WFP World Food Programme

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

GENERAL CONTEXT

POLICY OBJECTIVES

maintain a consistent **risk management framework**

establish and sustain a **culture of risk management**

risk appetite: achieve a common understanding of WFP's exposures to different types of risks in relation to the type and amount of risk WFP is willing to accept in different situations to achieve its goals

POLICY FEATURES

risk categorization into risk types and risk areas

structured framework for risks identification

clear roles and responsibilities related to Enterprise Risk Management (ERM) definition of a **risk management lifecycle** (comprising risk identification, assessment, escalation, mitigation, and risk monitoring)

2018 — EVALUATION — 2024

KEY FINDINGS & CONCLUSIONS

QUALITY OF POLICY DESIGN, ROLL-OUT AND IMPLEMENTATION

Firm foundation for risk management in WFP

Policy design drawing from evidence, including audit

Limited representation of cross-cutting issues

Unclear links between policy ERM processes and policy objectives (missing theory of change)

RISK CULTURE IN WFP

ERM has become a higher priority on the corporate agenda

Risk management is increasingly becoming everyone's business

Opportunities for more systematic integration of ERM into staff core competencies

ACHIEVEMENTS OF POLICY IMPLEMENTATION RESULTS

Evidence of improved risk informed decision-making across WFP

Key progress made in risk identification, risk assessment, and monitoring. Persisting challenges in risk mitigation and risk escalation

Increased use of key risk indicators to define risk escalation thresholds

Roles, responsibilities and accountabilities for risks escalation remain unclear

Effective uptake of ERM hindered by limited collaboration on risk management across functions and lack of ERM IT platform

ERM CONTRIBUTION TO ENHANCED WFP PERFORMANCE

Corporate and strategic planning processes are highly-risk informed

Linkages between risk management with performance management and planning could be better established

Risk officers play a key role in enhancing risk-informed decision making in some contexts, but in other silos remain between risk specialists and programme staff

WFP often pursues out-of-appetite activities when risks are poorly defined at country level, and when, even after risk mitigation, residual risks are high

ACHIEVEMENTS OF POLICY IMPLEMENTATION RESULTS

Sharing risks with external partners is a core part of WFP's work, but the corporate guidance on risk sharing is used inconsistently and the perception that WFP transfers rather than shares risks with cooperating partners remain

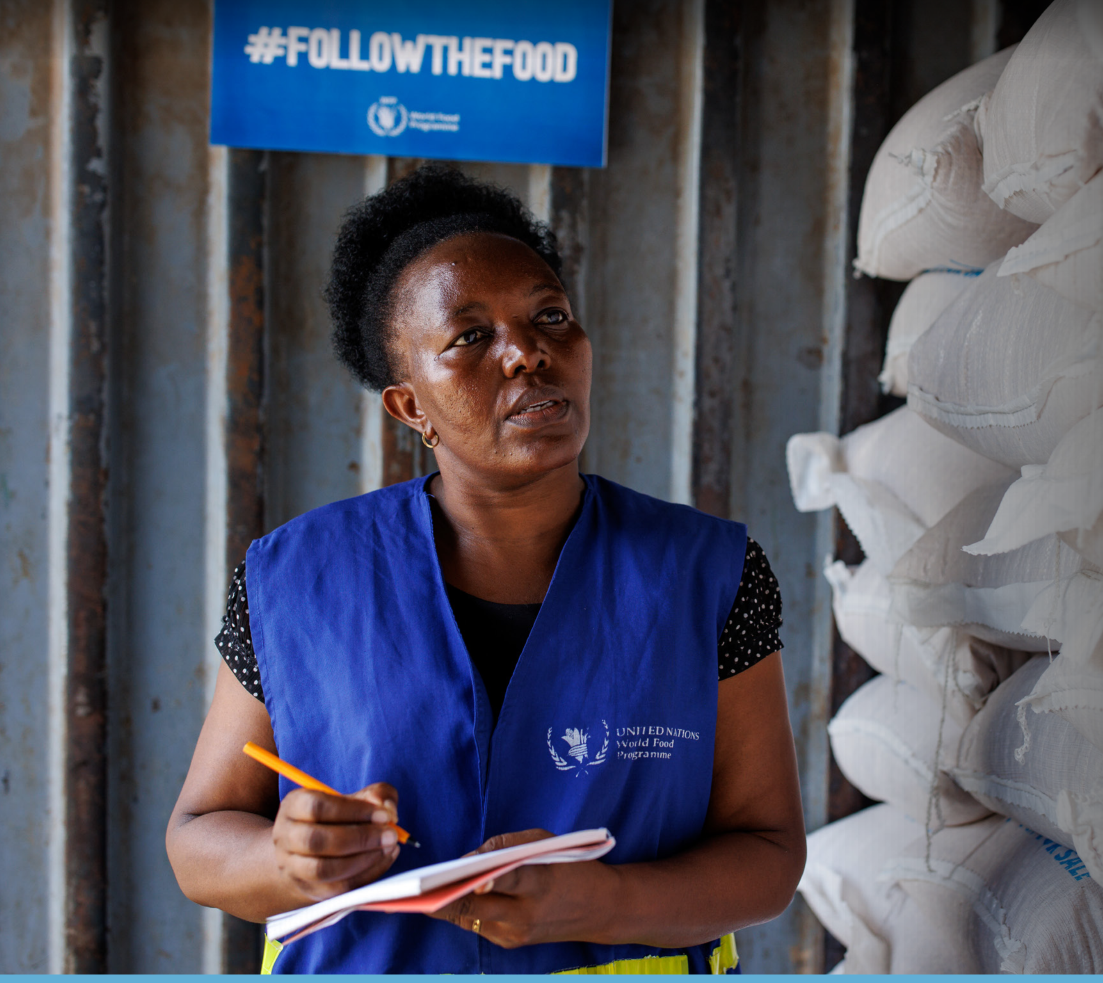
Risk sharing with host governments is challenged by limited information sharing, and limited formalization of risk sharing practices

Enhanced regularity and clarity in WFP's communication with donors and Member States, and greater focus on accountability and transparency in risk management practices

Tension but no contradiction, between humanitarian principles, and the pressure to reduce risks. However, WFP continues to face challenges in balancing principled, risk-informed operations with the need for agile delivery

Funding prospects for enterprise risk management remain uncertain in the evolving organizational context

RECOMMENDATIONS



1. Revise, update and consolidate the ERM Policy and accompanying guidelines
2. Further strengthen the ERM culture within WFP
3. Strengthen ERM tools to enhance contribution to decision-making and performance – including cross-cutting issues
4. Enhance clarity of resourcing and capacity for risk management
5. Take steps to enhance mutual transparency on risk management with external stakeholders

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