019-2024)

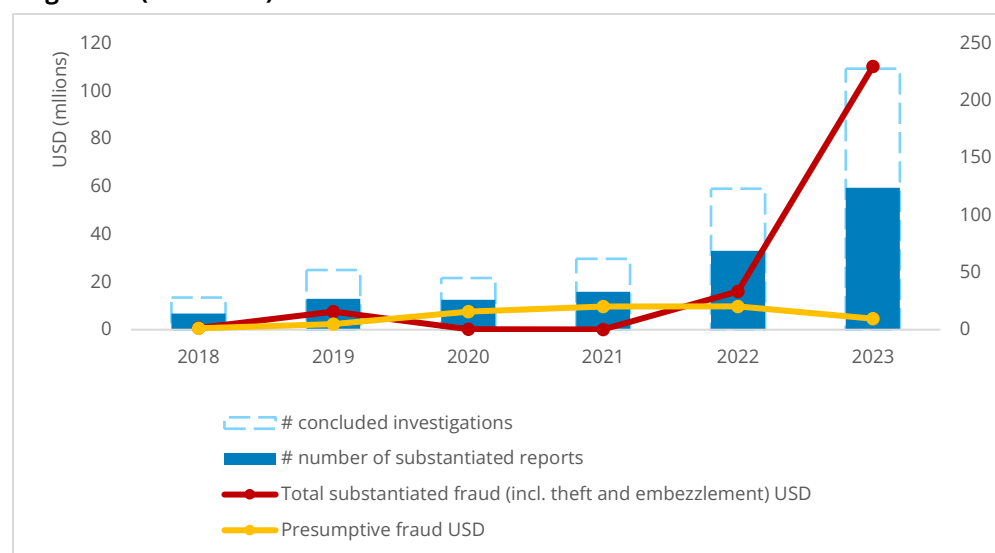


Source: RMD data (extracted November 2024).

81. **One area where evidence of the efforts to improve risk identification is particularly strong, is around fraud and corruption.** With the data available, it is difficult to draw direct links between increased identification of risk of fraudulent activity and confirmed incidents (Figure 20).¹¹⁸ Over the evaluated period, the following developments appear to have contributed to greater organizational awareness of fraud risks and incidents at WFP:

- increased investments in the Office of Inspector General (OIG);
- more investigations being initiated more promptly (Figure 19);
- development and launch of a mandatory AFAC-PSEA training and of the "Fraud Awareness Week" annual campaign;
- annual fraud risk assessments at country office level;¹¹⁹ and
- increasingly open, effective and frequent collaboration between OIG and country offices.¹²⁰

Figure 20: Trends in fraud (substantiated and presumptive) and number of concluded fraud investigations (2018-2023)



Source: Audited annual accounts (2018-2023), OIG annual reports (2018-2023).

Finding 9. By and large, WFP maintains timely risk registers, although the proportion of divisions and offices maintaining an operational risk register at headquarters is lower than the levels reached by regional bureaux and country offices.¹²¹ The quality of risk registers at the country office level has improved markedly in terms of detail and underlying analysis, albeit with variation between country offices. At the corporate level, updates to the Corporate Risk Register have improved the register's utility and actionability.

82. **RMD successfully rolled out and sustained risk reporting requirements using the risk register system, but maintenance of risk registers has been uneven.** The most used ERM tool has been the risk register template, which each country office, regional bureau and headquarters function is expected to complete annually, and to update at least twice a year.¹²² As evident in Figure 20 below, the roll-out of these risk registers has increased over time, enabling RMD to focus support on the quality of risk registers. However, compliance with these requirements varies across the organization.¹²³ The maintenance of operational risk registers at the headquarters level has been limited by the lack of formal risk management structures in some units and limited buy-in, in comparison with the situation in the field.

¹¹⁸ The proportion of concluded investigations resulting in substantiated reports of fraud has not changed dramatically over the evaluated period (50 percent in 2018, 58 percent in 2020, 54 percent in 2024).

¹¹⁹ RMD's dedicated AFAC Unit facilitated 21 separate fraud risk assessments with country offices, focused on areas such as cooperating partner management and cash-based transfer programming (RMD Year in Review 2023).

¹²⁰ WFP Internal Audit of Somalia (2023).

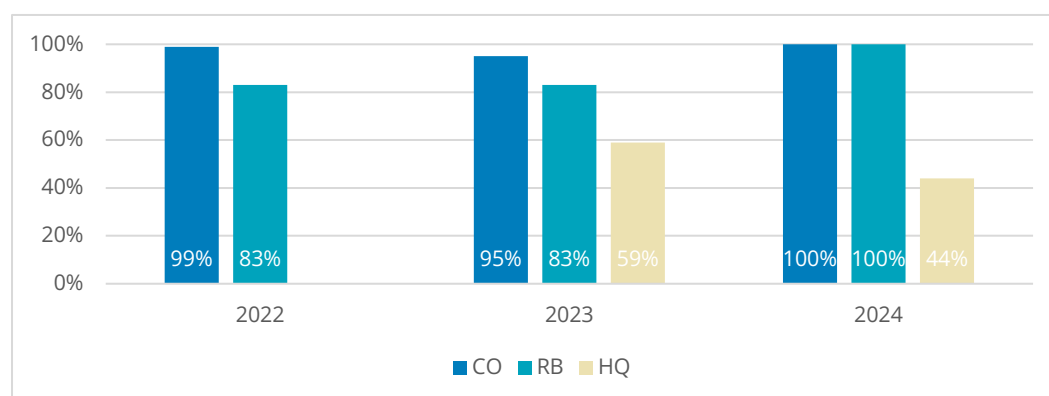
¹²¹ WFP. Risk Management Division. Annual reports 2022-2023.

¹²² In addition to the CRR, which is prepared by the headquarters divisions, updated twice a year with support from RMD.

¹²³ WFP, August 2023, Annual Oversight and Policy Commission notes.

From its 2023 peak of 59 percent, the rate of compliance in headquarters dropped to 44 percent in 2024 (see Figure 21 below). Interviews attributed this to organizational restructuring reducing the capacity of staff to focus on the headquarters risk registers. This is consistent with other signs of uneven ERM practices across headquarters functions: some headquarters divisions appoint a risk focal person, others do not, and where there is an ERM focal person, they do not always have a terms of reference. Headquarters divisions that are Corporate Risk Register risk owners tend to prioritize the Corporate Risk Register, seeing the maintenance of their divisional operational risk register as a duplication of efforts. This – and evidence from additional interviews – demonstrates that several headquarters divisions are not yet convinced of the benefits of operational risk registers in aiding divisional decision making.

Figure 21: Risk register compliance rates per organizational level¹²⁴



Source: RMD year in review and annual reports (2022-2023). RMD extraction for 2024.

83. **The quality (level of detail, robustness of underlying analysis) of country offices' risk registers has improved.**¹²⁵ Over time, risk descriptions have become more elaborate, with an increasing number distinguishing between cause, event and effect. Risk registers are also becoming more focused and internally coherent, with a notable reduction in instances of two or more risks covered under a single title in the same register, and redundant or overlapping risk descriptions.

84. **Risk registers have been compiled following more consistently the RMD formula** "EVENT due to CAUSE leading to EFFECT". However, analysis of country office risk registers revealed that some risk entries in registers, when described by country office staff, were actually materializing events at time of risk register update, but the assessed risk likelihood, title, or description did not make this explicit.¹²⁶ This is linked to the lack of concepts of "risk event" and "risk velocity" in the WFP ERM framework (see Table 1).

85. **Generally, country offices with high levels of risk capacity, formalized structures for consultation, and a strong buy-in at leadership levels have higher-quality risk registers.** Country offices that fit these criteria tend to be larger, higher-risk profile country offices (for example, Afghanistan, Somalia and South Sudan). The existence of a dedicated risk unit or full-time risk officer and the level of knowledge and engagement of non-risk specialists correlate with detailed risk descriptions and mitigation actions. Interviews conducted for sampled country cases suggested that the "tone at the top" within a country office determined the level of transparency of risk and incident reporting, which influenced the degree of consultation, level of collective ownership and effort invested in the risk register (that is, whether review was seen as a "tick-box" exercise or not).

¹²⁴ Proportional data only available as of 2022. Please note that data for 2024 might be provisional.

¹²⁵ According to interviews with risk specialists at headquarters and regional bureaux, and confirmed by the review of CRR and of country risk registers in sampled countries across time.

¹²⁶ This was often related to funding risks and capacity shortages.

Box 2: Good practice: Maintaining a “pyramidal” structure of risk registers in the country office, informing the operational risk register

Evidence from the country cases suggested that some large country offices, such as Kenya and Somalia, successfully introduced a requirement for¹²⁷ operational risk registers at the level of area offices, or country strategic plan strategic outcomes and programmes.¹²⁸ The country offices implementing this requirement reported high compliance.

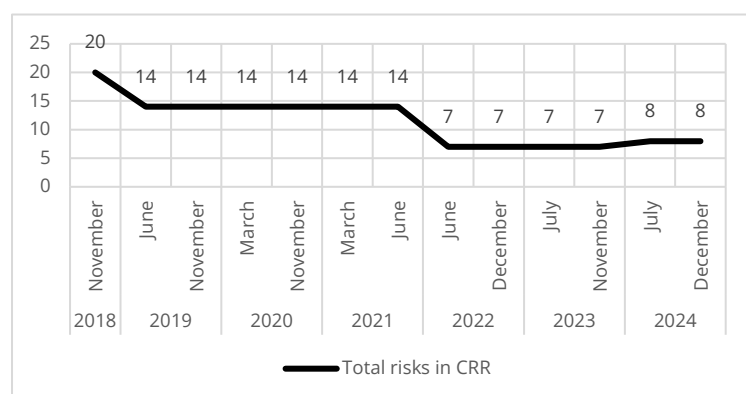
In Kenya, this bottom-up structure of the operational risk register relies on a network of risk sub-focal points within the country office. The risk and compliance unit then aggregates sub-risk registers to inform the operational risk register. These practices ensure that:

- the operational risk register is fully informed;
- risk management capacity increases, with higher likelihood of compliance with ERM requirements; and
- all functional units of the country office are engaged.

The Ghana country case highlighted that certain donors require project-specific risk registers with separate templates. These followed a similar “pyramidal” structure, where high-level project risks fed into the central country-level operational risk register.

86. **At the corporate level, updates to the format and structure of the Corporate Risk Register have improved the register’s utility and accessibility.**¹²⁹ An update in November 2020 introduced the “5x5 heatmap grid”,¹³⁰ which enabled a clearer, more granular understanding of risk seriousness trends compared to the high-medium-low risk “traffic light system”. A second formatting update in June 2022 significantly consolidated the Corporate Risk Register by focusing only on the top-level risks the organization is facing corporately. This tighter focus resulted in halving the number of risks reported between 2021 and 2023 (Figure 22) and further improved accessibility with a clearer order for risks in terms of risk seriousness. However, this revamp of the format removed the methodology page from the document,¹³¹ reducing clarity on how corporate-level risks are assessed.

Figure 22: Number of risks reported in the Corporate Risk Register (2018-2024)



Source: CRR (2018-2024).

Finding 10. While **risk assessment** is becoming more systematic and precise, notable discrepancies exist between risk assessment trends at the country and corporate levels. Gaps noted in risk assessment include a lack of differentiation between short-, medium-, and longer-term risk, and a lack of integration of the concept of risk velocity, both of which can erode the utility of the Corporate Risk Register as a strategic tool.

¹²⁷ WFP Somalia country office. Risk registers for area office. 2022-2024.

¹²⁸ Other country cases had similar set-ups. One high-risk profile, medium size country office had a slightly simpler system, but also maintained several ad-hoc registers below the country level, for example, emergency response to El Nino, protection risks, donor-specific projects.

¹²⁹ This was confirmed by several interviewees, mainly at headquarters level.

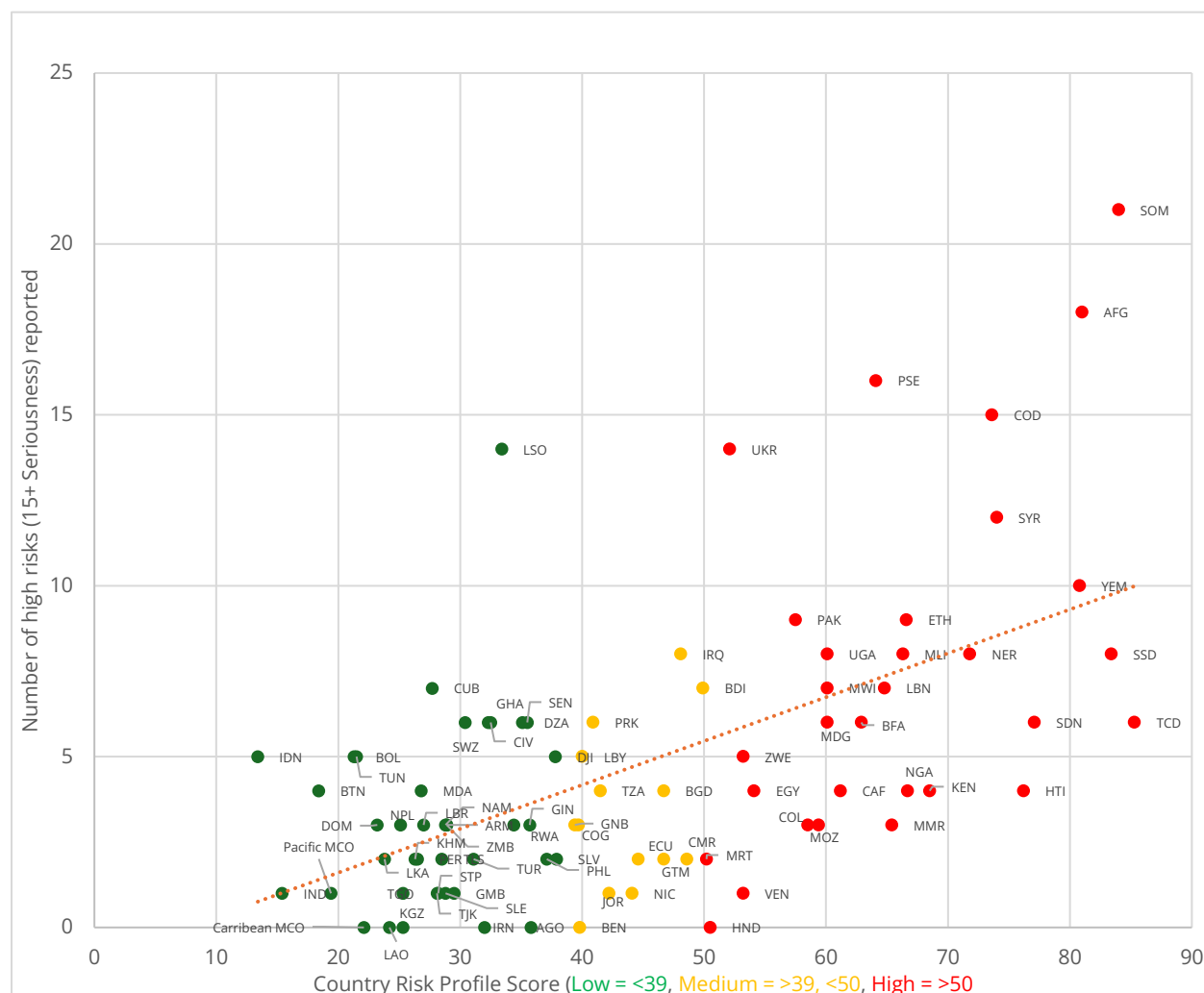
¹³⁰ See paragraphs 16-17 and Figure 4.

¹³¹ An updated SOP on the Corporate Risk Register was issued in April 2025. It covers aspects relating to process and use of the CRR without delving into risk assessment methodology.

87. **The evaluation found evidence of improvement in the standardization of risk assessment as envisaged in the Policy.** A review of risk-related data since 2021¹³² revealed an increasingly strong trend that high-risk profile countries generally report more high risks than low-risk profile countries (see Figure 23 below for an illustration of this trend in 2024). This suggests that, while broadly defined country risk profiles may not fully capture specific vulnerabilities,¹³³ the data point to a positive trend of improvement in the standardization of risk assessment practices.

88. This appears to challenge a view emerging from interview data whereby risk specialists perceive that high-risk profile countries tend to underestimate risk impact and likelihood (reporting fewer high risks than they should), while low-risk profile countries tend to overestimate the risks they face.

Figure 23: High-risk reporting frequency by country risk profile – 2024 global distribution



Note: For space limitations countries are labelled according to the international ISO codes.

Source: Risk register narrative dashboard (extracted July 2024), Country Risk Profile Report 2024.

89. Whereas some variability between operational and corporate risk registers is to be expected considering their different scope and purpose, a degree of alignment and consistency should be maintained in line with the Policy ambition for consistency in risk reporting. Several issues appear to contribute to the variable alignment between operational and corporate risk assessments and the related risk registers. These include:

¹³² See Annex X for a detailed analysis of WFP country profiling methodology and risk assessment practices.

¹³³ In 2024, for example, several low-risk profile countries (such as the Dominican Republic) reported high programmatic and contextual risks due to changes in the operating context. WFP. Risk Register Dashboard. 2024.

- **Major changes in the internal and external contexts were weighted differently in the operational risk register and the Corporate Risk Register, which may cause discrepancies in the assessment.** For instance, the 2024 Corporate Risk Register does not refer to the organizational restructuring that occurred during that year around workforce alignment.¹³⁴ Similarly, the 2020-2021 uptick in beneficiary health, safety and security risks reported by operational risk registers was largely driven by COVID-19, yet this was not referenced in the corresponding risk entry in the 2021 Corporate Risk Register (Insufficient or inadequate beneficiaries' safety, security and PSEA).
- **The Corporate Risk Register uses diverse sources of data to assess risks.** Headquarters divisions which "own" specific corporate risk entries use additional sources of information beyond the operational risk registers to assess risks, ranging from the Executive Director's Assurance Exercise to division-specific sources of data.
- **Variable risk capacity in headquarters divisions** may affect the quality and consistency of risk assessment, even if capacity has reportedly improved over time.

90. **The WFP ERM framework is not yet equipped to meaningfully assess when risk events will materialize (that is, whether they will be short-, medium- or long-term), or how fast risks will impact the organization (velocity).** While current guidance recommends that the Corporate Risk Register should focus on how medium- and long-term organizational risks will impede the achievement of the WFP strategic objectives,¹³⁵ current guidance does not provide methods to assess when a risk will materialize and eventually impact the organization. Nor can the register assess how to weight the "forward looking" dimension of a given risk against the probability of materialization.¹³⁶ This limits the utility to decision makers of the Corporate Risk Register as a strategic, longer-term planning tool.

Box 3: Example of misalignment between corporate and operational risk registers

Operational risk register data show that, relative to 2018-2022, the "partners and vendors" risk area has decreased somewhat in seriousness and prevalence. Figure 23 below illustrates how the seriousness rating for the partners and vendors risk area varies across the Corporate Risk Register and operational risk registers: the overall number of risks reported in the operational risk registers is displayed in the horizontal axis, broken down by risk seriousness (low, moderate, high) while the overall risk rating for the Corporate Risk Register is highlighted through the blue trend line.

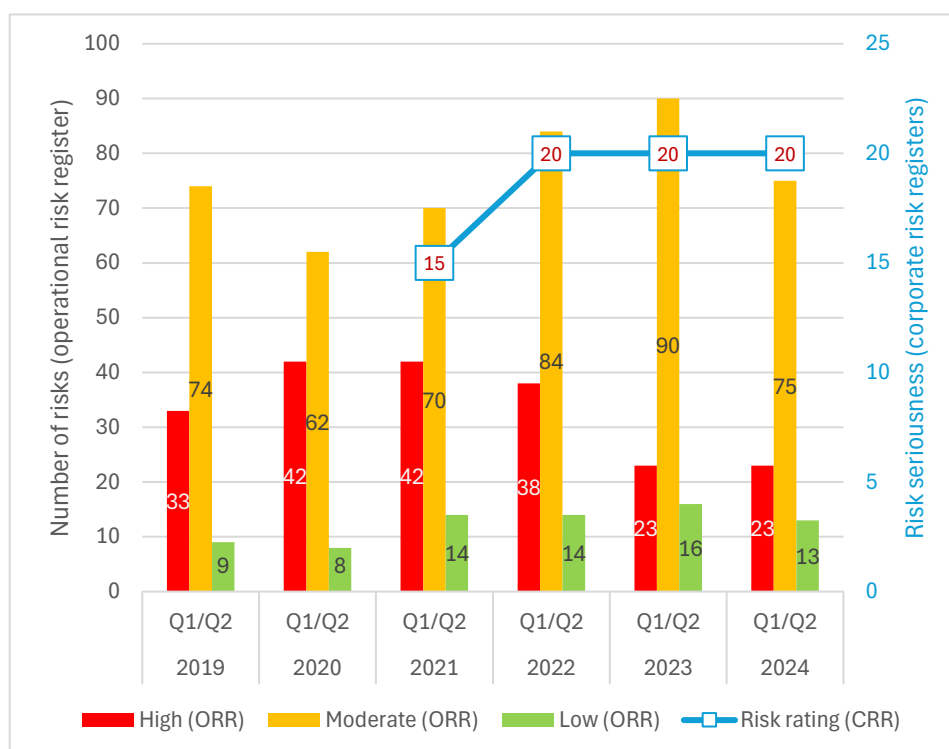
The reporting frequency has decreased notably from its peak in 2022, to its lowest level in the evaluated period in 2024. The peak in partners and vendors risks could be due by several factors including COVID-19. The proportional significance of out-of-appetite risks (corporately defined as risks that are too high to be acceptable to WFP and require escalation to higher levels of authority) has also decreased markedly, from 38 percent in 2020, to 18 percent in 2023 and 21 percent in 2024. Assessments for the corresponding "operational/strategic partnership" risk in the Corporate Risk Register by contrast, remained steady at its higher level (20), not aligning with this reduction in out-of-appetite risks and reporting frequency.

¹³⁴ WFP. Corporate Risk Register. July and December 2024.

¹³⁵ The Corporate Risk Register Standards Operating Procedure (October 2022). Updated in 2024.

¹³⁶ WFP's Risk Assessment Methodology's "likelihood scale" for ORRs provides a column on "forward looking" risks, suggesting that the length of time before a risk materializes should be considered when calculating likelihood. However, unlike the impact scale, which gives context on what different impacts may look like, no shared tools or contextual examples support risk assessors in calculating: (1) time until the event occurs; (2) velocity should the risk occur; nor (3) how forward looking risks should be weighed against historic occurrence of risks when calculating overall risk likelihood.

Figure 24: Risk assessment and reporting frequency for partner and vendor risks: comparing corporate and operational risk registers (2019-2024)¹³⁷



Source: RMD ORR data (extracted November 2024), corporate risk registers (2021-2024).

Note: Risk seriousness is defined as likelihood per impact both rated on a 1-5 scale, resulting in the following 25-point scale: High 15–25, Moderate: 7-14. Low: 1-6.

Finding 11. Risk mitigation has gained traction at all organizational levels. However, mitigation actions are rarely costed and, when implemented, are often not documented, with missed opportunities for exchange and learning, particularly at the regional level. The alignment between minimum controls and mitigation actions varies, and minimum controls are not always effectively adapted to different contexts.

91. **A high proportion of operational risk registers include new mitigation actions for risk entries, as per the template and guidance.** As Figure 25 shows, the creation of new mitigation actions is high across the organization, albeit higher in regional bureau and country office levels than in headquarters divisions. Over time, in the sampled case countries, mitigation actions in the operational risk registers have become consistently more detailed, more practical and, in line with the ambitions of the Policy, increasingly more directive in assigning responsibilities for action. In most of the countries analysed, this is supported by clear actionable inputs, defined timelines and the identification of responsible functions¹³⁸ in line with recommendations from the OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global.¹³⁹ For example:

- In Somalia, the mitigation measures identified in 2023 for a (strategic) risk related to limited humanitarian access were characterized by strategic, concise action points. These primarily involved the use of third-party monitoring in areas inaccessible to WFP and compliance with the United Nations Department of Safety and Security (UNDSS) safety and security regulations. In subsequent iterations of the risk register, these mitigation measures were further refined to include more detailed and specific actions linked to key deliverables and milestones. These included convening the access working group, drafting a security contingency plan and conducting joint assessment missions with UNDSS.¹⁴⁰

¹³⁷ Risk seriousness for both corporate and operational risk registers use the 5x5 impact-likelihood heatmap. Risks assessed as 15-25 are considered high risk, risks rated from 8-12 are moderate, and risks from 1-6 are low.

¹³⁸ For example, this has been noted in several risk registers, including those of the country offices in Armenia, Malawi, Somalia and Zimbabwe.

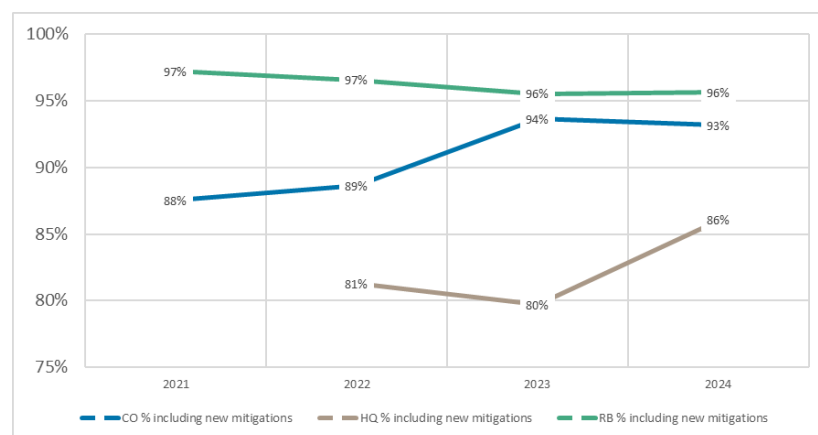
¹³⁹ OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global. p.55.

¹⁴⁰ WFP. Somalia country office. Risk registers 2023–2024.

- In Zimbabwe, the mitigation measures inserted in the risk register demonstrated a shift from broad tools to more measurable and assertive actions. For example, in response to the operational risk of inadequate monitoring of cooperating partners, new mitigation measures included increasing the frequency of spot checks, as well as conducting trainings on internal controls and mini audits. By contrast, earlier measures had primarily focused on the development of tools – such as checklists and tracking systems – without clearly defined implementation or monitoring mechanisms.¹⁴¹

92. However, while mitigation actions aim to reduce the seriousness of risks, risk registers seldom specify whether mitigation measures aim to reduce likelihood, the potential impact of risks, or both simultaneously – and whether this choice is coherent with the risk’s likelihood and impact ratings.

Figure 25: Proportion of risk entries in operational risk registers with new mitigation actions (headquarters, regional bureau, country office)



Source: RMD ORR data (extracted November 2024).

93. **The extent of completion of mitigation actions in both corporate- and country-level risk registers is not always clear.** In operational risk registers, this is due to the sheer number of mitigation actions listed in some high-risk profile country offices (several hundred in certain contexts per year). The corporate risk registers do not identify when an action was introduced (except completely new actions). Consequently, without comparing corporate risk registers over time, users cannot assess “sticking points” or cases where actions appear behind schedule. Moreover, it can be difficult to specify the status of a mitigation action as it may be continuous or difficult to measure. In the corporate risk registers and sampled country offices’ risk registers, the status column was frequently marked as “in progress” or similar.¹⁴²

94. **Mitigation actions are rarely costed, let alone budgeted.** Some mitigation actions require additional funds while others incur an indirect cost in terms of staff time. Lack of costing information limits the ability of country offices to conduct quantified cost-benefit analyses on the best risk treatment to perform in a given scenario (that is, whether to implement a mitigation to reduce seriousness versus whether to avoid, pursue, share etc.) Exceptions occur, for instance country office global assurance framework plans require costing of mitigation actions, and indication of the already funded percentage. Some country offices do cost and budget for mitigation actions, for example, in programme documents that show budgeted actions to mitigate fraud risk. The infrequency of costing and budgeting for risk mitigation actions contrasts with the position at UNHCR, where this is mandatory as part of programming.

95. **The minimum controls and due diligence as defined by assurance and auditing standards are not always sufficiently adapted to local contexts.** The latest OIG annual report noted the need to better adapt corporate assurance frameworks to align with operational realities. Assurance actions alone often do not suffice to reduce risk (as evidenced by recurrent negative findings from spot checks in a high-risk country office), or incidents occurring. Other actions are non-compulsory controls, for example, the Harmonized Approach to Cash Transfers (HACT) framework. While WFP corporate documents account for risks and foresee controls, due diligence processes are not always adapted to local contexts. In 2023, the

¹⁴¹ WFP. Zimbabwe country office. Risk registers 2023–2024.

¹⁴² RMD regularly reviews the status of mitigation actions in CRRs and ORRs, flagging them when unclear or suspected to be erroneous, and providing feedback to the offices in question.

Internal Audit of Venezuela¹⁴³ noted that some risks relating to the context, and to work through third parties, were not explicitly monitored, and that context-specific risk appetite or tolerance levels to assess mitigation, or the need for further escalation to the next level of authority, were not established.

96. **Sampled country cases identified several mitigation measures, mostly at the project or programme levels, which, while not formally reported in the risk registers, were noted as successful in some cases.** This was observed mainly in smaller, lower-risk profile countries with limited specialist risk capacity, and comparatively less structured risk processes than large country offices. In one country office, several mitigation actions to reduce social cohesion and protection risks, for example, were clearly documented and widely discussed, even if not reported in the risk register.

97. **Cross-country office exchange of good practice and learning around what works is regular at the global level, with some perceived missed opportunities at the regional level.** Monthly global risk network calls enable the sharing of insights on several aspects of risk management, from oversight tracking and embedding risk culture, to risk mitigation action tracking. Despite this, missed opportunities for in-depth exchanges were noted by risk specialists, particularly by those with experience in different country contexts in the same region. More recent efforts by the RMD Analysis Unit are focusing efforts on this issue by analysing and consolidating lists of mitigation actions, providing options to country offices facing similar risks.

Finding 12. As country offices face out-of-appetite risks, they sometimes lack support to implement mitigation actions. Overall, mitigation actions and controls, alongside changes in context, have sufficed to reduce out-of-appetite risks in most categories. More broadly, WFP struggles to mitigate certain longstanding challenges, such as workforce planning and staffing, and funding gaps.¹⁴⁴

98. **Given the complexity of operating environments, collaboration across multiple organizational levels within WFP is required to mitigate certain out-of-appetite risks.** This can blur accountability and, in some instances, has curtailed effective escalation. Among the 11 sampled countries, two cases were identified where lack of coordination, and unclear delineation or acceptance of roles, responsibilities and accountabilities across levels contributed to specific risk-related incidents occurring.¹⁴⁵ Those cases, relating to provision of in-kind rations, were characterized by risk escalation to concerned regional bureaux first, then to headquarters (as second- and third-level risk owners respectively), which did not provide a commensurate response or left country offices to apply mitigation and response measures within their control, which proved insufficient. In one specific case, key informants reported that receiving offices were not involved in procurement decisions and lacked essential information. This contributed to challenges in communication and confusion internally about where reporting responsibilities lay. Here, limited control over the supply and delivery of in-kind rations engendered out-of-appetite political and food safety risks¹⁴⁶ that ultimately required corporate action and required the country office to manage the implications of quality issues extending from adverse health effects on beneficiaries.

99. **Organizational silos constrain effective risk-related decision making and the establishment of a common understanding of risks, particularly for issues of cross-cutting concern.** Further, they can dilute accountability, and hinder risk mitigation and response efforts. Until late 2024, when WFP instated a corporate-level risk committee, interviewees in headquarters reported they lacked a frequent, high-level corporate platform to frequently discuss corporate risks.¹⁴⁷

100. **Controls and mitigation actions result in reducing out-of-appetite risks in many areas, with important exceptions.** Trends in the reported out-of-appetite risks suggest that mitigation actions and controls are not yet sufficient to bring all risks within appetite. As shown in Figure 26, reported out-of-appetite risks at the country office level peaked in 2021, largely driven by sharp upticks in risk areas such as **employee health and safety** (driven almost exclusively by reporting on COVID-19), **fraud and corruption**, and an increase in overall risk reporting frequency at the country office level. Since this peak, the risk areas **employee health and safety**, **breaches of obligations**, and **partners and vendors** show a decrease in

¹⁴³ WFP Internal Audit Venezuela. 2023.

¹⁴⁴ This refers to how WFP employees are recruited, engaged, supported, assigned, managed, developed and retained; and organizational structures, roles and processes. WFP People Policy, 2021.

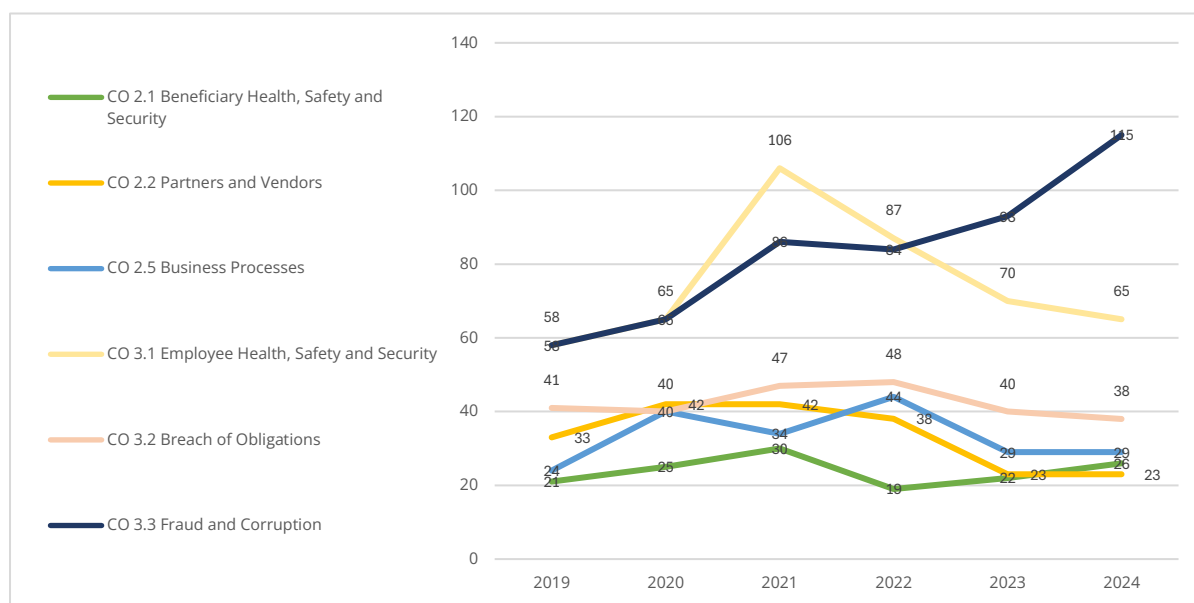
¹⁴⁵ Reported at two country offices and their corresponding regional bureaux.

¹⁴⁶ Relating, for example, to rations provided with shorter than recommended shelf-life.

¹⁴⁷ Pre-dating the establishment of the corporate-level Risk Committee, the Oversight and Policy Committee (OPC) examined risks twice a year, as a standing item on their agenda, including review of the CRR.

out-of-appetite risks. However, the number of out-of-appetite fraud and corruption risks has grown dramatically. This increasing trend could reflect increased reporting, but also suggests that mitigation actions and controls in place for country offices are not yet sufficient to bring these risks within the risk appetite of WFP.

Figure 26: Out-of-appetite risks in country offices



Source: RMD data (extracted November 2024).

101. **WFP continues to work toward risk mitigation despite several longstanding challenges, for example, around operating contexts, funding, and workforce planning and staffing.**

102. For **funding shortages**, typical mitigation measures include evidence generation to demonstrate the positive effects of funding on food security and nutrition and highlight the potential effects of funding withdrawal, engaging international financial institutions, and advocacy with external stakeholders including government partners and other donors. Partnerships with private entities (that do not donate funds to WFP, but that may match WFP efforts by providing free services or goods) can also mitigate funding gaps. In Kenya, for example, a local company provides WFP beneficiaries with beehives and value chain access to match the sustainable livelihoods support of WFP.

103. For **workforce planning and staffing** risks, interview data and past analysis¹⁴⁸ highlighted that the type of contracts offered, and the fluctuation of staffing needs due to fluid contexts, generate risks that the most common mitigation actions (extra guidance, future international talent pools (FIT Pools)) cannot fully mitigate. This leaves important levels of residual risk that is rarely reported as out-of-appetite, but that emerged as a major concern in the field.¹⁴⁹ In 2022, WFP changed contractual conditions (transition from service contracts to fixed-term contracts for national staff) to help retain necessary talent, which plausibly contributed to downgrading workforce alignment risks in corporate risk registers between 2022 and 2023. This was not reported as a mitigation action, but it likely contributed to risk reduction.

Finding 13. Key risk indicators – risk monitoring tools that define escalation thresholds – are gaining momentum, but substantial variations in regional uptake and use remain.

104. **The use of key risk indicators (KRIs), a tool designed for monitoring risks and defining escalation thresholds, has increased over the evaluated period.** KRIs define thresholds, and a person, unit, or division to escalate to if a given threshold is surpassed. There has been a steady increase in the number of country offices reporting KRIs. For example:

- The number of country offices reporting on KRIs increased from 3 in 2020 to 26 in 2024 (July) with 8

¹⁴⁸ See for example the “management reviews of significant risk and control issues”, the latest of which (2023) showed that workforce planning is perceived as the top risk the organization faces.

¹⁴⁹ Ibidem.

additional country offices as of March 2025 in the process of identifying KRIs.¹⁵⁰

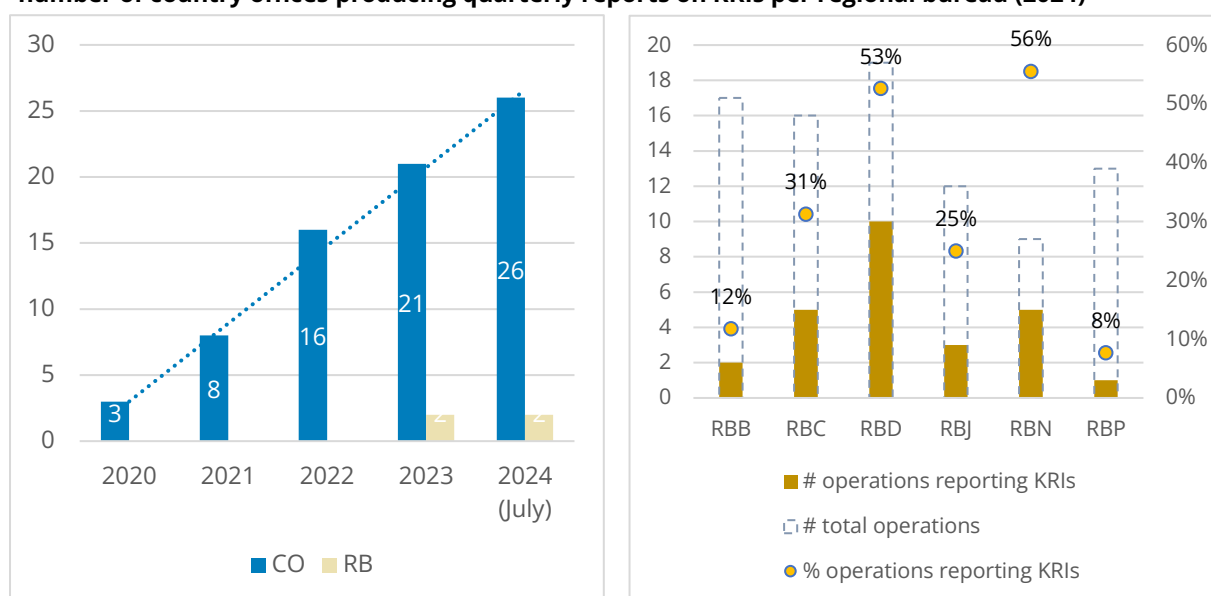
- As of July 2024, 31 percent of country offices submitted quarterly KRI reports to headquarters, of which 21 countries are high risk, two are medium risk and three are low risk.
- As of December 2024, 68 percent of WFP high-risk contexts are reporting KRIs.

105. **The use and choice of KRIs varied substantially between country offices and regions.** Several country offices reported finding the tool useful as quantitative proxies for risk exposure. Country office practice is varied. For example:

- In one country office visited, KRIs are prepared locally and monitored by its risk committee.
- Another country office used a mix of corporate KRIs and bespoke KRIs. By contrast, in another case, KRIs were used, but interviews surfaced a disconnect between KRIs and the contextual risks as understood by country office staff.

106. There are also large regional variations in the rate of uptake and use of the KRI tool across country offices. Whereas most country offices in RBN and RBD produce quarterly reports on KRIs, only 12 percent of country offices in RBB report KRIs. RBP also has only one country office producing quarterly reports on KRIs. The proportion of large country offices with high dedicated risk management capacity in the different regional bureaux may partly explain some of these regional variations, while noting that other factors may come into play, including presence of risk officers and risk focal points, regional bureau level buy-in to ERM, and regional bureau and country office senior leadership's choices, attitudes and engagement with risk management processes.

Figure 27: Country offices and regional bureaux producing quarterly reports on KRIs by year¹⁵¹ and number of country offices producing quarterly reports on KRIs per regional bureau (2024)



Source: RMD Annual reports and year in review reports 2020-2024.

Finding 14. Despite increase in the use of KRIs, the inadequacy of processes, unclear triggers, confusion about **escalation** (why, how and who is responsible and accountable) and timeliness all pose challenges.

107. **Internal audits increasingly highlight the inadequacy of provisions and processes in place for escalation.** The Annual Report of the Inspector General 2023¹⁵² highlighted the need for WFP to “establish effective risk escalation mechanisms to enhance management’s capacity for risk-informed decision making and accountability.” Increased concern over the quality of escalation processes is

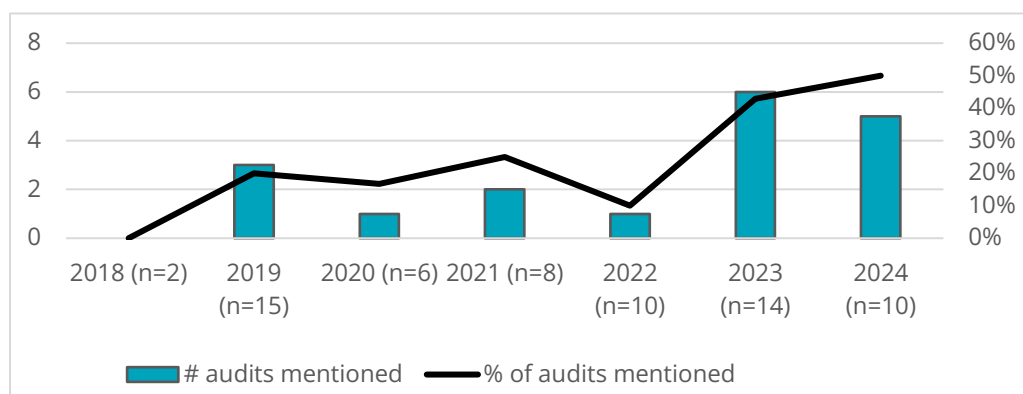
¹⁵⁰ WFP. Risk Management Division. Briefing presented to the Executive Board. October 2024.

¹⁵¹ Some country offices collect and maintain KRIs, but do not produce quarterly reports. These countries are not captured in the figure.

¹⁵² Published June 2024.

highlighted in the findings of 18 out of 70 audits (25 percent) over the evaluated period. A majority of these (10) were published in 2023-2024, with 50 percent (5/10) of the audits being published in 2024.

Figure 28: Number of country office and regional bureau level internal audits coded as mentioning “inadequate provisions or processes in place for escalation (incidents and risks)” (December 2018–November 2024)



Source: Internal audits (country office and regional bureau level, 2018-2024), n=65.¹⁵³

108. **With exceptions (for example, scale-up protocols, see Finding 19) triggers for escalation are often unclear due to a general lack of definition of country-specific risk appetite, and a lack of distinction between risk appetite and residual risk tolerance.** The Policy states that while the WFP risk appetite is developed corporately: (i) context-specific risk appetite and risk tolerance levels after mitigation are set with due consideration to risk impact; and (ii) the cost of control and risks that are deemed out-of-appetite will be escalated to the next level of authority. The evaluation found that in practice, risk appetite before mitigation and risk tolerance thresholds to residual risks after mitigation were conflated in several contexts. A quote summarizing a widespread sentiment of informants is that: “It is not clear what our risk appetite is, relative to context – and the tolerance for residual risk is even less clear. WFP does not differentiate risk appetite and risk tolerance thresholds.” This results in confusion over what constitutes a risk at local or country level that goes beyond the appetite and threshold for tolerance, whether a risk should be escalated or not.

109. **Moreover, the confusion between risk appetite and residual risk tolerance blurs WFP communication about ERM to external stakeholders, including government partners and donors.** This has potential to conflate risk appetite and tolerance for risks. As one donor remarked: “The [ERM] framework should continuously assess and mitigate risks while effectively managing residual risk.” The Policy and the risk management tools do not clearly distinguish between risk appetite (before mitigation), and tolerance to residual risks (after mitigation). Numerous interviews at headquarters, regional bureau, and country office levels, as well as country debriefs, shared the view that the lack of clarity about whether risk appetite statements apply to residual risks after mitigation has caused misunderstanding across WFP and with external stakeholders including government partners and other donors.

110. **Lack of clarity about how, why and to whom to escalate, adds challenges.** One of the main issues emerging from the sampled country cases is “what escalation is for”, underscoring questions around whether escalation should result in advice, instruction, material support, or action. Some corporate documents prescribed to whom a risk should be escalated (for example, Emergency Activation Protocol 2023; Executive Director’s Circular on AFAC 2021), but formalization and associated accountability are debated. For example:

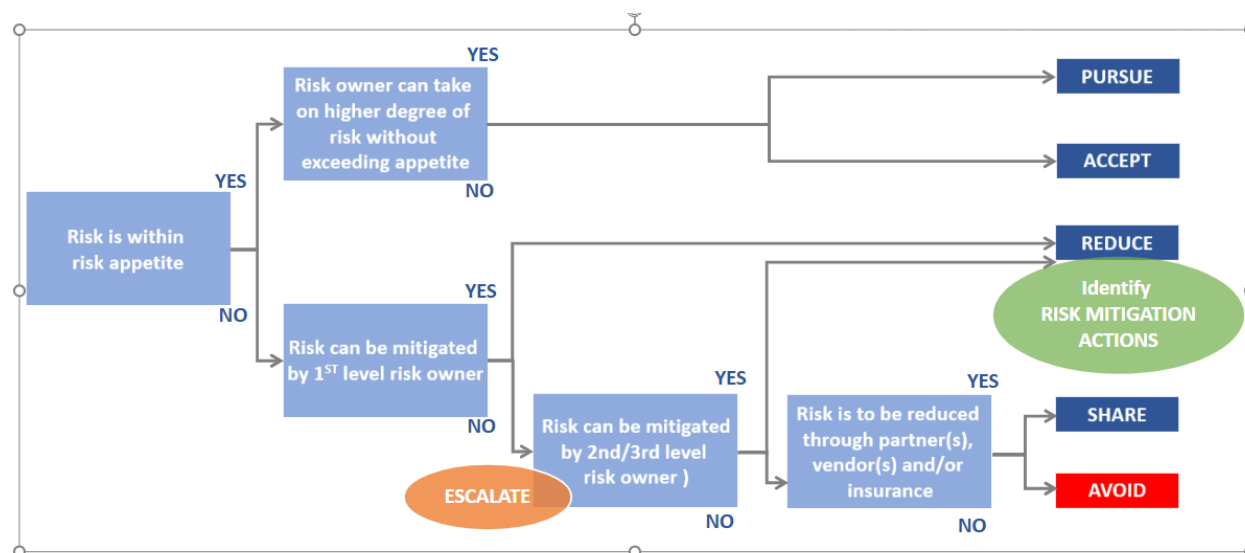
- Headquarters and regional bureau interviewees tend to consider that escalation was mostly informal, unrecorded, and did not alter the Country Director’s full responsibility for a risk decision. In contrast, they considered escalation after incident to be a matter of official reporting.
- Country office interviewees tended to consider escalation, formal or informal, as a layered process from projects, programmes and sub-offices to functional heads, to the Country Director, then to

¹⁵³ The “follow ups” to audits conducted during the defined period were reviewed by the evaluation team, but removed from the sample for this analysis for consistency.

regional bureau or headquarters. It implies accountability for the decision by an escalation's addressee.

111. **Roles and responsibilities post-escalation (that is, whether risk ownership is transferred or not) are not clear.** Most interviewees considered that risk ownership was not transferred during escalation, believing that risks having country-level effects (including losses) would remain within the sphere of accountability of the relevant Country Director regardless of escalation, and regardless of the Country Director's (in)ability to mitigate, avoid, or transfer a given risk. This contradicts RMD guidance, which specifies the involvement of first, second, and third-level risk owners, for example, to support risk mitigation, suggesting that risk ownership transfers with escalation (Figure 29 below). The guidance in place at the time of writing, which is currently under revision, clarifies that escalation should be a transfer of decision making power and accountability within the first line, not an informal consultation, even though responsibility to implement the decision (for example, about risk mitigation) will then be delegated, for example, to the relevant Country Director. This applies to identifying, assessing and mitigating risks.

Figure 29: Risk response decision tree



Source: 2022 RMD presentation risk management lifecycle overview.

112. **Escalation often occurs too late, adding confusion on when to escalate risk.** An interviewee highlighted lessons learned from high-profile incidents in a high-risk country office where WFP “did have information but not a complete picture, waited before escalating and exposing the risk until all signals were corroborated That may have been a mistake.” Similarly, data collection showed that internal country office escalation generally takes place once the incidents occur. It is revealing, for example, that in one country case, the country office uses its country-specific incident management tool as a key risk monitoring tool. This is because there is not a common understanding of the timing, purpose and trigger for escalation. For example:

- According to RMD, escalation is timely when it precedes decision on out-of-appetite risk, before the risk materializes into an incident.
- Regional bureau and headquarters interviewees tended to regard timely escalation as consultation before making a decision on risk-taking, or as last resort after a serious incident has been identified.
- In country offices, interviewees tended to view escalation as an obligation before decision making on an out-of-appetite risk, when KRI thresholds (if in use) are exceeded or to troubleshoot after an incident (the risk has materialized).

113. **Once escalated, risks and incidents do not always receive a useful or timely response.** Country studies highlighted several important factors, including capacity or resource constraints, unclear accountabilities and responsibilities, slow responses, or ineffective responses. This has emerged both during the evaluation (for example, instances of isolated cases of risks or incidents not being escalated to functional leads or senior management in country offices due to concerns over potential repercussions),

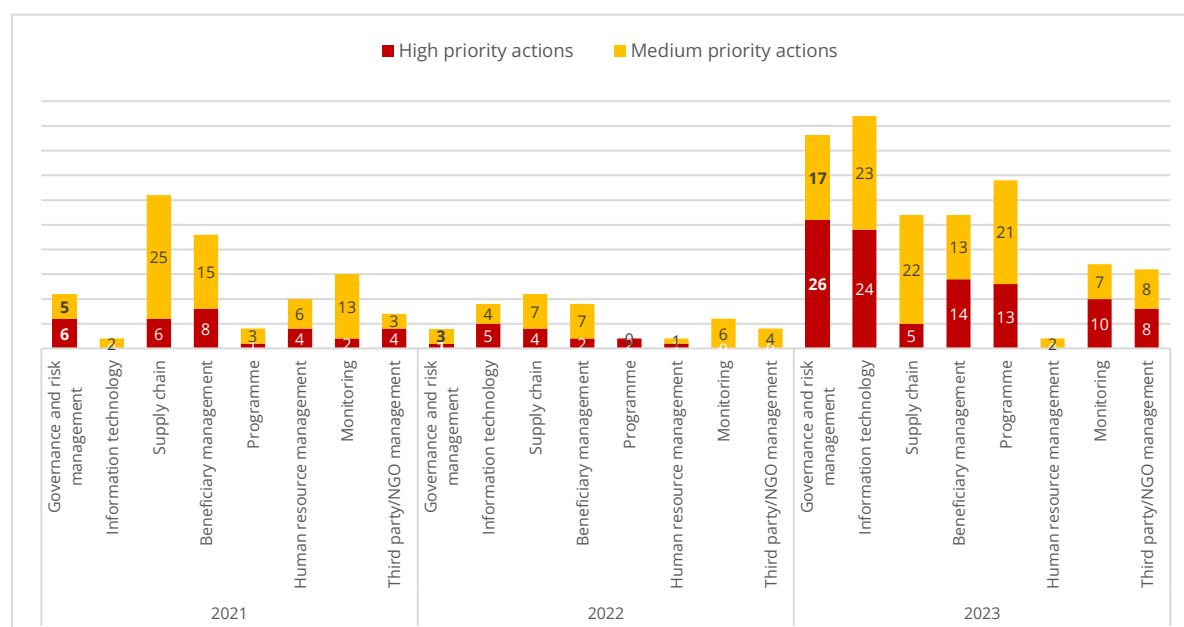
and in several internal audits that corroborate this finding. A recent audit reported that “when [...] risks were eventually escalated, corporate levels did not provide effective or timely mitigations”.¹⁵⁴ This finding aligns with the observations from the 2023 report of the external auditor, which found that the requirements regarding reporting to headquarters must be more precisely defined. The report noted that the submission of regional bureau reports to headquarters management following oversight missions is left to the discretion of the regional directors, which contributes to the persistence of unrectified anomalies and headquarters being deprived of important information from the field. The country offices, for their part, regret that the reporting requirements related to oversight are the same regardless of the size of the office.¹⁵⁵

Sub-EQ 2.2: To what extent does a vision and culture of risk management exist at all levels throughout WFP in line with the ERM Policy, and to what extent is it linked to strategic plan implementation?

Finding 15. ERM has become a higher priority on the corporate agenda. Buy-in from senior management at all organizational levels appears to have increased since 2022, principally due to actions taken following high-profile incidents and the creation of the Global Assurance Project.

114. **Interviews and documents¹⁵⁶ provide strong evidence that risk management has become a higher priority on the corporate agenda**, as communicated by leadership to staff, the Executive Board and external stakeholders. Audit actions’ statistics display growing attention to governance and risk management, particularly since 2022, as captured by the 2023 Inspector General Annual Report. Figure 30 shows that the governance and risk management area of the “audit universe”¹⁵⁷ rose from relatively few total observations in 2021 and 2022, to the area with the second highest number of total observations, and the highest number of high-priority observations.

Figure 30: Proportion of agreed actions: Governance and risk management versus other audit universe areas (2021-2023)¹⁵⁸



Source: OIG annual reports.

¹⁵⁴ Internal Audit of WFP Operations in Burkina Faso (September 2024), relating to the use of government convoys and service provision for the government.

¹⁵⁵ Report of the External Auditor 2023.

¹⁵⁶ Interviews with headquarters, regional bureaux, and country offices, written input by Executive Board Members, inclusion of ERM in WFP Strategic Plan, review of CSPs and risk registers in the sampled country cases, audit results and recommendation follow up.

¹⁵⁷ The “audit universe” is the specific term used by the Office of the Inspector General to refer to all areas of audit focus, covering WFP operations, activities, processes, and systems. For more details, see WFP’s Annual Report of the Inspector General 2023.

¹⁵⁸ For presentation purposes, eight areas have been selected that were consistently reported on to provide points of comparison. In 2023, agreed actions were identified in 16 separate areas.

115. Since the 2018 ERM Policy was issued, high-profile incidents and organizational changes were found to drive a transition in the WFP leadership's overarching message "from risk acceptance to risk management", as captured by an informant. With RMD now reporting to the Deputy Executive Director and Chief Operating Officer, risk management feeds into executive leadership and is expected to be geared for more proactive, rather than reactive, decision making. Corporate tone at the top was often found to be mirrored at regional bureau and country office levels with some variations. For example:¹⁵⁹

- In many of the country cases observed, country directors consider risk management to be a top priority to which they dedicate commensurate financial resources and staff time.
- In some small country offices with limited capacity, the country directors perform the bulk of ERM tasks personally.
- In most cases analysed, risk specialists report having direct access to their country directors but some exceptions remain.

116. **Within the context of the Policy's ambitions to create and reinforce a culture of accountability, it was found that, in response to food diversions in Ethiopia¹⁶⁰ and Somalia,¹⁶¹ the 2023 GAP elevated risk management to the forefront of corporate discussions.** However, some misalignment with existing ERM frameworks led to inefficiencies. WFP leadership launched the GAP to identify and tackle shortcomings in controls. Initiated by WFP senior leadership, the GAP then engaged the RMD function during the roll-out and consulted it to identify the 31 countries prioritized for initial implementation.¹⁶² The final selection of countries eventually made by the relevant high-level task force put the spotlight on, and spurred funding for, risk management, and made budgeting for certain mitigation actions mandatory. However, it was also found by country office respondents to compete with ERM, causing some inefficiencies such as duplicated reporting requirements (for example, risk register updates and GAP quarterly benchmark report updates require risk officers to prepare separate reports on heavily overlapping information).

117. **Notwithstanding the GAP's intent to implement targeted enhancements across specific control areas in response to identified risks, the lack of clear communication regarding the relationship between GAP and ERM caused some confusion.** Several staff, including risk specialists, were unsure whether the GAP was an exceptional measure, or a pilot to replace the provisions established under the ERM Policy. It also compounded an existing (albeit minoritarian) perception that the purpose of risk management was donor reassurance, rather than a framework for supporting risk-based decision making at all levels. Through stronger coordination between RMD, the Global Assurance Framework Team, and the Change Management (formerly "BOOST") Team, WFP is currently seeking to reconcile processes that all affect risk management.

Finding 16. The adoption of ERM responsibilities has steadily advanced throughout the organization. While risk specialists generally fulfil their roles as outlined in the Policy, additional efforts are needed to foster a transparent and actively engaged ERM culture.

118. In line with the three lines model and as emphasized, for example, in the onboarding briefing for risk network staff,¹⁶³ **risk specialists are increasingly recognized as trusted advisers, moving beyond a role focused solely on risk management compliance and oversight.** As noted in the OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global, staff at WFP are "very risk aware and are daily risk managers."¹⁶⁴ As one interviewee summarized: "We wake up with risk, we eat it for breakfast, lunch, and dinner, we live and work with it during the day, and we go to bed with it." With few exceptions, most country directors in the sampled country cases recognized risk officers for their important role in collating information for decision making. Interviews show that regional risk officers and advisers are usually perceived positively by their peers in country offices and considered to proactively and effectively assume

¹⁵⁹ Priority afforded to ERM came recently in some country offices and regional bureaux, according to interviews.

¹⁶⁰ WFP News Release Widespread food diversion impacts WFP food distributions across Ethiopia, 9 June 2023.

¹⁶¹ WFP. Office of the Inspector General. Internal Audit of WFP Operations in Somalia.

¹⁶² By the end of 2024 the GAP transitioned outwith the establishment of the WFP Global Assurance Framework, housed under RMD. See WFP Executive Director. 2024. WFP's Global Assurance Framework. ED's circular OED2024/004 – Annex I.

¹⁶³ WFP, RMD, 2024, Risk Network Function.

¹⁶⁴ OIGA. 2022 Advisory Assignment report on ERM conducted by Baldwin Global. p. 64: "In the field there is a strong "can do" attitude and "no regrets" policy during emergencies. The multiplicity of crises that WFP faces daily, along with the job rotation, ensure that country offices' staff are very risk aware and are daily risk managers."

their responsibilities, and successfully balance different demands (for example, for extensive advice on risk mitigation particularly in large, high-risk country offices, and for support with risk identification and assessment in smaller, low-risk country offices). However, the role of risk officers in headquarters divisions was found to be less well understood by WFP staff.

119. Staff interviewed across all contexts expressed awareness of the risk exposure that comes with their individual roles and tasks, and articulated how they routinely take various precautions to manage these risks.¹⁶⁵ Accountability for taking action and addressing risk, as envisaged in the Policy, was articulated in interviews with staff across WFP, including by the majority of non-risk specialists, who broadly acknowledge that they have a role in daily risk management.

120. **Isolated reports of hesitation around risk reporting were noted due to concerns about potential repercussions.** As an interviewee at the country office level put it, staff are sometimes torn between ERM-related expectations and responsibilities and the urge to “come to supervisors with a solution, not a problem”. In specific cases, staff reported that risk events (for example, political unrest) were not shared by mid-level managers with senior managers, with consequences for frontline staff (for example, safety and security).¹⁶⁶ In these instances, there was a perception that middle management should be responsible for preventing risks and addressing events and incidents, rather than escalating them to senior management. This was found to discourage risk reporting and escalation.

121. **In other cases, a disconnect between ERM processes and programming was noted in cases where staff mistakenly perceive risk officers as solely responsible for managing risk.** This was found to lead to siloed situations where risk officers were not expected to contribute to a CSP process, or where a programme or functional lead left risk management exclusively to the risk officer, leaving the potential for lack of management engagement in risk-related decision making.¹⁶⁷

122. **According to many informants, ERM could be better promoted corporately, and engagement better incentivized.** WFP lacks incentives compared to other United Nations agencies: ERM is not always part of staff core competencies (in job descriptions, annual individual performance appraisals). Some risk focal points reported ERM was not included in their individual performance objectives. In contrast, every UNHCR job description for field roles includes duties relating to risk management (see Annex XIII for the Comparator Agency Exercise). Linked to limited incentives, non-risk specialists reported that they did not feel responsible for enrolling in ERM training – consequently, most key informants report that they have not participated in ERM training that was not compulsory.

Finding 17. Platforms for risk discussions, such as risk management committees (RMCs), play a key role in reinforcing a culture of risk management in the organization and so do the regularity and depth of collaboration between risk specialists and non-risk specialists. In addition, non-risk specialists are supported by cross-functional platforms (such as risk management committees) to convene risk discussions, and make the capacity and resources for ERM available to country offices.

123. **A strong correlation emerged across the country cases between the inclusiveness of local risk management architecture (that is, fostering engagement across functions) and the emergence of a robust risk culture.** The establishment of risk management committees is not mandated by the Policy and remains limited. Where established, however, they are seen to bolster a risk management culture through enhancing risk awareness, fostering the understanding of key risk concepts, and helping to dispel misconceptions. As an interviewee exemplified: “If you are a programme officer developing a cash-based transfer operation, you’re aware of risk, but you may not fully grasp how this relates to other segments of the organization.” Risk management committees offer a cross-functional forum for engaging risk owners, and help to heighten the priority afforded to risk management by relevant staff, thus fostering coordination and regular communication on risk management between different functional units. This is exemplified by the Kenya country office (Box 4). Headquarters divisions, by contrast, do not tend to have risk committees.

¹⁶⁵ Even in low-risk profile contexts, staff reported habitually assessing contextual risks - from conflict and crime to weather warnings - prior to conducting field activities.

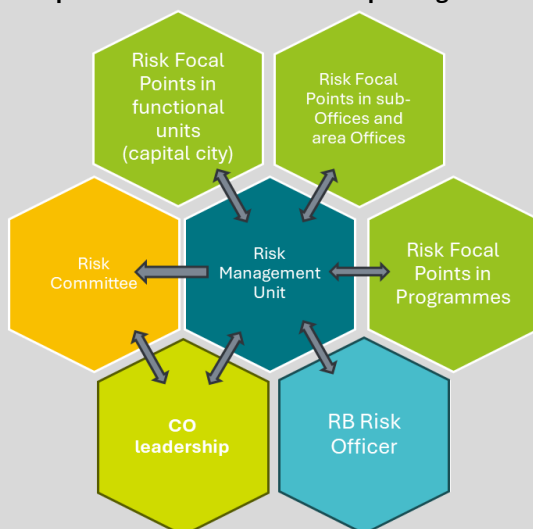
¹⁶⁶ Reported at two country offices and their corresponding regional bureaux. In one case, for example, staff were trapped in their homes due to political unrest in their vicinity.

¹⁶⁷ The Management Accountability Framework (MAF) endorsed in March 2025 is expected to clarify roles and responsibilities, enhance accountability structures, and strengthen operational oversight.

Box 4: Good practice: Well-structured modular risk management arrangement including risk management committees

In Kenya, designated risk focal points in every functional unit and sub-office create a robust network that fosters frequent consultation beyond the formal risk management committee. The country office's risk management unit, backed by its terms of reference, is connected with key stakeholders within the country office and serves the entire country office through the focal points and a risk committee. It also communicates continuously with the regional bureau for advice. Interviewees highlighted that accountability and protection officers are regularly consulted on the design of risk registers, indicating a high degree of collaboration.

Figure 31: Country example of risk architecture underpinning an evolving ERM culture



Source: Interviews and direct observations.

124. **The exchanges between risk specialists** (regional risk officers, risk focal points, risk management units' (RMU) staff members, and RMD staff in headquarters) **and other staff tend to be better established in larger, higher-risk profile country offices compared to low-risk and low-risk capacity country offices.**¹⁶⁸ Overall, the sampled country cases highlight the potential for more in-depth and regular consultation when sufficient resources and organizational commitment are present. Different cases were noted. For example:

- In one high risk profile country office, the restructuring of the leadership team to include the risk management unit facilitated more meaningful engagement across strategic outcome leads, country office leadership and risk specialists.
- In another emergency context, consultations between risk and non-risk staff are embedded within the country office decision making processes, to ensure that risk assessments are continuously integrated into strategic planning, partner management and operational activities.
- In a small country office with no full-time risk specialist and no dedicated ERM architecture or designated risk focal point in place, only the Country Director had oversight of the risk situation, with limited risk-focused exchanges across the office.
- In other small, low-risk profile country offices, the part-time risk focal points focused primarily on meeting corporate requirements – such as maintaining risk registers, completing the annual performance plan and annual country report – but confront the challenge of limited time and capacity to provide detailed advice on mitigations or engage with other staff on continuous risk analysis. This reduces the regularity of consultation, resulting in a perception of risk management as a compliance exercise rather than a collaborative and integrated function.

125. **In some contexts, consultation between risk and non-risk specialists is perceived as ineffective, and siloed across roles and functions.** Exchange on risk can be function dependent.

¹⁶⁸ Data collection in some small country offices confirmed findings made by the WFP External Audit Report on Oversight by Management (2022): "Part-time focal points do not have enough time to devote to [risk and compliance] functions and have little training. [...] Their fields of activity sometimes cover too many functions, posing the risk that every task they perform will be performed superficially."

Programme areas such as cash-based transfers typically require frequent and in-depth consultations on the topic of risk, while finance functions, supported by systems like the WFP Information Network and Global Systems (WINGS), may require less engagement.

126. Opportunities for risk-related contributions by risk officers have emerged in several cases.

In these cases, they are invited to contribute to the development of the country strategic plan and participate in targeting decisions, but not in decisions around, for example, cooperating partner selection, which would benefit from their contextual insights. However, in other cases, risk discussions appeared to be treated as separate from programmatic decisions, and the engagement of the risk management committee was described as a “tick-box” exercise, with meetings occurring only after decisions are made. In the latter cases, stakeholder expressed a desire for greater consideration of risks during operational discussions, which could improve the value of risk-related exercises.

Sub EQ 2.3: To what extent does strategic and programmatic decision making within WFP consistently reflect the use of a risk management framework?

Finding 18. Within WFP, strategic and programmatic decision making and ERM are interconnected and influence each other at various points, yet their integration remains suboptimal.

127. WFP corporate management plans, which set out strategic, programmatic, administrative and financial projections, are increasingly risk-informed. Stakeholders, including consulted Executive Board members highlighted noticeable improvements whereby management plans integrate risk considerations in the resource allocation and priorities from the analysis of the Corporate Risk Register, and highlights from operational risk registers. For example, the 2023-2025 Management Plan directly links the budget increase to “strategic investments in activities that are aligned with the corporate management priorities and that address the key risk areas of workplace culture and people management, and monitoring and identity management”, echoing the control-related challenges identified by the 2023 Executive Director’s Assurance Exercise Report and aligning with the Corporate Risk Register. The document goes on to detail each investment – explaining how it mitigates specific risks (for example, “investing in WFP people”, in line with “risks related to workforce alignment”). However, the management plans do not clarify how risks may influence the implementation of WFP goals.

128. Risk management is formally integrated into country strategic plan (CSP) documents. The process is guided by the 2016 Country Strategic Plan Policy, which outlines a complex consultative process aiming to align the CSP with needs, context and constraints. With the introduction of a section on risk management in CSP templates, the country office is required to systematically apply risk analysis during CSP design. High-level guidance for risk analysis in CSPs has been issued, and RMD has developed processes for reviewing this analysis, which involves the regional bureau and country office level risk officers. However, the evaluation documented cases where the risk officers and risk focal points were not consulted during the development of a new CSP.

129. The evaluation noted missed opportunities in several country cases for the analysis of the operational risk registers to feed into the development of the CSP. This is often due to the internal consultative processes of risk register revision taking place after, or at a late stage during, CSP preparation. According to some country directors, by the time risk registers are ready, the CSP and related documents are near completion. In country offices where the CSP and risk register are not prepared by the same contributors and updated regularly, risk analysis is sometimes retrofitted into an already drafted CSP.

130. The differing frameworks of the CSP (activities) and the risk register (risk categories) create challenges in establishing clear interlinkages between these items. Since 2020, the operational risk register template allows the country office to “tag” a risk to an activity, but this functionality is not consistently used. Sampled country offices indicated different practices: tying risk to activity; tying risk to one or several activities; or not using the function at all. Several risk specialists and risk owners found risk types (for example, “poor execution” or “inadequate availability or capacity”) too generic to usefully tag to activities.

131. There is no standardized IT tool for connecting risks, strategic outcomes and performance metrics. Virtually all country office risk specialists and senior managers who were asked about ERM IT solutions considered this tool a necessity for better linking risk management to performance management. Several country offices with different risk profiles called for an automated common tool integrating the performance management framework of the CSP (including monitoring of key performance indicators and

contextual indicators) and ERM. Some advocated for a system that tagged key risk indicators and key performance indicators to activities and strategic outcomes. Similar solutions exist in FAO and UNHCR, which offer a common platform for – or interfaces between – country strategic plan objectives, monitoring of, or reporting on, strategic plan implementation, risk registers and risk monitoring.

132. The regular three- to five-year strategic workforce planning¹⁶⁹ appears highly risk-informed.

This exercise determines the staffing structure necessary for delivery, and is tied to CSP preparation, responding in part to the workforce misalignment identified as a risk in corporate analysis¹⁷⁰ and operational risk registers. At the country office level, workforce planning tends to lie with the Country Director, supported by the staffing review committee where applicable. In the country cases reviewed, the committee did not explicitly consider workforce planning risks, but the regional bureau did support it with “issue identification”, which informants described as similar to risk analysis.

133. Organizational restructuring and workforce realignment were viewed as necessary considering the changing funding landscape, but appeared to have insufficiently accounted for key risks. Interviewees in headquarters, regional bureaux, and country offices agreed that the BOOST exercise, while aiming to inform and guide a planned organizational realignment, indirectly also touched on issues relating to funding and governance-related risks. Staff highlighted that the internal communications about the BOOST exercise did not sufficiently consider the risks this measure triggered for staff morale.

Sub EQ 2.4: To what extent is decision making at WFP informed by risk management data and clear, contextually relevant risk appetite statements?

Finding 19. In the key business processes analysed, risk thinking is clearly factored in, and decision making guided by risk considerations, although not always explicitly formalized, and sometimes both initiated and led by non-risk specialists.

134. Decisions and processes relating to scale-up, and those relating to private sector partnerships exemplify two areas where risk-related considerations are clearly integrated and factored into decision making.¹⁷¹ In the case of scale-up, processes and related workforce adjustment, risk management is formalized in specific guidance and provisions directly connected to the ERM Policy. By contrast, decisions and processes regarding private sector partnerships are not directly informed by formalized ERM provisions, however, they effectively incorporate measures to identify and mitigate risks (see Box 5).

135. Interviewees at all levels and including risk specialists and non-risk specialists repeatedly noted that the organization is gradually moving from ERM implemented by specialists, towards ERM being everyone’s business, with facilitation by risk management specialists. This transition materializes in country offices and headquarters divisions where risk management tools are elaborated locally, through consultative processes. The country cases analysed revealed numerous examples of decision-making processes, increasingly informed by inclusive risk discussions as also confirmed by headquarters interviewees.

Box 5: Examples of risk management considerations in emergency scale-up and in private sector partnerships

Scaling-up and associated workforce adjustment are substantively risk-informed processes. The decision to scale up is informed by the Corporate Alert System (CAS), which offers a cross-functional, global analysis of key trends in food security, operational changes and contextual risks. The CAS is used to classify WFP emergencies and was updated in 2022 to align more closely with the Emergency Activation Protocol.¹⁷² The protocol foresees that risks are escalated to an operational task force, and the Country Director presents them to a strategic task force if there is a likely impact on WFP corporately. Several emergency contexts reported that the ERM Policy provisions, and the integration of risk management concepts into scale-up protocols, helped inform complex decisions.

¹⁶⁹ This exercise is a way to foresee and adjust the workforce capacity, capabilities and structures required to meet the strategic objectives of the organization, within the current and future operational contexts.

¹⁷⁰ “Management review of significant risk and control issues”, 2023 ED Assurance exercise.

¹⁷¹ Annex IX contains further analysis on key decisions and business processes examining the extent to which ERM processes and concepts were integrated in guidance, and the extent to which they were risk informed.

¹⁷² Risk management is integral to the updated EAP, which details risk-specific responsibilities and frames discussion around escalation and risk appetite. Its annex on the WFP Emergency Risk Management Framework outlines a clear purpose, risk appetite, risk management processes, emergency escalation and coordination mechanism. In the 29-page document, “risk” is referred to 151 times.

For example, an emergency scale-up took place in 2018 at the time of the ERM Policy roll-out. As the country office had identified staffing-related risks as high, it used the ERM Policy as a guide to assess and mitigate risks relating to hiring and onboarding. Risks were linked to rapid surge deployment from both the private sector and civil society, with difficulties recruiting the staff with the required skillset, particularly in remote, hard-to-reach, high-risk locations. The country office promptly invested in a risk officer and two support staff: a unit which, with RMD's advice, proved instrumental in navigating the risk elements of a challenging situation. As summed up by an interviewee: "This enabled the country office to take a distance (sic), [...] recognize the need for help in the face of these risks [...] Risk management served as a vehicle to ensure all understood what could or could not be done."

Decision making processes around private sector partnerships were found to be less explicitly integrated with ERM but reflect some effective steps for risk identification and mitigation. For example:

Private sector partnership preliminary questions identify risks regarding the local legal environment and country office preparedness for engagement with the private sector, and then prompt a cost-benefit analysis on whether it is best to engage with the private sector at local or global levels.¹⁷³ Guidance checklists on conflicts of interest are provided for this step to assess issues such as impartiality of potential partners.

When WFP considers entering new private sector partnerships, when issues are raised, or when the three-year approval to engage a private sector partner expires, a due diligence process takes place involving a country office focal point, the Legal Office, and the Private Sector Partnerships and Fundraising Unit to "identify and mitigate potential risks that might be generated by an association with a specific entity or individual".¹⁷⁴ Despite high appetite for engagement with private sector operational partners in certain contexts, WFP has yet to institutionalize ways of working through new types of partnership. Meanwhile, the necessity to work the private sector has driven some country offices to pursue these activities by creating their own contract templates based on non-government organization (NGO) field-level agreements.

Sub EQ 2.5: To what extent is there a common understanding within WFP regarding its risk exposure in relation to risk appetite? To what extent is the WFP risk appetite and profile coherently articulated, internally and externally?

Finding 20. The ERM Policy includes corporate risk appetite statements for each risk area. Such statements are expected to be relevant across the different contexts where WFP works. However, an emerging practice has seen some country offices, at their own initiative, developing country-level risk appetite statements to better reflect context specificities of different operations. This practice remains limited and is currently not systematically tracked in WFP.

136. Several audits have recommended developing new or adjusting existing country-level risk appetite statements.¹⁷⁵ Whereas some country offices, at their own initiative, embraced this emerging practice – partly due to the perceived inflexibility of corporate risk appetite statements, other country offices, including in high-risk contexts, expressed hesitation. As a voluntarily funded organization, those country offices perceived that risk appetite is also determined or affected by the appetite of donors. There are many donors for each country office, each with different risk appetites, often shifting over time. Therefore, a single country-specific risk appetite statement for each given risk area was perceived to be unhelpful in the dialogue with donors.

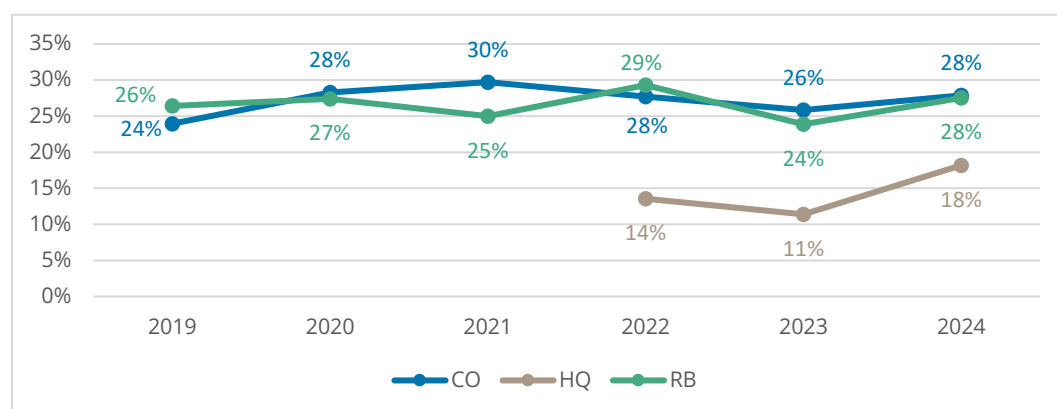
137. **High residual risks in several contexts and poorly defined local risk tolerances result in WFP pursuing many out-of-appetite activities, as defined by corporate statements.** The proportion of out-of-appetite risks has hovered between a quarter and a third for regional bureaux and country offices over the evaluated period (Figure 32). The proportion of out-of-appetite risks reported may have also been affected by the overall reduction of risk reporting, following efforts by RMD advising that entities focus their risk reporting on the key risks they face. The extent of out-of-appetite risks reported suggest that, in practice, risk appetite tends to be higher at the country office level than corporate risk appetite statements prescribe.

¹⁷³ Step-by-Step Guide for Country Offices to Engage with the Private Sector (2023).

¹⁷⁴ Due Diligence for Private Sector Partners (2023).

¹⁷⁵ For example, Burkina Faso, 2021 (but risk appetite statements were adopted before the 2024 Audit); Mali, 2021; Djibouti, 2022; Palestine, 2022; Somalia, 2023; Venezuela, 2023; Afghanistan, 2024; Nigeria, 2024. Moreover, RMD has issued templates and guidance on country office risk appetite review, and review of draft statements for consistency with the Corporate Risk Appetite.

Figure 32: Out-of-appetite risks¹⁷⁶ as a proportion of total risks reported per organizational level



Source: RMD data (extracted November 2024).

138. **Some country offices reported that actions were carried on to maintain continuity of delivery, despite out-of-appetite risks.** Country cases analysed offered examples of continued delivery of activities despite high residual risks, to achieve the wider WFP corporate objectives (that is, to reach beneficiaries and deliver assistance in a principled manner – as discussed in Finding 24). For instance, activities were maintained in 2021–2022 despite COVID-19-related risks to both staff and beneficiaries and there have been other, more recent public health crises in areas with limited medical infrastructure (for example, Zimbabwe). Similar continuity was observed in the face of increased workloads and risks affecting employees' work-life balance, such as during the 2019–2020 period in Zimbabwe and the scale-up phase in Ukraine.

139. The evaluation did not identify documented examples of decisions to avoid out-of-appetite risks. However, the sampled country cases provided examples where out-of-appetite activities were ultimately discontinued, suspended, or profoundly altered following incidents. For instance, in one country case analysed, activities ceased in a particular region, following allegations made by local authorities that a cooperating partner was engaged in political campaigning for an opposition party. Once escalated to the Country Director, activities were promptly paused until the negotiations with local authorities were completed, and the incident resolved. The evaluation noted examples where out-of-appetite risk activities were altered in cases where the intervention exposed people targeted by assistance to high risk levels (for example, Somalia) or where the intervention was subject to high fraud and corruption risks (for example, food distribution risks in the Democratic Republic of the Congo).

¹⁷⁶ Out-of-appetite risks are defined by RMD as risks assessed as “high” (15+ seriousness) in the operational and financial risk categories, and “moderate” or “high” for fiduciary risks.

2.3. Evaluation question 3: What were the enabling or hindering factors for the achievement of results?

The expected results of the ERM Policy hinge on internal factors, related to WFP structures, systems and processes and external factors associated with WFP partnership arrangements and operating contexts.

The internal factors found to be most supportive of policy results were the elevation of risk management structures within WFP, and the strengthening of the culture, attention and practice related to risk across WFP. Results were constrained by the administrative burdens related to risk reporting processes, lack of clarity around role and responsibilities, and lack of systematic integration of risk into the WFP programme cycle.

Availability of external funding, a volatile operating context, and varying levels of transparency about risk appetite and risk sharing in partnership arrangements, were key factors in the effectiveness of ERM and consequently the ability of WFP to secure the confidence of external stakeholders, government partners and donors.

Sub-EQ 3.1: How ready, willing and able have WFP and its partners been to support WFP risk response and mitigation strategies?

Finding 21. WFP applies differentiated levels of internal clearance and external transparency about risks, depending on the stakeholder, risk area and type of risk information.

140. **While WFP rolled out the 2018 ERM Policy, it also continually adjusted its interaction with a diverse pool of stakeholders that share risks with WFP.** These include Member States as donors and host governments, other donors (for example private sector actors, international financial institutions) and cooperating partners. According to WFP, risk sharing entails transparency regarding ERM and a shared responsibility for the risks jointly faced by WFP and external stakeholders.

141. **WFP developed detailed guidance for sharing risk information with different types of partners (that is, cooperating partners and donors).** The guidance affords greater risk information sharing with donors than with partners and reflects tighter approval requirement from headquarters to share information about fiduciary risks, compared to other risks. It distinguishes three levels for communicating risks to partners (specifically, share, consult, approve).¹⁷⁷ The guidance specifies how: i) corporate risk assessments; ii) risk appetite metrics; and iii) oversight issues and actions should be shared, for what purpose and with whom. The levels distinguish between those risks that can be shared with discretion versus those that require consultation with the functional lead, or approval from headquarters.

142. **Across sampled countries, implementation of the Policy directions and related guidance is unevenly implemented and with differences across types of partners.** General information about ERM is usually shared with external stakeholders, including donors and cooperating partners. In some cases, corporate risk appetite statements were shared with partners and stakeholders to “engender proactive engagement in operational decision making.”¹⁷⁸ RMD clearance is required for sharing risk metrics and incident disclosure with external partners. Staff reported that they followed this guidance, but noted scope for improved communication on some risks, which was a sentiment echoed by donors.

Finding 22. WFP works with a range of partners in operational settings to mutually manage and mitigate risks and share responsibilities for risk management. The nature and extent of mutual consultation on risk varies depending on the type of partner involved.

143. **The Policy briefly acknowledges the complexities of risk sharing with partners.** It states: “Mitigating action is taken to reduce the likelihood and/or potential impact of the risk by sharing elements of the risk. Outsourcing to third-party specialists or service providers, for instance, may share execution and implementation risks (but not fully the reputational impacts).”

144. **Working through cooperating partners is one of WFP’s key risk mitigation strategies.**¹⁷⁹ Cooperating partners act as an interface between WFP and beneficiaries, particularly in high-risk contexts. WFP’s Guidance on WFP Management of NGO Partnerships sets out the parameters for risk management

¹⁷⁷ The 2019 WFP guidance for sharing risk information with partners, donors and other stakeholders was updated in 2024, with more details and templates, specifying the criteria to apply when sharing risk registers externally.

¹⁷⁸ ERM Policy (2018).

¹⁷⁹ The WFP Evaluation Synthesis of WFP’s Cooperating Partners, notes that the proportion of NGO local CPs rose from 56 percent in 2020 to 60 percent in 2023.

with cooperating partners, emphasizing that responding to partnership risks are to be “analysed and decided together” with cooperating partners. In some cases, this entails transferring risk to cooperating partners that are considered to operate with a lower risk in the field.¹⁸⁰

145. **Country offices have a great margin for adjustment in risk sharing negotiations, depending on the type of partner (for example NGOs, private actor entities) and their different levels of risk management maturity.** WFP places strong emphasis on risk management maturity as part of standard vetting processes for cooperating partners.¹⁸¹ For example, as outlined in field-level agreements, vetted NGO partners actively participate in risk mitigation measures, including beneficiary data management and distribution monitoring.

146. **Risk-related conversations with cooperating partners commonly feed into risk identification and assessment, although, despite their key role in WFP risk mitigation approaches and strategies, they are not routinely included in wider country-level risk processes.** As identified in the Myanmar Corporate Emergency Evaluation,¹⁸² and confirmed in evidence from country cases, cooperating partners are rarely consulted beyond individual projects or programmes, for instance, when designing country-level operational risk registers and the corresponding mitigation measures. In some cases, however, country offices solicit inputs from cooperating partners when they review their risk registers, but this tends to fall short of being a more participatory exercise. In some cases, particularly in conflict situations, and when WFP may not have access to certain field locations, this absence fosters the perception that WFP, as a mitigation measure, transfers risks – rather than shares risks – with cooperating partners that are present in the field, while at the same time it also tightens its controls (for example, frequent spot checks).

147. **Host governments play a role as operational partners to WFP¹⁸³ and, in some cases, are also a donor to WFP. However, risk sharing is not consistently formalized in partnership agreements.** While WFP publishes its risk category and area-specific¹⁸⁴ appetite statements in the ERM Policy, information exchange between WFP and governments on respective risk appetites is more limited. At the country level, the partnership arrangements (for example, memorandums of understanding and letters of understanding, signatures at Country Director and minister level) were not always explicit on risk sharing or risk tolerance. By contrast, at the programme level, where discussions on activities were more granular and specific, risk sharing agreements were found to be formalized. One clear example of formalized risk sharing at the programmatic level came from Ukraine: WFP engaged in a capacity-strengthening initiative on digitization and validation checks on beneficiary data with a government ministry that supported joint efforts to manage operational risks.

Box 6: Good practice: Example of an inclusive and risk-informed process for the elaboration of holistic assistance packages to refugees

In Kenya, as part of the country's plan to implement the recent Refugee Act, the international community and the Government of Kenya decided to discontinue blanket assistance and move towards differentiated need-based baskets. The stakeholders acknowledged that this decision, corresponding to modality selection and beneficiary prioritization, needed to be risk informed. The Government, local governments, UNICEF and WFP conducted:

- stock-taking of previous interventions, their risk structure, and their results: desk review of existing research, analysis, needs assessments, etc;
- identification of the needs, preferences, and perceived risks (for themselves and for the future programme) of diverse target groups and sub-groups (including a robust gender lens): 300 focus group discussions with beneficiaries, designed to ensure the representation of, and dedicated discussions with, women and men, and persons with different vulnerabilities; and
- one of eight workstreams dedicated to risk management to focus on identifying key risks that could have affected roll-out of the new approach.

With this approach, risk analysis at the programme level has been inclusive. It captured protection risks particularly well, and factored in beneficiaries' choice as part of programme design.

¹⁸⁰ NGO guidance states that risk transfer is an option where “the risk is transferred to a third party who can operate with lower risk safely as they may be more acceptable to parties that may represent a violent threat to UN staff”.

¹⁸¹ WFP Due Diligence for Private Sectors Partners (2023); WFP Guidance on WFP Management of NGO Partnerships (2018)

¹⁸² WFP. Myanmar Corporate Emergency Evaluation (2023). The evaluation noted the challenges and potential costs (for example, legal or security costs) where risks are transferred to cooperating partners.

¹⁸³ Examples of partnership agreements between WFP, respective governments and ministries were reviewed in four country offices.

¹⁸⁴ Figure 5 lists all 15 risk areas.

148. Although the ERM Policy and related guidance does not envisage specific risk sharing engagement with other United Nations agencies, evidence from country studies suggest that, where WFP shares risks with United Nations partners, mutual consultations are systematic, open, and often formalized (for example with UNHCR), and are characterized by peer-to-peer communication and real-time sharing of risks as they arise at the initiative of country office leadership and management at both central and decentralized levels.

Finding 23. Given their mutual dependencies for delivery, gaps in risk-related information sharing between WFP and external stakeholders – particularly around donors' risk appetite and tolerance thresholds – can negatively affect the ability of WFP to make risk-informed decisions and increase the potential for dilemmas and misunderstandings.

149. **Risk sharing with WFP Member States, is inherent to WFP's work, since funding is entirely provided on a voluntary basis.** By entrusting their financial resources to WFP, donors may indirectly incur some of the financial and reputational risks taken by the organization. In emergency situations, the WFP "no regrets" approach helps mobilize resources swiftly to address urgent humanitarian needs despite uncertainties, which implies a higher risk appetite by both parties. In these cases, interviewees in headquarters, regional bureaux and two country offices indicated that WFP has recently increased the regularity and clarity of its communication with donors.

150. **WFP transparency on risk is considered high among humanitarian actors such as international NGOs, bilateral development agencies, and other United Nations agencies.**¹⁸⁵ The evaluation found that WFP had applied learning from previous aid diversion cases (specifically, Ethiopia) when information was considered to have reached Member States and donors with delay and at times indirectly.¹⁸⁶ For some high-risk profile country offices, since September 2023, WFP has provided frequent updates to donors about its operational risks and challenges. By doing so, it increases transparency, and it encourages dialogue on risk management. This is reflected in third-party monitoring agreements and structured performance assessments of cooperating partners, which promote transparency and accountability (as highlighted in the Internal Audit Report of WFP Operations in Ukraine).¹⁸⁷ The audit notes that risk sharing and transparency appear to be embedded in operational practices, but they may occur informally or implicitly.¹⁸⁸

151. The country cases analysed offered several examples that demonstrate the influence of donors on WFP risk-related decision making. Different cases emerged where WFP:

- pursued at donor's request high-risk activities that were considered out-of-appetite (example from Somalia relating to working in highly insecure areas during the 2023 famine);
- saw specific donor funding suspended pending cost-intensive mitigation measures, which donors did not always entirely finance, or which affected operational funding and delivery to beneficiaries (for example, investment in digital solutions for beneficiary identity management in the Democratic Republic of the Congo); and
- had to navigate the risk appetite of governments funding WFP operations in their own countries, the organization's own risk appetite and the risk appetite of other donors funding those operations (for example in Pakistan).

152. **There is a tension between WFP operational needs, the need to engender the confidence of external stakeholders including donors, and an inherent aversion to loss shared by all parties involved.** According to several interviews at headquarters, regional bureaux and country offices, donors have historically aligned around the view that WFP has higher risk exposure than other agencies, because of its humanitarian mandate. According to internal and external stakeholder interviews and written inputs, there is an implicit assumption that WFP and its donors share a common interest in saving lives and avoiding loss while upholding humanitarian principles. However, this was often tied to a donor assumption that WFP had a responsibility to mitigate risks, without explicit communication on respective tolerance thresholds after mitigation. As a donor stated: "As WFP is increasingly called upon to perform its operations and deliver assistance in high-risk, conflict contexts, the necessity of an effective risk management

¹⁸⁵ The Aid Transparency Index 2024 scored WFP as 'very good', "a significant achievement for a first Index assessment". This statement was corroborated by key informants at all organisational levels.

¹⁸⁶ Non-functional requirements from donors meeting in Somalia, and notes from CD's mission Internal, Unpublished.

¹⁸⁷ WFP. 2025. Internal Audit of WFP Operations in Ukraine.

¹⁸⁸ Ibid.

framework becomes even more pronounced.” In this light, the GAP and the Global Assurance Framework that followed it, should be seen as high-visibility and resource-intensive corporate risk mitigation endeavours.

153. **In cases where donors shared risk information and risk tolerance thresholds, this supported WFP in navigating complex operational decisions in different operating contexts.** For example, in Somalia, donors developed a joint risk statement identifying 20 issues where they believed humanitarian organizations were overly risk averse. This encouraged humanitarian organizations, including WFP, to increase their risk tolerance on these specific issues. However, the process of reaching a written agreement among donors was lengthy and, during this time, the humanitarian situation in Somalia continued to worsen. In this context, a risk-informed joint decision was taken with donors, because the risk of doing nothing was considered to outweigh the risk of loss. However, such official, transparent, precise agreements are infrequent. Most of the evidence gathered for the evaluation indicated that, whereas WFP often made the first move by disclosing its own risk appetite and risk assessments, donors often did not reciprocate, or if they did, they did so unofficially. In some country offices, donors requested programme risk registers but never gave feedback. As a headquarters informant put it, also reflecting the views of many: “We hope to soon get to a point where there is a mutual acknowledgement of incompressible residual risks – and that these risks are shared. But we still don’t see much donor feedback on what they are ready to tolerate.”

154. **When donors do not disclose their risk appetite and risk tolerance, WFP is in an asymmetric position for risk-informed decision making.** When donors do not explicitly share their risk appetite, WFP operates without a clear understanding about their degree of readiness to share risks, their risk appetite and tolerance to residual risks. This ambiguity has the potential for internal and external repercussions. If one party discloses their real risk appetite, and the other does not, the less-open party may claim that it did not sign up for the risk that has materialized.

155. **Donors have varied levels of tolerance for risk, which changes over time, and can differ between capital and subnational levels, with different yet often implicit positions and strategies towards risk and information sharing.** Diverse sources of evidence highlighted varying donor practice in risk sharing. Within each donor, different roles are affected by risk considerations in different ways: for example, the officers in the field and the officials in capital cities are differently exposed to parliamentary or local media scrutiny, which may affect their contextual understanding and risk appetite. Such variations in the understandings and interpretations of risk tolerance within the same agency may affect the dialogue of donor officials with WFP. Moreover, the different national legislations and regulations have different levels and processes of reporting and oversight for their own ERM. This can place a burden on WFP particularly with regards to the complexity of understanding its many donors’ positioning on risk and responding accordingly.

Sub-EQ 3.2: How have internal and external factors, circumstances and shocks affected the continued relevance and implementation of the WFP ERM Policy?

156. The key internal supporting factors examined earlier in the report as affecting policy implementation and results mainly relate to:

- **improved institutional arrangements for RMD** with greater functional autonomy resulting from shifts in organizational structure, with RMD reporting to the Deputy Executive Director and Chief Operating Officer rather than the Chief Financial Officer (Finding 6); and
- **an enhanced risk culture in WFP**, linked to operational decision making, and increased organizational buy-in to ERM following high-profile incidents and subsequent actions and measures taken at leadership level (findings 17, 18).

157. The key internal hindering factors noted are:

- **unclear delineation of roles and responsibilities** for shared mitigation actions and post-escalation risk ownership (Finding 16);
- **missed opportunities to integrate risk analysis into CSP preparatory works and final design**, constraining the margins for considering risks in strategic planning processes (Finding 18); and
- **a lack of a centralized ERM IT system**, creating administrative burdens and complicating reporting processes (Findings 7 and Finding 9).

158. Findings in this section examine two additional external factors, which emerged as hindering policy implementation, namely balancing humanitarian principles with ERM, and funding gaps.

Finding 24. There are inherent tensions, but no contradictions between ERM and implementing the WFP mandate in the face of external shocks and emerging challenges, and in accordance with humanitarian principles.

159. **ERM approaches and practices must keep up with dynamic humanitarian situations where changing risks affecting crisis-affected and food insecure people, and the organization must be considered.** For instance, an after-action review conducted in one emergency context highlights a gap between operational risk realities and the corporately defined approach to risk management. In this context, the standardized approach to risk management sometimes failed to capture the nuanced and immediate risks faced in the field, both strategically and operationally, within a politically sensitive environment. These challenges highlight the inherent difficulty, yet the necessity, to combine ERM methodologies with other lenses and different provisions (such as around the application of emergency protocols, conflict sensitivity, the principle of doing no harm, etc.) when grappling with the realities of complex operating environments,¹⁸⁹ and striving to adhere to the humanitarian principles.¹⁹⁰ The ERM Policy highlights the need to balance risk management and adherence to the humanitarian principles. The Policy highlights the need to “reach the people vulnerable to food insecurity and malnutrition while at the same time safeguarding resources and engaging in a way that minimizes and contains risk while maintaining conformity with the humanitarian principles”.¹⁹¹

160. **In ERM, there can be a tension, although not a contradiction, between the principle of humanity¹⁹² and the pressure to reduce risks.** Previous evaluations¹⁹³ highlight trade-offs between agile delivery, in terms of “getting things done”, particularly in emergency response contexts and risk management, whereby risk management processes could potentially increase WFP response times. The tension is therefore not with risk management and risk-informed decision making in themselves, but rather with a pressure to reduce risks beyond what adherence to the humanity principle in emergency situations demand – or at a time and financial cost that WFP cannot afford. The OIGA 2022 Advisory Assignment report on ERM conducted by Baldwin Global noted that “WFP could be more specific in stating its inherently high-risk tolerance for risks associated with crisis situations requiring emergency operations to relieve hunger.” This appears in line with the organization’s high appetite for strategic risks as articulated in the Policy.

161. **The “no-regrets” approach, in line with ERM is a risk-informed approach.**¹⁹⁴ In interviews at headquarters and at the field level, several informants often associated the humanity principle with the “no regrets” approach. While there is no specific corporate policy on “no-regrets”, the WFP Emergency Activation Protocol,¹⁹⁵ updated in 2024, states that the “no regrets approach requires [that] action is taken prior to an emergency mobilizing excess capacity and resources, rather than [running the] risk [of] failing to meet urgent needs of people in crisis. In doing so, the decision to respond to an emergency is a strategic decision through which WFP has a higher risk appetite threshold.” Accordingly, in the Protocol, WFP depicts “no regrets” as a risk-informed approach, which consciously seems to absorb a higher tolerance to risk in order to avert the wider risk to beneficiaries of failing to address their needs, in accordance with the humanity principle. This approach, while exposing WFP to the risk of deploying disproportionate means if the risk materializes less severely than expected, prevents the greater risk of failure to deliver. Some documents and interviewees use the term “no regrets” in a broader sense, referring to an “ethos” extending to contexts outside emergency response and prompting staff “to implement procedures as swiftly as possible, so that the greater humanitarian risk of failure to deliver did not arise”.¹⁹⁶

¹⁸⁹ WFP, 2022, Ukraine After Action Review Findings and Recommendations.

¹⁹⁰ WFP Executive Board, Policy Issues, Humanitarian Principles (2004).

¹⁹¹ The Corporate Guidance on WFP’s Commitment to Operational Independence is an example of guidance aiming to respond to such need.

¹⁹² Humanity is defined as a timely, both preventive and reactive and therefore essentially risk-informed, effort “to prevent and alleviate human suffering wherever it is found and respond with food aid when appropriate [...] in ways that respect life, health and dignity”.

¹⁹³ Evaluation of WFP Corporate Emergency Response in Northeast Nigeria (2019); WFP’s Capacity to Respond to Emergencies (2020); Evaluation of the WFP Response to the COVID-19 Pandemic (2022); Management review of significant risk and control issues (2022).

¹⁹⁴ The IASC adopts a forward leaning “no regrets” approach to preparedness action, especially once thresholds that have been identified through risk analysis are met.

¹⁹⁵ WFP’s Emergency Activation Protocol (2024).

¹⁹⁶ Evaluation of the WFP Response to the COVID-19 Pandemic (2022).

162. **Tensions between ERM and the neutrality, impartiality and operational independence principles were found to require further guidance.** Even outside of emergency situations, dependence upon other actors to implement risk mitigation measures was reported by some country offices and headquarters officials to have increased, with updated guidance needed. Examples of challenging situations cited by interviewees included dependency on host governments in countries facing corruption concerns; reliance upon armed forces, which are effectively in control of an area, for access to beneficiaries; and reliance on government data that could expose beneficiaries to risk. The 2024 Burkina Faso country office audit noted the incompleteness of corporate guidance on this topic:

“Prioritizing the humanitarian imperative to maintain presence amidst rising populations in need requires working with the government while managing security risks to staff and negotiating access to reach vulnerable populations. Corporate gaps in guidance and unclarity in WFP’s position persist on working with governments in contexts like Burkina Faso and how to navigate trade-offs between the need to stay and deliver and operational independence.”

RMD subsequently contributed to the draft guidance paper on “armed escort”: this contribution illustrates the importance of constant cross-fertilization between ERM and the challenges of balancing humanitarian principles in operational contexts.

163. **Acting according to humanitarian principles was found to contribute to risk mitigation, but WFP faces the challenge of balancing risk management and adherence to the humanitarian principles in an increasingly complex set of humanitarian operating environments.**¹⁹⁷ The evaluation found evidence of mutual reinforcement between adherence to humanitarian principles and risk mitigation. Some country office level managers reported that they were able to reduce security risks to personnel and cooperating partners thanks to WFP’s position as a neutral, impartial actor. In these cases, country offices reported that, as WFP was not associated with the parties in conflicts, or with political actors, their staff and operations were less exposed to threats from other parties or actors. In two country offices, managers reported that ensuring WFP acted independently from armed groups decreased the likelihood that food commodities would be instrumentalized by those groups. Even in more stable contexts, where WFP works predominantly in an enabling or support role to national actors and systems, the evaluation noted the increasing relevance and challenges of acting in a risk-informed and principled manner. As an interviewee expressed, paraphrasing others: “Does national system strengthening with governments, and resilience work encroach upon operational independence? This is set in a worldwide context where humanitarian situations have become much more politicized: that warrants more thinking about humanitarian principles and the risks WFP faces.” Divergences may concern: different levels of acceptance of financial losses (for example, the financial value of aid diversion); different attitudes towards human capital (risks posed to staff, partners, beneficiaries); and different attitudes to political capital (for example, different tolerance for reputational risks). The recent corporate guidance on operational independence testifies to WFP’s attention to the issue, and its connection with risk management.

Finding 25. A constrained funding environment reduces the ability of WFP to sustain ERM practices and respond to emerging challenges and external shocks in accordance with humanitarian principles.

164. **Funding and human resources determine the ability of WFP to reliably inform risk management with data, and to manage shared risks in case of external shocks.** Declining funding levels have been reported to drive risk appetite down, as financial losses are more consequential, and to exacerbate differences in attitudes to risk within WFP. Some country offices also raised concerns about the organization’s risk appetite in a context of reduced funding. During interviews, some country offices and regional bureaux expressed concern that the human resource demand for ERM sometimes competes with that of operations. The Strategic Evaluation of WFP’s Use of Technology in Constrained Environments (2022) found that “the process for introducing new solutions, [...] was still seen as slow, costly and cumbersome, contributing to tensions between rapid innovation needs and risk management”.

165. **Scarcity of resources further limits the ability of WFP to assess and monitor risks based on optimal data and metrics, which in turn can affect consensus about risk management.** Risk metrics

¹⁹⁷ The WFP Evaluation of WFP’s Capacity to Respond to Emergencies notes strengthened risk management systems create tensions and challenges for WFP’s ability to respond quickly to emergencies while at the same time meeting the expectations of donors. At times risk management systems are relaxed to enable operational efficiency, but this approach is not systematic, and its impact on other characteristics of a high-quality response is unclear.

research can be costly, and there is not always enough funding to finance risk specialists (for example, in small country offices). In two small country offices, interviewees indicated that the country office did not have the means to systematically monitor risks, which could create different perceptions within the staff about risk mitigation and informed decision making, especially when confronted with fluid situations (for example, conflict, influx of refugees). Resource gaps were found to limit the ability of country offices to demonstrate steps taken for risk management and mitigation, which is required to gain the confidence of donors to mobilize resources. As a donor pointed out: “In a challenging funding environment, almost all WFP offices have undergone budget cuts [...] we are concerned that resources and staffing levels may be insufficient to be effective in risk management and mitigation, and in securing the needed internal cultural shift on risk.”

166. **When the resources needed to bring risks within appetite decline, WFP faces a trade-off in terms of fulfilling its mandate while operating in a principled manner – particularly in high-risk contexts – and responding to increasing needs with more limited resources.** This is because risk mitigation measures can be costly, and resolving such trade-offs also depends significantly upon donors’ financial commitments and levels of earmarking. What is at stake when funding contracts, is the organization’s ability not only to maintain a network of ERM specialists, but also to sustain the cost of implementing ERM across WFP. In times of resource constraints, the tension between controls and mitigation measures, and the organization’s ability to deliver can be expected to grow.

Lessons learned: funding shortages endanger ERM at the field level

Small country offices and lower-risk country offices, with limited funding for human resources in general, strongly experience the financial pressure of implementing ERM. Some controls and standard mitigation measures are beyond the reach of smaller country offices. As an interviewee put it, “benchmarks and standards are applied exactly the same for a country office with a [USD] 5 million budget, and a [USD] 500 million country office: if you do that, you will bankrupt the small one, because they will just spend all their resources applying standards.”

Larger, high-risk country offices, show that a critical minimum level of funding is necessary to ensure resilience of ERM to shocks and resolve these tensions.

For example, Ukraine, a well-funded country office operating in an emergency context was able to uphold ERM practices. Audits and annual reports revealed that the country office focused on structured and strategic resource allocation and was able to uphold ERM practices while ensuring that essential operations were not disrupted.¹⁹⁸ Internal procedures were robust despite financial pressures, suggesting that WFP had sufficient institutional safeguards in place to uphold ERM practices, even under somewhat reduced funding conditions.¹⁹⁹

¹⁹⁸WFP Ukraine country office. Annual Performance Plan 2023.

¹⁹⁹ WFP. OIG. Internal Audit of WFP Operations in Ukraine. 2025.

3. Conclusions and recommendations

3.1. Conclusions

Conclusion 1 – The 2018 ERM Policy provides a firm foundation for risk management in WFP, with potential for further clarity and more in-depth coverage of specific issues particularly around risk mitigation and escalation.

167. The 2018 ERM Policy profoundly changed the way WFP defines risk management at corporate and field levels. The Policy document is supported by extensive accompanying guidance developed and updated over time. Both the Policy and guidance are in line with United Nations ERM standards and are ahead of the curve when compared with other United Nations organizations. They are widely known across WFP, thanks to training and promotion efforts, although the degree of understanding of the ERM framework's components is uneven.

168. These documents present areas for improvement, as they conflate some key concepts such as risk appetite, tolerance to residual risk, risk materialization and risk velocity, leaving important areas of ERM, such as escalation and delineation of roles within the three lines model, insufficiently defined. Given that the three lines model was updated after the publication of the Policy, the transition from the three lines of defence to the three lines model is not yet fully understood or embraced, in particular the role of the second line in risk management practices and processes. The guidance documentation has proliferated during the period under review, thus becoming more comprehensive but also difficult for users to navigate. Cross-cutting issues such as gender equality and women's empowerment, inclusion and protection, are underplayed, and the rational economic choices of beneficiaries are not always well integrated into risk analysis. The upcoming revision of the ERM Policy presents a critical opportunity to resolve existing coherence challenges and strengthen integration with both enabling and cross-cutting policies.

169. These shortcomings led to some confusion regarding accountabilities and responsibilities in cases where a risk is escalated, or when several entities within WFP depend on one another to manage a risk. This, in turn, has curtailed the organization's ability to optimally prevent and respond to some risk events, while at the same time country directors have taken the brunt of the fallout. A high demand was noted for more clarity and fairer division of responsibilities, which the recently issued Management Accountability Framework may help respond to in the future.

Conclusion 2 – Increasingly well established and integrated risk management functions are contributing to enhancing the risk culture at WFP.

170. Routinely confronted by fluid, challenging contexts, and an obligation to uphold the humanitarian principles,²⁰⁰ WFP officials are continually confronted with the need to manage risks. The ERM Policy has therefore supported the organization's effort to convert the work to constantly manage risks into a harmonized, disciplined and durable system.

171. The evaluation finds that ERM has increasingly become "everyone's business", and there is now an expectation for clearer allocation and sharing of accountabilities, which should be fully articulated in an updated oversight and accountability framework and guidance, which better align responsibilities for risk management with the emerging ways of doing business in WFP in a changing context.

172. The emphasis placed on ERM by WFP leadership has lent the Policy high visibility. The "tone at the top" propelled risk management to the top of the organization's agenda. This strong messaging, further emphasized after the 2022 aid diversion case, has been followed through with organizational investments, particularly through the launch of the GAP, which enhanced visibility and organizational attention to risk management. Notwithstanding, the GAP requirements introduced some redundancy with ERM processes

²⁰⁰ WFP. 2004. Statement of Humanitarian Principles: Humanitarian principles are based on the belief that we all have a responsibility "to uphold the principles of human dignity, equality and equity at the global level", as stated in the UN Millennium Declaration.

(for example, around risk reporting).

173. The RMD has grown stronger since 2018, and it is now appropriately placed within the top layer of the organization's structure. Regional bureaux and country offices complemented headquarters' efforts, with RMD's support, by establishing a global network of risk specialists. The resources dedicated to this network vary across country offices, and so does ERM capacity. While this situation leaves room for improvement, the priority afforded to ERM human resources in the highest-risk countries is a sound course of action. Various country offices pioneer consultative ERM frameworks, and risk specialists gradually grow into trusted advisers, although conflicting priorities may overshadow ERM processes locally in some cases. WFP's risk culture is therefore maturing, and gradually trickling down from risk specialists to managers and, ultimately, to all staff.

Conclusion 3 – Guided by the ERM Policy and its tools, risk-informed decision making has improved across the organization with risk increasingly becoming everyone's business. However, there are opportunities to enhance the links across risk management, programme planning and operational decision making, and strengthen management of risk escalation.

174. The ERM Policy and its methodologies, tools and resources have contributed to enhanced structure, consistency and transparency in risk-informed decision making within WFP. The quality and uptake of risk approaches, such as the use of risk registers, has increased. This improvement in risk management increasingly feeds into planning, both at corporate and field levels. Although there have been important gains, there are still opportunities to strengthen the mechanisms and guidance supporting policy implementation across WFP to further embed ERM in organizational practices and programming in WFP and reinforce processes for escalation of risks.

175. At the operational level, the Policy and accompanying guidance have proven useful for better decision making, better controls and better understanding of interaction between contexts, internal processes and performance results, but risk metrics and performance metrics remain too compartmentalized. Stronger synergies across ERM, planning, execution and monitoring are now needed to optimize this contribution. There is space for WFP to use ERM more for learning, forecasting and performance management.

Conclusion 4 – The operating contexts and nature of WFP's work call for an approach to risk management that draws upon both formalized risk processes and more implicit risk management practices.

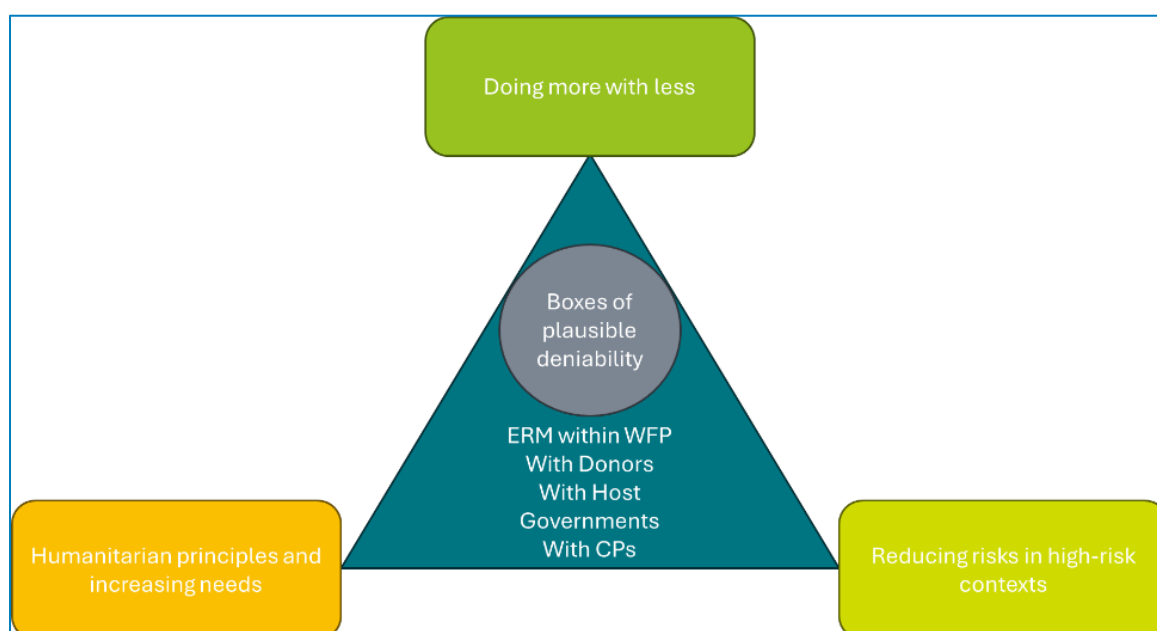
176. WFP is required to manage high risks given its mandate and the often-dynamic contexts in which it operates. This warrants prompt decision making, given that the impact on individuals and systems can be immediate and lasting. WFP ERM tools have had to adapt to this reality. WFP also operates in more stable contexts where its engagement is more geared towards supporting national systems and capacities. Therefore, WFP is called upon to widen and adapt its approaches and practice to risk management to multiple operating contexts to respond to this heterogeneity.

177. The highly decentralized nature of WFP facilitates this adaptation, but it coexists with a corporate culture of "getting things done" and "coming up with solutions, not problems." This can disincentivize risk reporting, escalation and, at times, mitigation, as it takes trust in corporate support to combine the level of autonomy and resilience expected of WFP staff with open and transparent risk management.

Conclusion 5 – For WFP risk management to be effective, WFP must balance commitment to delivery with attention to humanitarian principles, and confront information gaps about external stakeholders, including donors' risk tolerance.

178. With an unprecedented gap between operational needs and available funding, WFP is required to do more, and do better with less. This includes for ERM, when there is increased pressure to reduce costs and enhance efficiency, while demonstrating added value and securing external stakeholders', including donors', confidence. Within WFP high-risk operational contexts, risk management can be highly challenging, or have disproportionate costs, at a time when every dollar counts to meet the needs of crisis-affected and food-insecure people.

Figure 33: Trade-offs and tensions in risk management for WFP



Source: Evaluation team.

179. WFP does not always have visibility of its external stakeholders, including donors' actual and foreseen risk appetite and tolerance. This can only be resolved through communication of risks with those stakeholders that WFP shares risks with, including:

- donors that entrust their funds and reputation to WFP and rely on WFP to implement their commitments to shared humanitarian principles;
- host governments that rely on WFP to reach to their most at-risk populations, while ensuring, within their capacity, a safer environment for WFP operations; and
- cooperating partners that implement some of the highest-risk WFP activities, and to whom WFP entrusts its funds, commodities and reputation.

180. However, there are multiple shortfalls in risk dialogue with these actors as there is not always an explicit discussion about each party's actual risk appetite, about tolerance to residual risks, about acceptance of losses, and about the risk of doing nothing. Because many agreements are tacit, or undocumented, it exposes WFP to swings of attitude, or simply turnover among partners' representatives. In case of serious incidents, WFP is exposed to being held solely responsible for risks that may have been informally agreed upon but not documented.

181. It is the role of the future updated ERM Policy, as endorsed by the Executive Board including Member States that are also donors and hosts of WFP operations, to reduce the room for misunderstandings and bolster trust within the organization and with external stakeholders.

3.2. Recommendations

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
Recommendation 1: Revise, update and consolidate the ERM policy document and accompanying guidelines, ensuring adequate dissemination and communication.		RMD		
1.1 Revise the ERM policy, ensuring that it clarifies and strengthens WFP's approach to ERM at all levels. At a minimum, when revising the policy, WFP should consider developing a theory of change.²⁰¹ The updated policy should also include the following elements: • a vision for ERM; • the mission of the ERM policy; • the mandate of RMD; • the contours of the ERM system, namely: ○ the three lines model and the roles to be performed; ○ the five basic steps of the risk management life cycle; ○ the principles and framework governing risk escalation; and ○ the concepts of stages of risk realization and risk velocity; • the principles guiding the implementation of the policy, distinguishing between: ○ corporate risk appetite statements for risk areas before treatment;²⁰² and ○ corporate risk tolerance statements for risk areas after treatment	High	RMD	Programme Policy and Guidance Division, Security Division	Fourth quarter 2027
1.2 Strengthen mechanisms and guidance and their dissemination to support implementation of the revised ERM policy throughout WFP.	High	RMD	Emergency Preparedness and Response Service,	First quarter 2028

²⁰¹ The full evaluation report includes a fully fledged theory of change that was developed as part of the evaluation process in order to make explicit the intended pathways along the results chain set out in the policy. The theory of change was reviewed and discussed with RMD employees as well as with regional risk officers and advisors and could serve as a basis for developing a theory of change to inform the ERM policy revision process.

²⁰² Risk treatment can involve "accepting", "avoiding", "mitigating", or "transferring" risks.

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
At a minimum, the following issues should be covered: • protection from sexual exploitation and abuse, security, privacy and data protection, in line with the revised ERM policy update related guidance; • the five steps of the risk management life cycle and their components, as well as ongoing controls, as a guiding framework for employees; • the roles, responsibilities and accountability for ERM beyond RMD, particularly in terms of ERM's contribution to enhanced decision-making and programming; • guidance on how to assess risk exposure, how to identify risk realization and how to assess risk velocity; • the types of mitigation measures; • a step-by-step guide on the process of risk escalation; and • guidance on residual risk after treatment.			Strategic Coordination and Assistant Executive Director Office (POC), Security Division, Global Privacy Office, Protection from Sexual Exploitation and Abuse Unit	
1.3 Ensure that the revised ERM policy facilitates greater policy coherence. At a minimum, following the approval of the revised ERM policy, a mechanism should be set up to ensure that all drafts of new or updated WFP policies and corporate documents are reviewed from a risk-management perspective. The mechanism should: • propose ways in which corporate documents should explicitly refer to the ERM policy in force; • propose a taxonomy and terminology to support risk management across WFP's policy and programme areas and business processes; and • clarify responsibilities and accountability relating to risk management for decision-making processes in the most critical policy and programme areas; these should also be in line with the 2025 management accountability framework.	High	RMD	Office of the Deputy Executive Director and Chief Operating Officer	Fourth quarter 2027
Recommendation 2: Take steps to further strengthen the ERM culture within WFP.		RMD		
2.1 Take steps to promote and encourage ERM, thereby fostering broad ownership and detailed understanding of the strategic significance and programmatic implications of risk management across WFP. Practical steps should include – but not be limited to – the following:	Medium	RMD	Human Resources Division	First quarter 2028

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
- reflect ERM in development and learning programmes designed for risk specialists and all other employees; - expand the coverage and encourage the uptake of ERM training updated to reflect the new ERM policy and guidelines; and - establish explicit targets for increasing the coverage of ERM training across WFP.				
Recommendation 3: Strengthen ERM tools to enhance the contribution of risk management to decision-making and performance – including with regard to cross-cutting issues.		RMD		
3.1 Develop a secure online platform for risk management that can work in an integrated fashion with other WFP systems. Ensure that risk information and reporting are easily accessible and consolidated throughout, considering factors such as data protection and privacy requirements.	Medium	RMD	Technology Division, Management Services Division, Global Privacy Office	Third quarter 2026
3.2 Update the risk catalogue to focus it more explicitly on – and give more visibility to – managing risks relating to sexual exploitation and abuse, protection, gender issues and security across more than one risk category.	Medium	RMD	Gender, Protection and Inclusion Service; Protection from Sexual Exploitation and Abuse Unit, Security Division	Fourth quarter 2027
Recommendation 4: Enhance the clarity of risk management resourcing and capacity.		RMD		
4.1 Strengthen and harmonize the allocation of human and financial resources to risk management, considering the broader corporate context of constrained resources and organizational realignment. To achieve this, the following actions should be considered: - developing criteria to determine the necessary risk management resources and capacity at various levels of the organization; - advising directors so that ERM focal points and full-time risk officers in country offices have clear individual performance objectives and appraisals that are aligned with the revised ERM policy; and	High	RMD	Human Resources Division, Programme Policy and Guidance Division	Third quarter 2026

Recommendations and sub-recommendations	Priority	Lead entity	Supporting entities	Deadline for completion
identifying the circumstances under which the appointment of a risk focal point in a country office (where risk officers are not present) or in functional units at headquarters in Rome should be strongly recommended.				
Recommendation 5: Take steps to enhance mutual transparency on risk management with external stakeholders.		Partnerships and Innovation Department		
5.1 Facilitate dialogue with external stakeholders, including donors and key cooperating partners, in particular with regard to risk appetite and residual risk tolerance. This should include the development of mechanisms, accompanied by supporting guidance and templates, for country office coordination and dialogue with donors and government partners on context-specific risk appetite and residual risk tolerance, with a view to informing and supporting mutual understanding regarding risk appetite in various settings and risk tolerance after mitigation while acknowledging that in WFP's operating environments, risks can be mitigated but not totally eliminated. These mechanisms should help to inform and focus WFP's engagement with partners, covering the following issues: - risk identification and assessment; - clear and distinct risk appetite statements and risk tolerance after mitigation; - proposed mitigation measures, their costs and other implications and an assessment of their cost/benefit ratios; and - explicit agreements on mitigation measures that result in risk sharing with cooperating partners.	High	Partnerships and Innovation Department	RMD, POC	Fourth quarter 2026
5.2 Establish channels to ensure regular discussions with host governments on risk appetite and residual risk tolerance as part of mutual accountability. This should include the following: - consultation with government partners on risks of strategic importance; and - provisions to ensure that regular discussions take place and that a record is kept of risk-related issues (particularly around risk mitigation) for which there can be interdependencies between WFP and government partners.	Medium	RMD	POC	Fourth quarter 2026

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